

Real Estate

ABCs of buying first resale home

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SPECIAL TO THE STAR

Bruce Heakes is on the hunt for his first home — a 1930s fixer-upper full of charm and character.

"A new home is great for someone who wants to just move right in without having to do any work (but) it usually means living in a suburb, which I do not want," says the mid-Toronto resident. "Also, a lot of people like having everything shiny and new, which is not a priority for me."

What matters more to Heakes? "Character, neighbourhood, coziness, an amazing clawfoot bathtub and a feeling of home."

Benefits aside — mature trees, character, established neighbourhood, amenities — buying a resale home can be risky, especially for first-time buyers. Below is a list of considerations to guide you through the process.

AGENT OR ALONE?

"If you don't have a realtor, then who's protecting your interests?" says Dan Flomen, owner of TFN Realty. "You're not saving anything ... you're hurting yourself."

While you may be evaluating homes for the first time, an experienced agent has likely viewed thousands and will be able to point out those given a quick cosmetic makeover — and the diamonds in the rough.

"You can walk into a house and it can be an old, beat-up-looking house, but if people can see behind that you can end up with a better house than a house that's been staged to sell," says Rob Barkin, sales rep with Royal LePage Partners Realty.

Agents have access to information you don't, like what nearby homes have been selling for. Armed with that, they can

Online help

Following are some websites with more information on all facets of buying a home:

Canada Mortgage and Housing:

www.cmhc-schl.gc.ca/

Toronto Real Estate Board:

www.torontorealestateboard.com

Greater Toronto Home Builders' Association:

www.gthba.ca/

Hamilton-Halton Home Builders' Association:

www.hhhba.ca/

Ontario Home Builders' Association:

www.homesontario.com

sometimes negotiate a lower price on your behalf, he said.

"You don't actually pay any commission... It's only the seller of the home," says Joshua Kingsmill, who bought his first resale home near Yonge and Lawrence.

THE WISH LIST

The more specific you are, the more your realtor can help you find what you're looking for.

You need to determine, "what features are deal breakers, highly preferred, or nice to have," says Heakes. "For me, lack of parking is a deal breaker. I might consider a parking pad if I could live in a highly preferred location, such as being right at Yonge and Eglinton."

The other major factor is where you want to live and why.

"When choosing a neighbourhood in Toronto, what is important to you? Proximity to subway? Proximity to amenities? Proximity to your work?" asks Heakes. "I probably cannot af-

ford a house in this neighbourhood (Davisville and Mt. Pleasant), so I have to consider why I like this neighbourhood and expand my search to other areas with the same characteristics."

MONEY MATTERS

First establish a budget.

Tim Thomas, a real estate lawyer, recommends first-time buyers use their rent as a guideline for mortgage payments.

Next, talk to a mortgage broker to determine what you can borrow so you don't look at places you can't afford.

Angela Carruthers, a first-time resale buyer in the Spadina and Eglinton area, got pre-approved for a mortgage before looking. "That was really helpful."

Keep in mind there are many additional costs. There's the loan if you've borrowed the down payment, property and land transfer taxes, water, gas, hydro, insurance, fees and disbursements, repairs and the maintenance needs of an older home.

"Experience has taught me that, every time I look at a house, I have to ask myself what work will be required immediately," Heakes says. "For example, replacing knob and tube wiring for insurance purposes."

Finally, stick to your financial plan. "Can you set a limit and be strong enough not to be strong-armed into exceeding it?" he asks. "Bidding wars are a killer. I bid on a nice bungalow off Bayview, with all of the character that I wanted. The asking price was \$369,000. Because it was a single lot with rear parking, it sold for \$565,000... It's a huge balancing act."

HOME INSPECTIONS

In 22 years, Jeff Clarke, president of Baker Street Home Inspection, has looked at thou-



COLIN MCCONNELL/TORONTO STAR

Jeff Clarke, president of Baker Street Home Inspection, examines some open wiring in the basement of an older house his client is considering buying. An inspection costs about \$300 to \$500 in the GTA.

sands of homes. "I have not ever done a house where we didn't bring value and it could be a two-year-old house or it could even be a condo," he says.

At the least, a home inspection — about \$300 to \$500 in the GTA — should sniff out poten-

tially expensive problems, say a furnace about to die or a leaky basement. Clarke says finding \$10,000 to \$15,000 of work is not uncommon. At best, it's an orientation to your home's inner workings and a lesson in how to prevent problems.

"It helps educate people on how to care for their home," says Brian Daley, president of Associated Group of Home Inspectors. "It's safe to say that every house has challenges whether it's a year old, 10 years old or 100 years old."