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[Why you should never buy a pre-construction condo](#)

Identifying the six factors that have turned pre-construction condos into a deal you don't want to make.

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The Grid

Until a few years ago, pre-construction condos offered buyers a true deal compared to resale properties. You would have likely paid \$400 per square foot for pre-construction while prices at the two-year-old condo next door were \$475. But times have changed, and so too has the industry. Today, I'm seeing a rise in "boutique" developers, poorer quality buildings and more and more frustrated buyers. Last year, I made a significant change in the way I do business: I completely stopped selling and advocating the purchase of pre-construction condo units. Here's why.

**Price.** The purchase made sense when you were getting a discount for taking on the risk, the uncertainty and the three- or four-year wait rather than purchasing a resale condo and taking possession tomorrow. But now that prices for pre-construction are the same as (and, in some cases, higher than) resale, what's the incentive?

**Material changes.** That 200-page sales contract is riddled with phrases like "more or less" and "subject to change without notice." These agreements are iron-clad, and developers have free rein to make sweeping changes to the building, and your unit, without much recourse for you. Imagine if you bought on the 28th floor, which was the top or even the penthouse, and then the developer added 10 more floors, leaving you in the muddled middle.

**Occupancy fees.** When you're given the keys to your condo, you're undertaking occupancy but you don't own the unit. The building is not registered as a condominium corporation until well after all the units have been completed. Until that time, residents aren't able to make mortgage payments; instead, you have to pay an occupancy fee to the developer. It's like paying rent on a condo you own. This used to take four to six months, but now it's closer to a year.

**Constant construction.** If you're given occupancy to your condo on the fourth floor, chances are that there's still construction happening on the fifth, while the 28th will be lucky to have walls and a ceiling. Construction could be ongoing in every area of the building except your own unit, and the workers won't care that you call this place home.

**Incomplete common areas.** When you move in, the hallway floors will most likely be concrete with no carpets, the walls will not have been painted and there may be no mouldings or lights. You'll probably find pieces of drywall scattered about and, perhaps, old lunches left behind by workers. The lobby won't be complete for

some time, although the developer will assign a “concierge” to sit at a card table and pretend to watch who comes in and out of the building. And if you think you’re going for a nice steam or a workout in the gym, be prepared to wait a year. Careless, clueless salespeople. By the time you take occupancy of your new condo, the salespeople for the original project are busy selling phases two and three. The same people who were so helpful when you were ready to buy won’t answer your calls when you need to remedy issues with your unit. Many developers move on long before the job is done, and your only option is legal action, which most people can’t afford.

There’s no doubting that reputable, responsible and high-quality developers do exist. But the floodgates have been opened to a host of fly-by-nighters who constantly disappoint buyers and who generate the horror stories we’ve become so accustomed to hearing over the past few years. Don’t be fooled by the launch party with all the pretty girls, crab cakes and chicken skewers. That’s not a reason to buy a new condo when you can buy a resale unit and take possession in 30 days, knowing exactly what you’re getting.