

# PRE-OWNED

VS

# PRE- CONSTRUCTION

the pros

- Resale homes are typically located in more established neighborhoods with closer amenities.
- You are buying at today's prices.
- Deposits can start as low as 5%.
- The price is negotiable (as long as there are no bidding wars).
- When placing an offer on a resale home, you can negotiate on timing factors, including possession and move-in dates.
- Resale homes in established neighborhoods have more mature trees and landscaping.
- You know more of what you are getting with a pre-owned home if you did a home inspection prior to purchase.
- Resale houses typically come with additional features, such as window treatments, built-ins, security systems, upgraded cabinets, finished basements, landscaping, etc.
- There is no HST tax on residential resale properties in Ontario.

- You may have options to customize your home to the way you like it, including choosing the lot/unit location and many decor features.
- You get to pay the full deposit in installments, giving you more time to save for the downpayment (i.e. 5% at close, 5% in 30 days, 5% in 60 days, 5% at either 120/240/365 days)
- You get to purchase a home that nobody has lived in before.
- Newer homes can be more energy-efficient, which can save you money on your utility bills every month.
- You will receive a limited warranty on the property
- You incur fewer maintenance costs in the first few years while everything is still new.

the cons

- You have to pay the deposit up-front versus over an extended period of time
- Resale homes may be less energy-efficient if older and not updated
- If the house was poorly maintained, you might have to spend money properly fixing and upgrading it.
- The appliances included with the home may be of poor quality or old. This means you might have to incur additional costs shortly after moving in.
- A resale property may require more maintenance and updates than a new home as it has already been lived in and can be an older property
- You don't have any warranty if you need to replace something due to faulty construction.
- Resale homes may not be as eco-friendly as new homes if they have not been renovated according to new green standards
- If you purchase a condominium property, the maintenance fees are typically higher in resale condos than in newer developments, as they require more maintenance.

- You are paying based on a future value estimation so it can be higher than re-sale property prices
- A 20% downpayment can be required but note the deposit requirement for investment properties can be higher.
- You will have to pay HST however some developers may provide a rebate in their incentive package
- You typically need to be approved twice during the mortgage portion of the pre-con process. Once at the start and one prior to close which is usually a year or more later.
- There is less room for negotiating price and timing terms.
- Brand new homes can cost more than resale homes in the final stages due to land costs, development charges & final adjustment fees especially if caps are not placed on all fees
- New construction detached homes are generally built on smaller lots, so it may be challenging to find larger backyards if you seek more land and privacy.
- Not all builders have proven experience, high customer satisfaction rates, and reliability, so be careful with who you choose to build.
- If you move in the development's early stages, you may be living in a construction zone for a period of time