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Ask, and you shall avert disappointment

Time to play 20 questions is while in sales office

Have a lawyer review your offer line by line

Imagine going into a new car showroom and agreeing to buy a \$25,000 new car for delivery 12 months later. On the scheduled delivery date, the dealer says the car won't be ready for another eight months.

When it finally is ready, it's the wrong colour; it's a two-door instead of a four-door; it's a completely different model and 10 inches shorter than the one originally ordered; the promised CD player, power steering and trim package are missing and the dealer wants another \$4,000 in extras, a detail buried in the small print of the contract.

If this scenario actually happened, the repercussions would be swift and severe. The Ontario Motor Vehicle Industry Council would be all over the car dealer, and the federal government would not be entirely pleased with the manufacturer, either.

But when the same thing occurs in the new home construction industry on a house worth many times the value of a car, consumer protection is virtually non-existent. That's why it's extremely risky to buy a new home without having the offer reviewed literally line by line by an experienced real estate lawyer.

While you're still in the sales office, it's a good time to play 20 Questions. Even before the offer gets to the lawyer, here's a list of questions the home shopper should ask in the sales office:

- ☐ 1. Will you provide and sign a list of all of the extra costs hidden in the offer?
- ☐ 2. Who pays development charge increases, the Ontario New Home Warranty premium, new or increased municipal taxes and levies, utility connections, provincial sales tax on appliances, sewer charges, carbon monoxide detectors, blue box charge, tree planting costs and survey fees? What's the maximum potential cost of these items?
- ☐ 3. Are the appliances going to be delivered and installed, or just delivered?
- ☐ 4. After closing, does the offer require the builder's lawyer to clear title unconditionally, or only if and when he or she receives a discharge of the construction mortgages?
- ☐ 5. Does the offer oblige the builder to complete the ordered extras and upgrades, or are they shown only as a purchaser request?
- ☐ 6. Why does the offer say that verbal promises made in the sales office are not part of the home purchase deal?
- ☐ 7. Why aren't the architect's floor plans and the draft or final subdivision plan attached to the offer?
- ☐ 8. Why does the builder have the right to change the building size, room sizes, brick and interior colours and finishes, floor plan, exterior design, and roof lines? Why can't we be sure now what house we are buying?
- ☐ 9. Does the offer clearly state that the square footage is based on exterior measurements? How much can this figure change? Is there any guarantee of minimum room sizes?
- ☐ 10. Does the price include the furnace and water heater or do I have to lease them? How much are the lease charges?
- ☐ 11. What guarantee do I have that there won't be a hydro transformer vault on or in front of the house?
- ☐ 12. Is the sales agent licensed by the province? Does he or she carry mandatory professional insurance? Is he or she bound by the regulations and requirements of the Real Estate Council of Ontario?
- ☐ 13. Why can't we attach the colour brochures to the offer as a schedule showing the design of the house?
- ☐ 14. Why don't I get a rebate if the house or lot size is smaller than promised?
- ☐ 15. How do you know when the subdivision will be registered or when the building permit will be issued?
- ☐ 16. What happens if the municipality won't issue a permit for the promised house style on my lot?

- ☐ 17.If this offer is conditional on financing or my lawyer's approval, where is that written?
- ☐ 18.Can I put a satellite dish, flagpole, clothesline, fence or swimming pool on my lot?
- ☐ 19.What guarantees do I have I'll get a refund of my subdivision damage security deposit?
- ☐ 20.What compensation do I get if the statutory 250-day closing extension runs out and the house isn't finished? Will the builder kill the deal at that point?

And a bonus question or two: When do I get to meet the builder personally? Will he drop by after closing to see how I like my house? Remember, verbal answers don't count. Get them in writing. If sales staff won't answer the questions in writing, it might be time to look elsewhere.