

NEW HOME WARRANTIES AND INSPECTIONS

Before buying, or moving in, do your homework

Pre-delivery inspections and home warranties can't take the place of careful, independent research and expert opinion



MIKE HOLMES
MAKE IT RIGHT

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Since my recent column on new-home pre-delivery inspections, I've had people ask why I recommend that a qualified house inspector or contractor be on hand for a PDI even though the municipality has issued an occupancy permit. The government would never let a family move into a house that wasn't safe, right?

I'm sorry to tell you that this isn't the case in many municipalities. The name "occupancy permit" suggests that a home is "fit for occupancy," but it means only that the dwelling generally meets minimum building code standards, and that it has passed inspections during the main stages of construction. Not taken into account in issuing the permit are

the quality of workmanship and materials, health and safety issues, the overall condition of the house, and even some minor code violations.

Recently, a police officer came to my office seeking some advice. He and his wife had bought a new home in Burlington, Ont., and were scheduled to move in soon. An occupancy permit had been issued, but it looked like there was a big problem with the house – the entire basement was covered in what appeared to be black mould.

He had photos that showed mould on all the wood framing and stairs, as well as cracks in the new foundation. Near the cracks, red streaks were running down the walls, showing that water had mixed with the red clay outside and was penetrating the foundation.

There was a distinct red watermark one foot up the wall, and the bottom of all the wood framing was black and rotted. It looked like the basement had been under water for a long period of time, possibly months. The concrete floor had green patches of some-

thing – moss, mould? – growing on it. (I totally endorse green roofs, but green basement floors? Not so much.)

He made many calls to the builder, the municipality, and the Ontario New Home Warranty Program. He got no answers, no support – nothing. But he had an occupancy permit saying that he and his wife and baby could move in! That makes me angry.

So how can you avoid this? First, don't let the fact that a new home comes with a warranty be the deciding factor in buying it. If you take a really close look at new-home warranties and compare what they actually cover with the problems typically found in construction of these houses, you'll begin to understand why.

If you talk to anyone who has tried to use their warranty – and consider the cost involved and effort it takes to put in a claim – you might conclude it's wiser to just pretend the warranty doesn't exist.

The solution? Be pro-active – right from the beginning.

If you talk to anyone who has tried to use their warranty – and consider the cost involved and effort it takes to put in a claim – you might conclude it's wiser to just pretend the warranty doesn't exist.

Say you have looked at some model homes and narrowed down your list of builders. All the companies have great reputations, of course. You've heard their radio ads, which tell you they've won all sorts of awards for excellence and customer satisfaction. Don't take their word for it. Go and ask their happy customers directly.

Go to one of their developments (I would look at homes that are one or two years old) and knock on some doors. Ask the owners if they are satisfied. Do they have any complaints that have not been addressed? Sometimes you can get an indication based on how many

"for sale" signs are out after the first spring.

Now you have talked to homeowners, obtained good reports, and you're ready to talk to a sales person. Don't sign anything without having your lawyer look it over. I can't stress this enough. Yes, this legal advice costs money, but it is for the protection of the biggest purchase of your life. A little up-front legal advice is far cheaper than hiring a lawyer after something goes wrong.

And before you sign that purchase agreement, have your lawyer insert a clause stating that you will have a qualified construction expert or inspector at the PDI, so there is no argument with the builder down the road.

Some builders do not want an expert at the PDI, pointing out things that the average buyer wouldn't notice, such as small defects that could become bigger problems in a year or two. But you need to have someone with you to represent your interests.

If your inspector does find a problem at the PDI, he will be

able to advise you about how to properly deal with it, enabling you to make sure the builder doesn't implement just a temporary solution.

I recently looked at a two-year-old house where the homeowner had a continuing leak in the shower drain. The builder came back on two occasions to fix it – both times by simply smearing caulk over the crack. This cheap, quick fix was done to get the builder past the two-year plumbing warranty period.

When the leak came back a third time – which, of course, it was bound to do given that the reason for the leak was never addressed – the warranty period was over and the homeowner had to pay a licensed plumber to get it fixed properly.

Meanwhile, the Burlington homeowner will have his PDI next week. He is currently paying to have mould testing done, and has hired a qualified inspector to be with him during the inspection. We'll see what happens next.

» Mike Holmes is the host of Holmes on Homes on HGTV.

ON SITE » SHUSWAP

Lakefront views in Shuswap mid-rise resort development

BY THOMASINA BARNES

Sam Boguslavsky, president of Calgary-based Sable Group of Companies, wants to give buyers more than just another recreational property with his new Shuswap Valley resort development; he hopes to create a legacy for their families.

"It took me over 10 years to find the perfect site for this project because I was looking to create a recreational property that was more than just a place to vacation," the developer says.

"I wanted to build the type of development which gets passed down from generation to generation, is sustainable, stands the test of time, and provides the best four-season recreation in the province," Mr. Boguslavsky says.

"This is the place I see my family owning as a legacy property," he adds.

The Legacy on Mara Lake, about 10 kilometres from Sicamous, is a waterfront resort-style development that will eventually house 168 units in two concrete-and-steel, mid-rise towers.

"The Legacy offers buyers a

The Legacy on Mara Lake

LOCATION: Sicamous

DEVELOPER: Sable Group of Companies

PRICE: From \$399,000 to \$2,000,000

SIZE: 669 sq. ft. to 2,261 sq. ft.

SALES CENTRE: 326 Mara Lake Lane, Sicamous

CONTACT: Phone 1-866-656-0291 or visit www.legacyonmaralake.com

quality-built home that's quieter, more energy efficient and longer lasting than wood-framed homes," Mr. Boguslavsky says.

"The location has 400 feet of beach front [and] five-star resort amenities including pools and fitness centre and a private marina." It will also offer



year-round boat storage, underground parking and guest suites.

The \$100-million development sits on a three-acre lot. The first phase, now on the market, comprises 65 units in a seven-storey tiered building. The second phase will be in a nine-storey building. Each

floor is stepped and will feature large decks; 90 per cent of the suites will have water views, Mr. Boguslavsky says.

Units range from compact one bedroom to generous three bedrooms plus dens, and feature floor-to-ceiling windows, gourmet kitchens with granite countertops, and spa-

like bathrooms with jetted soaker tubs.

"The Legacy is a full-ownership opportunity," the developer notes. "With so many fractional and limited-use developments [on the market], I really wanted to offer people the chance to own a quality home that they can pass on to

their family, perhaps retire in, and use year-round without restrictions – the kind of place that families return to year after year."

A five-hour drive from both Vancouver and Calgary, the Shuswap region is a popular vacation destination, with numerous hiking and biking trails, eight golf courses, 20 lakes for fishing, water skiing, sailing and windsurfing in summer, as well as downhill ski resorts, snowmobiling, sledding and cross country skiing for winter fun.

"The Shuswap's accessibility has made it a favourite vacation destination of Albertans for many years," Mr. Boguslavsky says, "and British Columbians are now beginning to discover and take advantage of this world-class recreational opportunity."

DONE DEAL » KITSILANO

2941 WEST 11TH AVENUE

ASKING PRICE: \$1,228,000

SELLING PRICE: \$1,154,000

PREVIOUS SELLING PRICE: \$528,000 (December 2002)

TAXES: \$4,992 (2007)

DAYS ON MARKET: 71

LISTING AGENT: Faith Wilson, ReMax

The new owners of this 2,237-square-foot Kitsilano home love its character accents, large yard and long-term possibilities, says agent Faith Wilson.

"While they look forward to updating their home in the future, they love the fact that it has been well-maintained and was in move-in condition upon purchase," she says.

"They were searching for a character home to raise their growing family, and they found it."

The house has three bedrooms upstairs, a finished two-bedroom suite in the basement, and three bathrooms.

There is also a 297-sq.-ft. finished attic space that can be used for storage or turned into an extra bedroom or office. The eat-in kitchen has skylights and opens to a deck.

A covered front porch, wood muntin windows, high ceilings, hardwood floors and a claw-foot bathtub are among the distinctive touches that attracted the new owners.

"The home fits with the neighbourhood since it is a character home and the previous owners kept the character intact. The neighbours love the look of the home and that it has been so well-maintained over the years," Ms. Wilson says.

The house sits on a 25-by-122 foot professionally landscaped lot and is "within walking distance to everything," she says.

"On a quiet, picturesque street, this really is the ideal Kitsilano home."



They were searching for a character home ... and they found it.

Agent Faith Wilson

DONE DEAL » FALSE CREEK NORTH

139 DRAKE STREET, UNIT 19A

ASKING PRICE: \$999,888

SELLING PRICE: \$980,000

PREVIOUS SELLING PRICE: \$380,000 (August 1998)

TAXES: \$3,700 (2007)

DAYS ON MARKET: 69

LISTING AGENT: Brian Street, ReMax Crest Realty (Westside)

This 1,372-square-foot suite may be in "excellent" condition, but listing agent Brian Street thinks the new owners may want to upgrade anyway.

"The current condo trend is to have a more open floor plan, kitchens, in particular, so chances are, the new owner will redo and upgrade this kitchen," he says.

The best feature of this two-bedroom, two-bathroom suite is that it is a sub penthouse, Mr. Street says. "This means it has nicer finishings and higher

ceilings than the rest of the building, as well as incredible, protected views over the city."

The condo has marble and maple flooring, a corner gas fireplace in the living room, fresh paint and new carpeting in the bedrooms.

It also has a 150-square-foot deck that runs the entire length of the suite.

The master ensuite has two sinks, marble counters and a jetted tub. The building amenities include a pool, hot tub and fitness centre; the unit's monthly maintenance fees are \$473.

"This building is one of the early Concord Pacific Properties, built in 1995," Mr. Street says. "It has an excellent reputation and is well-maintained."

The condo's Drake Street location puts the new owners next door to the Roundhouse Community Centre and across the street from tennis courts, gardens, a children's playground and the seawall.



DONE DEALS
BY THOMASINA BARNES

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