


NEW HOMES & CONDOS

Looking at a rental property? 12 things you need to know



SABINE GHALI
**PROPERTY
MANAGEMENT**

Deciding to buy a rental property is exciting. Investing in the wrong rental property could mean headaches and a lighter wallet. By following these 12 steps you can be confident in buying the right investment property.

- 1. Location.** This is the most important factor when looking at rental properties. What type of neighborhood is the property in? Is it older, established and maintained, trendy or brand new? Some need more work, may cost more, may not stay trendy, have less maintenance and command higher rent than others.
- 2. Size.** If you are buying rental homes, you'll want to look at lot size, parking and number of bedrooms. Most families will require a minimum of two bedrooms. If you are buying condos, square footage is a

big tenant issue. Older condos have larger two to three-bedroom units but may require more maintenance. Newer condos are usually smaller overall with less maintenance.

- 3. Layout.** Moving walls can be expensive. Look for common sense room placement. The kitchen off the dining room or living room. The stairs in a logical location such as off of a living room to lead up to bedrooms. Tenants consider these things and as a buyer, you should too.
- 4. View.** In a home, it might be nice to have a park, trail, or natural area in view. Condos can command higher rents if they have a water view or a balcony overlooking a park compared an industrial area.
- 5. School districts and hospitals.** Families renting homes want to be in a

high-ranking school district. The older population may consider being close to hospitals a nice feature.

- 6. Condition.** You can get a good deal on a rental property if you are not afraid of renovation. There are properties needing very little work but you may pay more.
- 7. Facilities and amenities.** Rental homes with a garage, laundry room or being close to a laundromat are essential for families. It is normal for Condos to have a common exercise room, a community room for large gatherings a pool and outside park areas.
- 8. Demographics.** This information will tell you whether or not it's the right area to purchase for your target market.
- 9. Safety.** How safe does the neighborhood seem? You want tenants to feel safe. Look at the neighborhood safety rating before buying.
- 10. Walk score.** How easy is it to walk to work, shopping or the grocery store? The walk score is important to tenants without a car.
- 11. Proximity.** How close are the major highways? Is it easy to travel to the nearest grocery store or restaurant? Convenience is



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high on tenants required lists.

- 12. Proximity to the city.** If your prospective tenants work in the city, a nice rental close would be ideal. The Greater Toronto Area is in a seller's market. Properties for sale usually receive multi-

ple offers. It is recommended you come prepared with your mortgage pre-approval letter to make an offer.

If you have any questions about investing in the GTA, there are property management companies to help you.

— Sabine Ghali is director at Buttonwood Property Management and an entrepreneur at heart who endeavors to help investors create wealth over time. Visit her at www.buttonwood.ca.

Forget nostalgia — new homes outperform existing ones



RICHARD LYALL
RESCON

Everyone who's gone house hunting has heard someone take a deep breath in awe of that familiar old cottage smell then utter, "They don't build 'em like they used to."

They're right. We don't — we build 'em better.

Michael Lio knows this, and he has 90,000 scrubbed data points from Ontario housing to prove it.

The Toronto-based engineer has helped the federal and Ontario governments craft policy on housing standards, and has played a role in committees overseeing the National Building Code (NBC)

and Ontario Building Code (OBC).

"We looked at 90,000 clean data points going all the way back to 1750. Energy has gone from 250,000 megajoules per home in 1945 while in 2017, we're just under 100,000 megajoules. So a post-war house in Ontario consumes 2.5 times the energy of what a 2017 code house consumes. We have improved the energy efficiency of Ontario housing incredibly in a couple of generations, if you measure (generations) every 25 years or so. This has been a fantastic improvement since the Second World War."

The quality of new homes have continued to improve over time.

"In 1945, there was no warranty program (like Tarion today) that oversaw construction and made sure there weren't defects. I remember growing up in a house with a huge slant in the floor. I recall the mouldy smell in the basement and the wet walls in the basement all of the time. So I grew up in a post-war house.

"And yeah, it's true, they don't build them like they used to — they build them a helluva lot better," Lio says.

Secondly, Lio says the ever-evolving building codes (which, in this columnist's humble opinion, are sometimes over-prescriptive rather than performance-based when updated every four years) improve on the previous housing stock with each change. They have transformed the way we have built homes since 1945.

Last year, the NBC adopted a change to stair geometry

— Lio was on the task group deciding on the change — and Ontario will follow suit early next year. Stair falls across Canada account for 100,000 emergency room visits per year.

The stair length (or run) will be 10 inches instead of 8.25.

"The new national building code will cut stair fall injuries by over 60 per cent by just making the stair flight just a little more comfortable," Lio says. "They're safer for children and adults, and for our aging population — people will stay in their houses longer because they'll be able to negotiate their stairs."

Lastly, advances in technology make today's new homes superior to the existing stock.

"Even just the last 30 years, mechanical ventilation was introduced to improve indoor air quality; air barrier requirements have reduced the incidence of mould and moisture damage and improves the durability of the building envelope; and we've seen



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The ever-evolving building codes improve with each new housing stock and has transformed the way new homes are being built.

higher window standards so that you don't get condensation on the window that grows mould and reduces visibility.

"Comparing a house built today even to one built 25 years ago, there's a huge difference, aside from the energy efficiency. A huge difference."

Still wondering whether

you should buy a new home? Let me know your thoughts at media@rescon.com

— Richard Lyall is president of the Residential Construction Council of Ontario and has represented Ontario's residential construction industry since 1991. Visit www.rescon.com.