

## Should you buy a newly built or resale home?

Categories : [First-time homebuyer](#), [Rebate Blog](#)

When it's time to shop for a home, it's easy to be overwhelmed with the endless amount of decisions you need to make. You can either decide to buy a resale house, townhouse or condo or you could go with a newly constructed version of all of those options.

Canada's housing market has continued to surprise economists over the years. While our nation's real estate has been deemed one of the most overvalued housing markets in the world, we still haven't experienced a sharp correction many have been predicting for years.

Many cities are seeing condos sprouting up in city centres. Toronto leads the way with 130 high-rise buildings in construction this year, but Montreal has 25 high-rises under construction and Vancouver has 23. These remain housing options in some cities thanks to housing affordability in some cities where houses are no longer affordable, but also since there's a draw for [millennials and baby boomers who have continued to support this wave of housing](#).

Unfortunately, there have been scenarios where buying a pre-construction condo may not be in homeowner's best interest. For example, you may no longer receive a steep discount in pricing, but when buy a preconstruction, you take on the risk of buying a unit without seeing the completed construction.

In preconstruction agreements, developers can "material changes" to the building and if the purchaser isn't happy with it, it can become a sticky situation.

One example of this is when a [soon-to-be homeowner bought a two-bedroom and loft with roof deck preconstruction unit](#) in a stacked townhouse. During construction, the developer discovered the loft was not permitted by the city and it was scrapped from the unit floor plan. The developer said the change wasn't a "material change" since it was a decision made by the municipality. If it was a "material change," the developer must disclose the issue to the homeowner and they would have ten days to decide whether they wanted to carry on with the real estate transaction. The condo owner took the developer to court and the judge sided with the condo owner that she should be able to stop the transaction and receive a refund for her deposit.

But there are also many advantages to purchasing a newly built home, which includes potentially less maintenance issues and you'll be get your say in the home's decor. It's a similar mindset when you're shopping for vehicles, some people prefer to have a home that hasn't been lived in by anyone else and this way they won't have to worry about any hidden unexpected issues or repairs.

It's debatable whether an older or newer home is a better investment, but one draw for a newly

built condo or house is that you might [qualify for an HST rebate](#), whether you decide to live in the home or treat the home as an investment.

Depending on where you live, [your HST rebate claim could be as much as \\$30,000](#). With the average cost of a house in Canada at \$416,584 in May, which is 7.1 per cent higher than it was last year, according to the Canadian Real Estate Association, claiming back the HST could provide you with some much needed breathing room in your budget.

[Don't delay your HST rebate filing](#) since it's a claim you won't want to miss. There are provincial rebates you could qualify for on top of these federal HST rebates, which Rebate4U can help you with. Our priority is to provide our clients with the most professional and quality service in obtaining rebates for their new and renovated homes. We are proud to offer our clients the most personal and attentive service, and we make sure that all of our clients are 100% satisfied.