



SUN NEW HOMES & CONDOS

Co-buying homes becomes popular again



HUGH HERON
**ON-SITE
INSIGHT**

With the average price of a new low-rise home in the Greater Toronto Area hitting \$887,543 in June and high-rise \$469,516, the option of home ownership is beyond the financial reach of many families.

Reports on friends pooling resources and living in homes they bought together hit the media this summer. This form of coping with the financial realities of owning a home isn't new.

When I came to Canada in 1967, it was fairly common for immigrants and ethnic groups to buy homes together and live under one roof.

Scottish, Italian, South Asian ... doubling up on families in a single house is still happening today. The industry has responded by innovating and making modifications to accommodate the need.

For example, in Brampton, many new homes have direct access to the basement from outside. Multi-generational families purchasing together and sharing expenses makes sense.

The situation can also work when the people involved are friends instead of family, but it takes careful consideration. I heard two best-friend couples (each with a baby) on the radio talking about their experience co-buying and sharing a home in Toronto.

They had a bit of a challenge

getting a mortgage, but now that they are living in the low-rise home, they're happy.

If they purchased separately, each couple would have been able to afford only a compact condominium suite. They wanted a backyard, too, which limited their choices to low-rise living.

They did, however, stress that friends co-buying a home have to base their new living scenario on communication. In their case, they had been friends for 15 years.

Even with that long-standing friendship, they were meticulous about agreements regarding who uses what part of the house when.

They discuss everything, including what to do if one of them wants to sell or runs low on money, to avoid resentments or feelings of unfairness.

Do they share utilities costs evenly, or is there a way to keep track of who uses what? How will each individual or couple deal with privacy issues?

Will the house have to undergo renovations to meet the needs of each of the parties involved? These are just some of the questions co-buyers have to ask each other to establish the parameters of compromise. It's do-able, but only if the lines of communication remain open.

Friends co-buying and living under one roof is occurring in

Vancouver, too, which is no surprise, considering skyrocketing home prices there. Maybe this is the way of the future.

Apparently, our banks are going to get even tougher on mortgage approvals, but to accommodate co-purchasers, financial institutions will have to get on board with creative ways to make it happen.

Of course, mortgage companies come at this from a different angle, and they have to protect their interests, but offering ver-

sions of a covenant that covers non-familial co-purchasers can benefit everyone involved.

Certainly, potential home buyers are looking at every way possible to afford ownership. We have seen, and continue to see, the popularity of condominiums for both price and convenience.

Many of these buildings are located adjacent to public transportation, which can mean that buyers do not need to own a vehicle to get around. That translates to thousands of dollars in

savings each year.

It's important to consider everything when buying, whether it is singly or together with family or friends. Owning more home than you can afford individually makes sense in the long run, but only if peaceful cohabitation results.

Homeownership is one of the wisest investments people can make in their lifetime, and owning the most house for your money is a wise strategy.

Co-purchasing homes may well be a trend in major Cana-

dian cities to help buyers afford larger houses than they can on their own.

It has worked before, and it can work again. It may be cliché, but it's true: everything old is new again, even co-buying homes.

— *Hugh Heron is Principal and Partner in the Heron Group of Companies, President of Heathwood Homes and Chair of The Mikey Network, which promotes healthy lifestyles.*



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