

INCENTIVES HELP SEAL THE DEAL



This is the year new construction real estate markets have a lot to give as the market normalized last year. And what does this mean for the average consumer? It means that the heated frenzy of the years leading up to 2013 have been left behind and builders have product to release but on a different playing field. To ensure the success of their developments, builders stack the deck, and that means they will layer on multiple promos and incentives for the potential homeowner, encouraging them to purchase.

Builders offer a wide variety of promotions, but lately we're seeing a large range of financial incentives. Some builders are offering a stretched deposit structure, which allows you a longer period of time to come up with your deposit. Other incentives include lower deposits, where builders will offer deposit loan programs through a financial institution that will help you gather a portion of your deposit through a line of credit, or even second mortgages. These incentives are geared towards helping purchasers who don't have a 20 per cent or 25 per cent down payment, which are typically required.

For a quick closing, there is one program that is still available, which offers 100 per cent financing with 5 per cent

cash back for the down payment, although very specific terms and conditions do apply.

Builders are also throwing in great features. We have regularly seen appliances being offered with the purchase of a new home, but now we see stainless steel and other built-in appliances with free installation included. Some builders are even offering integrated appliances, which have front panels that match your kitchen cabinets. These types of upgrades and features save you the cost of purchasing them for your new home and, at the same time, increasing the

value of your new home.

We are also seeing great giveaways that will help you carry your home costs for the first year or two. Programs such as free maintenance, builder-paid taxes and, in some cases, 0 per cent mortgage interest payment – or no mortgage payments – for one year. These promotions are huge attractions as they save the purchaser several expenses in the first year or two. In addition, many builders are offering specific incentives for different purchaser situations.

In the first half of 2014, we have seen many different incentives being offered. Barry Lyons, who is the president of NBLC Consultants, has proclaimed: "2014 is the year of incentives – from free parking or lockers to breaks on maintenance fees – as a way for developers to entice buyers back to their showrooms."

Lyons is absolutely right in identifying 2014 as the year of the incentives.

What does this offer you as the consumer? The very best of both worlds. Many developments still offer great incentives with their homes as we are in a market that has started to heat up again, and within that market there are new developments that were unavailable last year. With so much opportunity, this creates the perfect recipe for buying real estate.



Debbie Cosic is president and founder of In2ition Realty (in2ition.ca), an award-winning brokerage that focuses on sales, marketing and merchandising of new home & condominium developments throughout North America. Cosic has been recognized multiple times as the Marketing Person of the Year by both BLD and NAHB.