

Interim occupancy explained



HOWARD BOGACH YOUR NEW HOME

When you purchase a brand new condo and finally get the keys to your suite, many buyers are surprised to find out that their new home is not theirs yet.

Although this is an exciting phase in the new home ownership process, it is actually not the “ownership” phase.

It’s called “interim occupancy” and it allows a builder to finish construction while also organizing an orderly move-in process for what could be hundreds of buyers. And with so many moving parts, this takes time, coordination and money to be done properly.

I’ve noticed lately a lot of talk about interim occupancy, mostly in the news but also from some homeowners who have contacted Tarion with questions on this subject.

Some of what I’ve read and heard misinterprets the intent of what is a practical way to get buyers into their homes faster while also allowing the builder to continue to complete the building.

While Tarion does not have oversight over interim occupancy (it is covered in the Condominium Act) it is part of the new home buying process, and I believe it deserves some clarification.

When a building is declared fit for occupancy by the municipality, condo buyers can start moving in, usually beginning with the lowest floors, as the builder works his or her way up to complete each suite as well as the common elements.

None of the buyers are technically taking ownership yet, and they will all have to wait for some time before they do. But for the

meantime, buyers can enjoy their new homes and some of the amenities as well.

For those on the lowest floors, that usually means they get to move in sooner, but will have a longer interim occupancy period than those above them.

In order to live in your new condo before you own it, the developer or vendor will charge an interim occupancy fee. The fee is made up of: interest on the unpaid balance of the purchase price of your condo, an estimate on the municipal taxes for your unit, and a projected common expense contribution to keep the building running.

The fee is usually charged monthly and requested in the form of post-dated cheques made out to the developer or vendor. It’s a misconception that a builder profits or has any benefit to gain from extending this phase in the building of a condo.

In fact, there are stipulations in the Condominium Act around the calculation of the occupancy fees which prevents the developer from making a profit.

Furthermore, it is in a builder’s best interest to transfer title as soon as possible. Builders make their money when they are

able to provide title and register the project — which can only be done when the building is complete. But even though a builder profits only after this phase is complete, interim occupancy may last a while. Many buyers, especially on the lower floors, will likely be moving into a construction zone.

The common areas may not be complete, and even some of the amenities may still be under construction. But the building should be safe for living, as a municipal inspector will have inspected the building and determined that it is fit for occupancy. Some of the requirements for occupancy include safe access to the unit, running water, sanitary facilities and a functional kitchen.

Over the years, Tarion has heard from some condo buyers that feel their units have been granted occupancy but are not yet fit for habitation.

If you feel your builder has moved you in to a new building that is not fit for occupancy, call Tarion. We have helped homeowners in the past when we agree that their buildings are not safe for occupancy, and have worked with their builder to



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speed up the essential work.

If you are a condo buyer that is currently living in the “interim occupancy” period, I assure you that you and your builder both share the same goal — to get your building registered as soon as possible.

And when you do finally get to experience the “ownership” part of the new homeownership process, your building should be complete, your amenities

ready to use and you can finally enjoy all the benefits of your new home.

— Howard Bogach is president and CEO of Tarion Warranty Corp., a private corporation established in 1976 to protect the rights of new homebuyers and to regulate new home buyers. For more information, visit www.tarion.com.

Room to Improve!



DARLA GRANT-BRAID EIEIHOME.COM

On Saturday, June 25th, Improve, Canada’s largest permanent home show, opened its doors to the public for the first time.

eieihome.com was there to take a tour and to speak with Oleg Chekhter, co-owner of Improve, about this exciting new home improvement destination.

Mr. Chekhter told us that his inspiration for Improve was born of his own frustration with the renovation experience, and based on the oldest business idea in the world — the marketplace.

It brings home improve-

ment product and service providers together, all under one roof, to create a more convenient shopping and researching experience.

This means, that rather than having to drive from one end of town to the other to find fixtures, flooring or countertops, shoppers can simply drive to one place, just minutes from the 400 and 407 in Vaughan.

As with any other type of mall, shoppers will find vendors at the value, mid and luxury price points across the retail spectrum, meaning there are products and services to fit any budget.

Improve also offers an incredible variety of everything homeowners need to renovate or maintain their homes. Appliances and flooring, art and sculpture, windows and doors, are just a few of the products and services you can find at Improve.

In fact, you can even find eieihome.com there, in a central location!

Why Improve?

While walking around this incredible 320,000 sq. ft. space eieihome.com took time to speak with a few of the business owners now happily calling one of the 400 units home.

We first spoke with Frank Piacentini, President of Canaroma — a local bathroom specialist featuring faucets, sinks, tubs, vanities and other essentials.

Mr. Piacentini told us that he is a strong believer in home shows and has been participating in them for nearly 40 years.

“I see Improve as a way to replicate the success [experienced when doing home shows] throughout the year,” Piacentini says.

eieihome.com also spoke to Oleg Shyshkin, from Wrought Iron Art. Mr. Shyshkin said that he purchased a unit with the belief that it will generate more traffic than his Oakville store.

“[Owning a unit at Improve] will replace my home show investment,” Mr. Shyshkin says.

Improving everyday

The June 25th opening was officially a sneak preview. So, if you go in, you may see that parts of the space are still a work in progress; however, we have been reassured that every-



thing will be completed by the end of summer, with a grand opening planned for early fall.

To learn more about Improve, visit www.improvecanada.com.

— Visit eieihome.com for more home improvement stories, to read contractor reviews and find local service professionals.

