

THE TRI-CITY NEWS

Buyer beware <http://www.tricitynews.com/portals-code/stofriend.cgi?id=1050695&paper=74&cat=45>

Aug 24 2007

The Editor,

Re. "Lessons from Riverbend" (Opinion, The Tri-City News, Aug. 17).

<http://www.tricitynews.com/portals-code/stofriend.cgi?id=1046224&paper=74&cat=48>

Congratulations once again for the efforts of The Tri-City News in keeping home buyers and sellers informed of the need for "let the buyer beware" in real estate transactions.

Throughout Metro Vancouver, leaky condos continue to be discovered, as witnessed by all the tarps that cloak single and multi-family homes, as well as commercial and institutional buildings.

Far too many people still fail to perform their due diligence despite the lessons of leaky condos.

A consumer walking into a pre-sales office without a realtor automatically limits his representation, and the sizzle and urgency of effective marketing often causes the risks associated with the transaction to be relegated.

If a termination clause is necessary at all, there needs to be a rigorous funding qualification process and standard for the developer to meet, just as is forced on the buyer with a low down-payment by CMHC.

If banks can get mortgage insurance protection through CMHC, why can't the consumer get insurance protection for high-risk developers? Surely the interests and protection of the consumer should be first?

The introduction of a 2-5-10 warranty, while achieving the goal of restoring confidence in the construction industry, has exacerbated the problem by giving consumers a false sense of security.

Believing a protection agency exists to save homeowners is false. The safety nets and guarantees are quite limited and may become even more so with the introduction of a provincial Modernization Strategy that plans to further limit liability of the industry.

Unfortunately, "let the buyer beware" prevails.

John Grasty, Port Moody