

Chapter 5: Housing

There are many things to consider before deciding on housing.

You can rent or buy housing.

You can rent a room in a **rooming house**, an apartment, a **town house** or a **detached** or **semi-detached house**. If you have a low income, you may be eligible for **public or subsidized housing**.

You can buy a house or **condominium**. It is also possible to buy into a **housing cooperative**.

It is wise to start by deciding how much you can afford to spend on housing. Then you can compare different homes.

How much can I afford?

As a general rule you should not spend more than 36% of your **gross income** on housing.

Remember to include any government benefits, commissions and tips when calculating your gross income. The amount of **debt** you have will affect how much you can spend on housing. Your total debt payments should not be more than 40% of your gross income.

The term "high rise" or "walk-ups" apply to both apartments and condominiums. A walk-up or low-rise apartment is located in a building that does not have an elevator. These buildings are usually three storeys or less.

A high-rise apartment building can range from 6 - 30 or more floors high. High-rise apartments have elevators and often have security systems to

Budgeting: A plan for how you spend and/or save your money.

Rooming house: A house where you can rent an individual room by the week or month. Generally, tenants share a bathroom.

Townhouse or row house: One of several single family homes joined by common walls. These can be condominium or freehold units.

Detached house (also called single-detached or a single family dwelling): A house on its own lot that is occupied by only one family.

Semi detached house or duplex: A single family home that is joined to another one by a common wall.

Subsidized housing: Houses or apartments built by the provincial government for people with low income. Rent may be based on income.

Condominium (condo): Similar to an apartment or townhouse, except you buy the unit, rather than rent it. You pay a monthly condo fee.

Housing cooperative: Persons wishing to live in a co-op housing project must purchase a share in the co-op. They collectively become owners of the building.

Gross income: The amount of

monitor entry and exit from the front doors. Generally, monthly rent for a high-rise is more expensive than for a walk-up.

Where should I live?

Choosing where to live depends on what is important to you.

- Would you like to live close to your work, school, shopping and bus routes?
- Are you bothered by noisy traffic routes for cars, trains or planes?
- Is it close to police, fire and hospital services?
- Are public services such as garbage, "blue-box" recycling pick-up, and snow removal available?
- Do you want to live close to family and friends?
- Would your children enjoy recreation facilities like a library, park or skating rink?

If you are unsure where to begin looking, ask friends or family about their neighbourhood. They may suggest an area you might like.

Where should I look?

Check in the local newspapers. The Classified section lists apartments or houses for rent as well as houses and condominiums for sale. The Classified section uses many **abbreviations** to describe the housing features.

There are also free publications available, such as the *Home Renters Guide*, the *Real Estate News*, the *Real Estate Guide*, *Condo Guide*, and *Comfree Private Sales*. You can find these at grocery stores, 7-Elevens, and other locations.

money you make before deductions and taxes.

Debt: The amount of money you owe. Examples include car payments, credit cards, loans or time payment plans.

Here are some common classified abbreviations:

aft. - afternoon

air or A/C - air conditioning

apt. - apartment

appl. - appliances

att. - attached

avail. - available

bach. - bachelor

balc. - balcony

bsmt. - basement

bath. - bathroom

bdrm or B.R. - bedroom

bldg. - building

C/A - central air

cent.vac. - central vac

c/w - comes with

conv. - conveniences

det. - detached

D. R. - dining room

D. W. - dishwasher

dntn. - downtown

elev. - elevator

evg. - evenings

F. P. - fireplace

FSBO - for sale by owner

fl. or flr. - floor

Sometimes your local grocery store or library has a community bulletin board that advertises houses and apartments that are available in the area.

When looking at an apartment

- Can you hear what is going on in the other apartments in the building?
- Is the outside of the building, including the lawn, well maintained?
- Are the hallways, stairs and/or elevators in good condition?
- Did you look at the suite that is for rent?
- Does the front door lock properly?

Make sure the *rental unit* has all the features you want. Look around the apartment. Turn on appliances and lights to see if they work properly. Check to see if stove burners, the oven and the water taps work. Do the toilets flush properly? Do you get hot water when you turn on the hot water tap?

What questions should I ask?

- What is the rental price for this apartment?
- When is the rent due?
- What is included in the rent (utilities, parking, cable television)?
- Is there a **lease** or do I rent "month to month"?
- Can I **sublet** from another **tenant**?
- Is there a laundry room in the building?
- Can I have pets?
- Is a parking spot with a plug-in available in the winter?
- How much **notice** must I give before moving

furn. - furnished
gar. - garage
HWF - hardwood floors
imm. or immed. - immediate
incl. - includes
kit. or kitch. - kitchen
lge - large
liv. rm or L.R. - living room
M.B.R - master bedroom
mgr. - manager
mod. - modern
mo. - month
mtg. - mortgage
nr. - near
new dec. - newly decorated
OFP - open fire place
O.B.O. - or best offer
prkg. or pkg. - parking
poss. - possession
rec. rm. - recreation room
ref. - reference
req. - required
sat.TV - satellite TV
sec. sys. - security system
sep. - separate
SxS - side by side
sm. - small
spac. - spacious
sq. ft. - square feet
sub. - sublet
ste. - suite
unfurn. - unfurnished
util. - utilities
v.g. cond. - very good condition

out of the apartment?

When you find the apartment you want to rent

Before you sign a lease or make a deposit on the apartment pay attention to these things:

- Look at the apartment carefully with the **landlord**. Write down any repairs that need to be done. This is called a **Condition Report**. It is important for the future, so that you cannot be forced to pay for damage you did not cause.
- Does a **caretaker** live in the building? If not, how do you contact the caretaker or landlord if there is a problem?
- If you want to rent the apartment, you may have to complete an application form and give half of one month's rent, called a **damage or security deposit**. It is also common for the landlord to ask for both the first and last month's rent before you move in. Do not sign the application form or pay a **deposit until you have made a final decision**.
- Make sure you see the actual suite that you plan to rent before signing or paying any money.

The Residential Tenancies Branch is a Manitoba government office. They can help if you have a problem with your landlord.

- Winnipeg: 945-2476 or 1-800-782-8403
- Brandon: 726-6230 or 1-800-656-8481
- Thompson: 677-6496 or 1-800-229-0639

Be aware of safety issues

w/w cpt. - wall to wall carpet

W/D - washer & dryer

Rental unit: is the apartment where you live.

Lease: A type of contract saying you will rent your apartment for a certain price for a set amount of time (usually a year). This contract also explains other rules for renting the apartment.

Sublet: When a person rents from the previous tenant until their lease expires.

Tenant: A person or family who rents an apartment.

Notice: How far ahead of time you have to let the landlord know that you are moving out.

Landlord: The person who owns or manages the apartment building. Also known as the property manager.

Condition Report: A written report listing the repairs that are needed and the problems you see.

Caretaker: The person who repairs and cleans the apartment building.

Damage or security deposit: Is a fee you pay when you move in. It is usually the value of half of one month's rent. It cannot be more than that. It should be returned to you, with interest, when you move out. If you damage the apartment or do not clean it before you move out you will not get the money back. If you do

- Does the building have a security system?
- Is the door of your apartment strong? Does it have a peephole?
- Do windows at or below ground level have bars?
- Are there good quality locks on all doors and windows, especially those opening into balconies, patios and rooftops?
- Is there a fire extinguisher?
- Are there fire alarms and do they work?
- By law, apartments and new homes must have smoke detectors that are "wired in." They are electronic and don't require batteries. Make sure your suite has a smoke detector.
- Does the block have an "Apartment Watch" program?

For more information about apartment security or Apartment Watch in Winnipeg, contact the Winnipeg Police Community Services Division at 986-6322.

Tenant Insurance

It is wise to buy **tenant insurance**. It only costs a few dollars a month. Landlords are not responsible for damage or loss of a tenant's personal possessions. **Tenants are responsible for damage they cause to any part of the building in which they live. They are also responsible for accidental injury to others who live or visit you there.** Tenant insurance gives you protection from this sort of **liability**.

You can choose from different types of insurance policies. Talk to a few insurance companies to see what they offer. Remember, that even though one insurance policy may be cheaper, it may not offer the **coverage** that is best for you.

not pay the rent or you move out without notice will not get your money back.

Security system: This stops strangers from entering the apartment building or suite.

Peep-hole: A little hole in the door you can look through. Rather than opening your door you can use this to see who is there. It helps protect you from unwanted visitors.

Apartment Watch: A crime-prevention program in which neighbors, in cooperation with police, help to reduce crime in the community.

Tenant insurance: A type of insurance for people who rent their home or apartment. It is also called "apartment insurance" or "renters' insurance."

Liability: You can be held financially responsible for any damage you cause.

Coverage: The protection offered by the insurance policy you buy.

Real estate agent or realtor: A trained person you select to help you buy a house. You do not pay the real estate agent if you are buying a home, but you do pay if you are selling your home. He or she is paid by charging a fee, called a commission, to the vendor.

ComFree or For Sale by Owner: The vendor (seller) acts as the selling agent and handles the sales

Buying a house

There are many costs involved and things to consider when buying a house. It is one of the most expensive items you will ever buy.

Choosing a real estate agent or realtor

You can buy a house without a real estate agent, but you will have to do research, file legal papers, and contact a lawyer.

The first step to choosing a good **real estate agent** is to do your research. Begin by asking friends and family what agent they used when they bought their house. You can also look through the classified and real estate publications to get names and phone numbers of real estate agents.

Once you know a few names, phone three or four agents. Ask some basic questions, such as

- what percentage of the cost of the house will the realtor charge for their services?
- is the realtor working for you (the buyer) or for the person selling the house?
- what are the services they offer for the percentage they charge?

Use this as an opportunity to find out whether you get along with the realtor, and how knowledgeable they are. You can also call the local real estate board and the Better Business Bureau to check for complaints against the real estate agent or their company.

Call the three agents you liked best and set up appointments. Try to schedule them for different days so you have time to go over each agent's information. After you have met all three agents,

process directly with the buyer. Because the seller does not pay a commission to the realtor, you may pay less for the house.

Offer to Purchase: a written contract between a buyer and seller of a house. It shows the price, what is included with the house (appliances, etc.) and possession date.

Personal property: anything the seller does not include as part of the personal price.

Subject to: The contract depends on certain things written in the contract.

Null and void: After a certain time, the contract will no longer be valid. The expiry date is written in the contract.

Deposit: An amount of money you give with the Offer to Purchase. This amount is usually no more than 10% of the purchase price.

Vendor: The person who is selling his/her home.

Counter offer: In response to your offer, the vendor makes another offer. Your original offer becomes null and void.

Adjustment: A payment you make to the seller. It is to repay any portion of the bills or taxes they have already paid. For example, you move into the house in July. The sellers have paid the taxes for the entire year. You will have to repay the sellers for the portion while you

select the one you think will do the best job.

If you are interested in a house that is listed at **ComFree or For Sale by Owner** you may not be working with a real estate agent or realtor.

Making an Offer to Purchase

When you find a house that you want to buy, you must make an **Offer to Purchase**. It is a written contract between the buyer and seller. It explains the price offered, what is included for that price (for example, drapes or appliances), and the conditions of the contract.

The offer should include any **personal property** which is included in the purchase. For example if the fridge and stove are included in the price of the house, it should be written in the contract. **Do not assume anything**. Make sure the things that you think are included in the price are specifically written in the contract.

You can make your offer **subject to** certain conditions. For example, it is a good idea to make the contract subject to your mortgage financing and/or subject to an acceptable home inspection.

Before you sign an Offer to Purchase, ask your lawyer to read it. It is important to ensure you know exactly what you are agreeing to. Your offer should always include a time limit (for example, you want an answer in one day, or two days). If the time limit expires it will be **null and void**.

Once you sign the Offer to Purchase the seller will look at it, and let you know whether they accept it. You must also include a **deposit** with your offer. This money will go towards the purchase price of the house if the offer is accepted. If the offer is not accepted, the money will be returned to you. If you cancel an accepted offer, you may lose your

live there, July to December.

GST: If you buy a newly built home, you will have to pay a 7% Goods and Service Tax.

deposit.

The **vendor** (seller) can accept your offer or revise it and make a **counter offer**. These changes most often affect the selling price. Be sure to remember your price limit. Do not exceed this amount.

What costs can I expect to pay?

There are many fees to pay when you purchase a house. Some costs are only paid once while others are ongoing.

*ongoing costs

- Adjustments for prepaid taxes or bills
- Legal fees
- Furniture and appliances
- Moving costs
- Service charges for new hook ups (telephone, cable)
- Home inspection fee
- Land titles registration costs
- Interest to the seller
- Surveyor's Certificate
- Goods and Services Tax (GST)
- Appraisal fee
- Land Transfer Tax
- Property Taxes*
- Home Insurance*
- Mortgage Loan Insurance*
- Renovations and repairs*

There is a *Consumers' Guide and Workbook* available free from Canada Mortgage and Housing Corporation. Phone CMHC at 1-800-668-2642.

Ask for *Home Buying Step by Step*.

Home Inspections

Although a home inspection is not required, it is a wise investment. **A home inspection should be done before you agree to buy a house.** You can write this into your Offer to Purchase. A home inspector will check the house to see how well it was built and whether any repairs need to be done. You will get a written report explaining the problems that exist, how soon they should be fixed, and an estimate of how much they will cost.

If something is broken, you can put the repair in your Offer to Purchase. That means the the seller will have to fix the problem before you agree to buy the house.

Security Inspection

The Realty Watch Home Security Inspection Program is a free service offered by the Winnipeg Real Estate Board. A number of accredited Realtors have been trained by the Winnipeg Police Service to inspect the security in your home. They will tell you if your home needs new locks, an alarm system, or other security features. Once you have purchased your home, call the Winnipeg Real Estate Board at 786-8854. A Home Security Program Inspector will make an appointment to check your house.