

CONDO LIVING



EXPERT ADVICE

Condo author advocates back-to-basics approach

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Special to QMI Agency

Canadian real estate industry veteran and noted consumer advocate, Dan Barnabic, is the author of the new book, *The Condo Bible for Canadians* — the culmination of his four decades in the real estate industry as an agent, broker, property manager and condominium developer.

The book is an invaluable guide to the fastest-growing housing market in Canada today and lays out his Ten Commandments of condo ownership.

With his straight-forward message, Barnabic advocates a back-to-basics approach for prospective condo buyers to employ a modicum of common sense and pay heed to the fun-

damentals.

He stresses the one-third rule, "The old formula, which is the responsible formula, which is to say that only one third of your household income should go to cover your housing costs."

In *The Condo Bible*, Barnabic paints a picture of a highly-charged Canadian condo market, stoked by investors, with young buyers sometimes being sold into a major investment without having adequate financial means to weather unexpected circumstances.

"The easiest guy to convince to buy is some tenant who is not ready to be an owner that you can convince him of the pride of ownership," says Barnabic as he urges prospective buyers, especially younger and first-timers to exercise caution.

The Bank of Canada has kept their key interest rate at histor-

ically low levels for more than three years, at time when consumers have been taking on more debt. "We have an omnipresent threat of interest rates going up which, not if but when they go up," warns Barnabic, "at the end of a five-year mortgage term, if you don't have substantive equity in your unit and the correction occurs, all of a sudden you may find out that your friendly banker will say I can't renew your mortgage because now your unit is worth less than the mortgage itself."

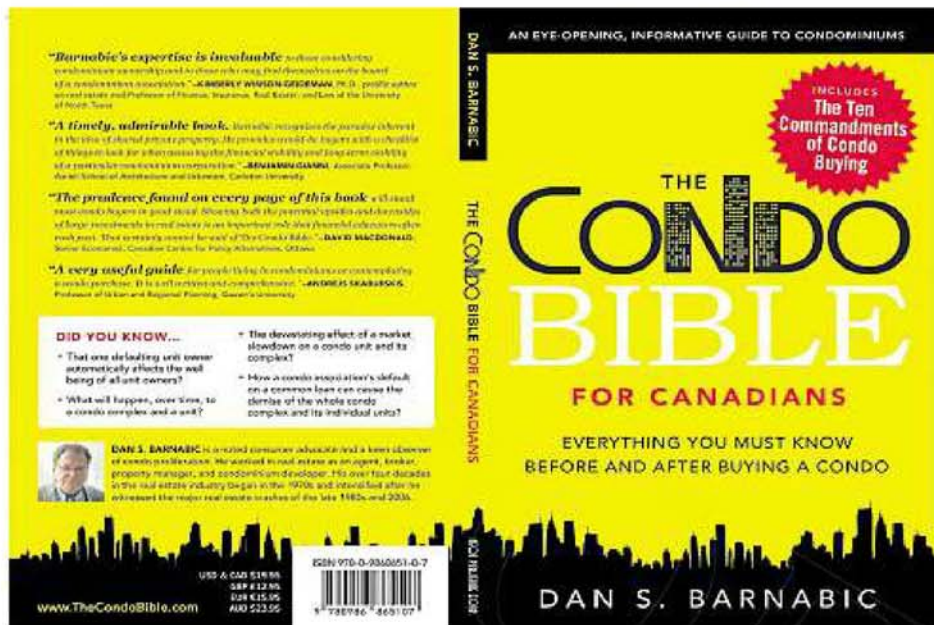
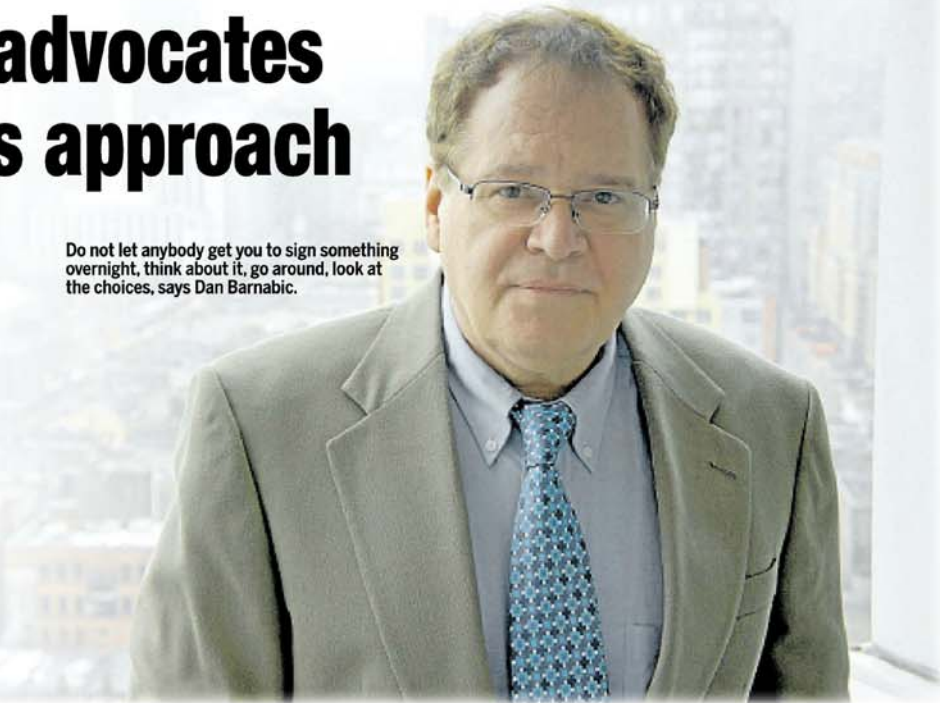
"One thing that I'm actually trying to portray in my book, is do not rush. Do not let anybody get you to sign something overnight, think about it, go around, look at the choices." One of Barnabic's Ten Commandments is to buy at the right time.

"That means buy when you accumulate some money that you have in your bank account, just in case something goes wrong maybe a couple years down the road. The most important thing of all is look at your pocket book and just see what your household income is."

Barnabic says condo owners should be prepared for unexpected costs, such as maintenance fee increases, special assessments or maybe a payment on a common loan which the corporation may require, as well as real estate taxes, all of which can add up to hefty monthly payments. "What happens when that actually exceeds the amount of the comparable rentals in the same unit in the same building? I believe at that time, the ownership of the condominium becomes purely academic."

Barnabic is the founder of the Consumer Federation Canada, where he assisted members of Ontario's Provincial Parliament between 2004-2010 in drafting proposed amendments to the Consumer Reporting Act. Now, with *The Condo Bible*, he addresses and explains the profound changes that Canada's urban landscape has gone through over the course of the past 30 years.

The Condo Bible for Canadians is currently available at Amazon.ca, Chapters Indigo and Barnes & Noble in paperback.



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