

EXTRA

Tony Kaleel, VP Business Development talks about the financial and less tangible benefits of townhome living.

VP Business Development, Tony Kaleel: Ground oriented multi-family homes.

In the City of Burnaby, the median price of a single-family home sold between January and July of this year was \$996,000. For the same period of time, the median sale price for a townhome was \$514,600. The difference – a shocking \$481,400.

In Burquitlam, the story is much the same with a single-family home median selling price of \$760,000 versus the townhome selling price of \$480,000, making the differential \$280,000.

It's pretty easy to see the attraction to owning a townhome, and not hard to guess that it has a big impact on down payment, qualifying income and cost to pay the mortgage.

But, here are the numbers with the following assumptions:

- 20% down payment
- 3.5% mortgage interest rate
- 25-year amortization period

To buy the median priced single-family home in Burnaby, you would need \$199,200 for your down payment. Your mortgage payment would be \$3,978 per month and you would have to have a qualifying household income of just over \$127,000.

For a Burnaby townhome, the numbers look like this:

Median Purchase Price:	\$514,600
Down Payment:	\$102,920
Mortgage payment:	\$2,060
Qualifying HH income:	\$87,262

Just based on these figures alone, a townhome is a compelling choice. But,

even if you were to make the \$127,000 qualifying income to buy that single-family home, there are other factors to consider.

Think of what you could do with the \$23,006 that you wouldn't be spending to service your mortgage. EVERY YEAR. Over the lifetime of the mortgage, that's \$575,166. And let's not forget that your down payment on a townhome would be nearly \$100,000 less than a down payment on a single family home. Invested well, that money could grow significantly over the lifetime of the mortgage.

You could travel. You could invest it. You could do anything you wanted and still have an excellent home with its own front door, its own yard and space enough to grow into or downsize into.

And, there are even more benefits. Your typically minimal strata fees take care of the grounds keeping and the exterior of your home. So, less upkeep – both in terms of money and time expended. That means freedom. And with today's active lifestyles, that can be a very good thing.

The truth is that the single-family home is a North American anomaly born of the age of the automobile when gas was cheap and the roads weren't as crowded as they are today. Now, roads are crowded, gas is very expensive and becoming more so every year.

Townhomes are not a new idea. They're just a good idea. Look around any major urban centre in Western Europe

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Centuries old townhomes along the canal in Copenhagen, Denmark.

and you will see that townhomes have been the norm for centuries. They developed in a time when we weren't so car dependent.

Townhomes concentrate population density into more compact neighbourhoods. And if they're close to public transit hubs, such as our

upcoming Black + Whites on Foster will be in Burquitlam, they offer ways to escape the time and money crunch that car commuting has become.

At the Black + Whites on Foster, you will be able to see a very good example of what a new urban townhome should be. They will be available later this fall. There will be 107 homes ranging in size from 1230 square feet to over 1600 square feet. With 3-4 bedrooms, private garages, large balconies and private yards, they could be the only home you ever need to buy.

There's room to grow a family and easily enough room if you should be thinking about downsizing from the aforementioned single-family home. Or perhaps you're ready for a change from the compact living of apartment life.

Townhome opportunities have been in short supply in the Lower Mainland a recent article in The Vancouver Sun stated.

"Unfortunately, the stock of townhomes in Vancouver is lamentably modest, with the scarcity of new developments driving up prices."

Vancouver's planning director Brian Jackson calls them "the missing piece in Vancouver's housing continuum." The focus, he notes, always has been on high and mid-rise development." (Source article: Townhomes an affordable alternative in Vancouver By Barbara Yaffe, Vancouver Sun columnist August 20, 2014)

The good news is that some relief is on its way. The Black + Whites on Foster are the first of many townhome ownership opportunities that Intracorp will be bringing to the Lower Mainland market in the coming years. Visit www.blackandwhites.ca to register and to learn more about these extraordinary new homes.