

# RRSPs one of the most under-used programs

**Laura Parsons**, Calgary area manager for specialized sales with the Bank of Montreal, spoke to **CX** on applying for a condo mortgage.

**Q. If I'm serious about becoming a condominium owner, should I apply for a mortgage before going house hunting?**

**A. Absolutely.** Your very first step is to speak to a mortgage specialist. You must understand what you're looking for before you go out with a realtor.

You can go on the website and estimate what you're preapproved for, you get excited, you go out with a realtor, find that house of your dreams, only to find out that it's over your price point.

And make sure you're accurate in the information you provide. Of all of the terms and conditions, it's usually confirming the income level that causes us any headache.

**Q. What kind of down payment will I need?**

**A. People need five per cent down payment, as well as some closing costs — their legal fees and/or moving costs. There are quite a few costs you should sit down and consider.**

**Q. Can I put my RRSPs toward my down payment?**

**A. Yes, and this is one of the most under-utilized pro-**

**grams, in my opinion.**

Any money that's going to be used for a down payment, to a maximum of \$25,000 per person, can be taken from your RRSPs.

You're allowed two years' grace period before you have to start paying it back, and it's tax-free and interest-free.

After those two years, you get 15 years to repay your RRSP. Now, to take advantage of this program, you can't have owned a home in five years, so if you miss out when you buy your first home, the likelihood of being able to take advantage of it later is pretty small.

**Q. Mortgage rates have started to go up again. Is now still a good time to buy a home?**

**A. We really don't know what a good rate is anymore, because they've gotten so low. People get stifled by a rate change, but remember that people were borrowing for home ownership when the rate was 18 per cent; 21 per cent. The rates are still really, really low.**



**Q. Should I take a variable- or fixed-rate mortgage?**

**A. The variable rate has been a favourite for a while, but it's not for everybody — it's your own personal choice. There's a wide spread between variable-rate and fixed-rate mortgages. But it's whether you can sleep at night, knowing there's a possibility your payments might go up.**

If you choose a variable rate, you can set up your payments at a five-year fixed rate level, meaning you can keep your payments high, prepay your mortgage and save yourself a lot of interest.

**Q. Are there limitations on how often and when I can make extra payments without penalty?**

**A. That's really varied, so it's important to understand what your bank does. Some banks allow you to prepay only on your anniversary date. In that case, you're holding all of that money and earning maybe one or two per cent, rather than applying it as soon as you have it, and saving yourself a lot of interest. **CX****

ADVERTISING FEATURE

## Follow your conscience to Varsity, Cougar Ridge

For more than 30 years, Statesman Group has been helping to create unique and innovative communities in Calgary.

Known throughout North America for developing innovative resorts and award-winning communities, Statesman has made a name for itself by crafting each development with the same commitment to quality, and providing all of its residents with places to live, play and grow.

One of the newest examples of the Statesman Group's unique vision is the Groves of Varsity.

Already garnering a lot of attention in the pre-sales market, the Groves of Varsity combines three lavish residential towers with a mature-living community and a split commercial and residential area to create a sum greater than its parts.

"It will allow people to live in Varsity and stay in Varsity," says lifestyle marketing co-ordinator Marguerite Nelson. "Now, they have the ability to downsize into one of our three residential condominiums and stay there 10 or 15 years. And when they would like a more maintenance-free lifestyle, they can move into the Manor Village at the Groves of Varsity."

The new development will be built on



the current location of the Crowchild Inn, giving it outstanding proximity to transit, shopping, recreation and all that the community of Varsity has to offer.

Residents will be treated to unique amenities, such as a fully equipped health club, a bistro with a healthy and delicious menu and a commercial area that will include a drug store and a variety of professional services.

Statesman has long been known as a leader in green innovation, and that will be on display in every aspect of the Groves of Varsity, from the materials to the hybrid geothermal heating and cooling system.

That commitment to environmentally sustainable building and geothermal technology is also on display in another of



Statesman's most recent communities — the Landings at Cougar Ridge. Landings at Cougar Ridge features 45 luxury townhomes (starting at \$539,000) and 21 garden villas (starting at \$799,000).

Statesman's Jason Goodwill says he was immediately impressed with the company's combination of lifestyle quality, green innovation, resource efficiency, attention to human wellbeing and financial success.

The villas were originally invented in Western Canada by Statesman. The original concept included one level of living and where possible, lower-living walk-out developments. The Statesman villa usually included a two-car garage and they sold like hot-cakes.

Always looking to improve, Statesman

reinvented the villa so that the garage was "out-of-site." It also developed a brand-new concept where the garage is incorporated within a lower-level parkade, and most villas now have three-car parking.

As well, the below-grade garages have individual garage doors for added security. The new and improved Statesman villa also has a walking promenade that makes the exterior elevations appear more attractive and more pedestrian-oriented.

Located in the city's northwest, Cougar Ridge boasts panoramic views of Calgary's skyline and the river valley. It also offers the convenience of being close to downtown and the city's major thoroughfares, combined with luxury living in the peace and quite of one of Calgary's most sought-after areas.

To learn more about The Groves of Varsity, visit the sales centre at the Crowchild Inn at 5353 Crowchild Tr. N.W., call 403-256-4151, or go to [www.grovesofvarsity.com](http://www.grovesofvarsity.com).

For more information about pre-sales of the Landings at Cougar Ridge villas and townhomes call 403-968-1092 or visit [www.cougarridgelandings.com](http://www.cougarridgelandings.com).