Buying New Homes in Toronto: What are Inventory Homes?

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When buying new homes in Toronto, you're likely to stumble across the term "inventory homes." But what are they? What's the difference between regular Mount Albert homes and inventory homes?

It's not unusual for a custom home builder to build new homes in Toronto as part of a small development. Often these GTA new homes are built on speculation. In other words, the new home builder doesn't necessarily have a buyer for the home yet.

As the home builder grades the lots, the sales process begins. The home builder may build a model home and open a sales office inside it. Once the sales office is built and staffed, the sales team starts selling lots and new homes in Toronto to buyers in phases. Because it's more efficient to build homes in phases than to build them one at a time as the properties sell, the custom home builder will move forward with building the entire phase once enough buyers have committed to the process. This means that some of the homes will belong to the builder until they ultimately sell. These homes go into the home builder's inventory. Thus, they are called inventory homes.

There are pros and cons involved in buying inventory homes from a custom home builder. If you choose a high quality new home builder, buying an inventory home ensures that your home will have been built to the highest standards. However, inventory homes don't last long, and if the project is in its last phase, you may not have many choices. In addition, since inventory homes have already been built, you have fewer opportunities to customize the home unlike buyers who purchased lots before the houses were built.

Meanwhile, the advantages of buying new homes in Toronto out of a custom home builder's inventory are compelling. These GTA new homes are generally move-in ready. All you need to do is make an offer, obtain financing, close the deal, and move in. Another advantage can arise when the final phase is nearing completion. In some cases, the home builder is motivated to move the final inventory homes and offers attractive incentives to homebuyers.

Buying GTA new homes directly from a Toronto home builder makes sense for many homebuyers. If you prefer to be involved in the construction so that you can request specific modifications, materials, upgrades, or colours, you'll want to buy homes before they are built. On the other hand, if the thought of making decisions and waiting for your house to be built is stressful, you may be better off focusing on inventory homes. In either case, quality awaits.

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