

◆ Lenders tighten on condo mortgages


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Condo buyers are facing stricter lending guidelines, dropping values (especially for in-construction buildings) and, if they're self-employed or buying for investment purposes, new rules and restrictions.

"Lenders are making some dramatic changes in their policies," Jeff Mayer, an agent with Mortgage Intelligence told the *Globe and Mail*, adding, "I am seeing situations where people who bought suites two years ago and thought they had a big enough mortgage to cover 75 per cent of the price are now being told 65 per cent is all their lender will put up."

New condo buildings can go down in value due to builders cutting back on extras and upgrades to increase affordability, the paper said.

Along with dropping values, Mayer pointed out that self-employed condo buyers in particular have to show higher credit scores (in the 680 range, up from 620) while Gary Siegle, a regional manager for Invis in Calgary, told the *Globe* that real estate investors also face more restrictions - for example, lenders can only count 50 per cent of rental income toward revenue needed to qualify for a loan (it used to be 80 per cent).

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