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Legal issues to consider when buying a cottage

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Maybe it's the new flight service by Porter Airlines to Muskoka or maybe it's the smog that's prompting Torontonians to move from the hustle and bustle of the city to set up a life in cottage country. Or maybe (and more likely) it's the cost of a home in the city.

Some Torontonians are opting out of the market to find greener (literally) pastures in the rural parts of Ontario. The math makes sense even if you decide to buy in rural Ontario and rent in Toronto. How? Homes, and therefore mortgages, outside of our urban centres are significantly cheaper than the urban core. As an article reported in *Toronto Life*, if you Airbnb your cottage when you're caught in the city, you will more than cover your mortgage and your Toronto rent.

There are, however, some caveats and critical legal and practical issues that may affect your decision.

Short-term rentals:

If you plan to put your cottage on Airbnb, be aware of noise regulations and open fire rules and your neighbours, who may not be pleased with short-term renters partying throughout the summer months. Especially if they're out there to relax. Zoning restrictions, and not just noise by-laws, may also be in store for parts of cottage country. And don't forget that your insurance will be sky high because you're not living in the cottage and because you're renting it out.

Financing:

Some other things to consider: many banks will only permit financing if the cottage has a furnace, a heated water line from the lake during winter months and a foundation in the ground and not on cinder blocks. Also, as further described below, ensure that the roads are maintained all year and that the property has a proper septic system and clean drinking water. If not, your lender may back out at the last minute. One wonders also wonders about the impact of insurance on homes near the water due to the

flooding in Muskoka. Stay tuned!
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