



Business

Family fears homelessness when builder doesn't return deposit

The Boguckis cancelled a deal with Urbancorp in March but have yet to get \$95,000 deposit back, which they're counting on to find another home. Urbancorp says cheques will be ready June 20.



ANDREW FRANCIS WALLACE / TORONTO STAR

Peter and Elizabeth Bogucki backed out of a purchase with builder Urbancorp in March but have yet to get their \$95,000 deposit back. This puts them on the spot because they've already sold their condo and were counting on the deposit to find another home.

By: **Susan Pigg** Business Reporter, Published on Wed Jun 03 2015

Peter and Elizabeth Bogucki are trapped in a hellish no-home land.

The couple is being forced to move into a basement apartment next month with their two young children because they've been unable to get back \$95,000 in deposits on a house in a troubled Etobicoke project by developer Urbancorp.

"It's been devastating," says Peter Bogucki. "We never would have sold our condo if we'd known we'd run into problems like this with a big developer like Urbancorp that seems to have a building on every corner."

Some 20 homebuyers have backed out of deals to buy in the 98-home Val Homes project on Valermo Dr. near Brown's Line and Evans Ave., which first launched sales two years ago and has yet to get a shovel in the ground.

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Many were shocked to discover that deposits on freehold homes don't have to be held in trust, which is a legal requirement for condominium projects.

A number of buyers who talked to the Star — most fearful of having their names used because they are considering legal action — paint an identical picture of a major Toronto developer they fear has run into serious financial problems.

Urbancorp denied that suggestion and said Wednesday it will have cheques ready by the end of day June 19 for those 20 buyers who have already signed release forms. Some 35 others have said they will stick with the project. A spokesperson for Urbancorp for another 15 have yet to notify it of their intentions.

“Going forward, refund cheques will be available within two weeks of signing the release form,” Urbancorp said in an email statement.

Urbancorp currently has more than 1,200 condo units in the works across the GTA. And that's not including the Kingsclub project near Liberty Village, a 639-suite, three-tower condo project that it [quietly cancelled back in January](#) and converted to rental apartments.

In that case, Urbancorp returned deposits, minus any interest, that it had been holding for up to four years.

Condo law requires that developers maintain those deposits in trust, but those same protections don't extend to people who buy freehold homes before they are built, according to lawyer [Ted Charney](#), who is representing some of the Val Homes buyers.

“We've suggested to Urbancorp in a letter that if they haven't honoured their agreement to return deposits, it must be because they can't meet their debts when they come due. There's been no response,” said Charney.

Urbancorp launched sales of the 98 modernist, detached and semi-detached Val Homes back in 2013. But it was only last fall that many buyers discovered the project, proposed for the former Alderwood Collegiate site, didn't even have final council approval when they inked their deals.

The city ordered a dramatic downsizing of the houses, which were, in essence, almost four-storey buildings in a quiet neighbourhood of postwar bungalows and two-storey homes. That meant construction wasn't even started by last fall's intended move-in date.

The Boguckis were devastated to discover the new downsized design would cost them their rooftop terrace. As well, they'd only get a single-car garage instead of a double and most rooms were considerably smaller. Even lot sizes shrank, from 40 feet to just 25 feet wide.

Urbancorp offered to knock \$50,000 off the original price, said Peter Bogucki, but the family was in a bind. They were been crammed into a two-bedroom Etobicoke condo with two young children and the new move-in date at Val Homes wouldn't be until 2017.

So the Boguckis accepted an offer for their condo, figuring the Val Homes deposit would arrive in a few weeks at most, at which point they could start hunting for another home. As weeks passed and the July closing date on their condo grew closer, the couple spelled out their frustration and dire situation in a number of phone calls and emails to Urbancorp sales staff.

“We have no funds for down payment to buy our own place or to even sign the lease agreement,

putting first and last month rent deposit,” Peter, 43, wrote in a May 6 email, almost two months after the couple signed a release March 14 cancelling their purchase.

“I am not sure how to better convey our desperate financial situation at this given moment, but my wife, my two small kids and I will end up on the street since we do not have any family in Canada or any means to stay with anybody for even one night.”

Even an Urbancorp sales representative acknowledges on May 14 that they are “lost for words” in their efforts to secure repayment for the couple. He suggests they look at another “option” — Ontario’s new home warranty program, Tarion, insures up to \$40,000 for deposits, which is a fraction of the \$100,000 to \$200,000 many of these homebuyers paid.

They also suggested the couple contact Emil Vojkollari, the realtor who sold them the 4,000-square-foot house for \$850,000. They later found out Vojkollari resold the home within days of their deal being cancelled.

“The new buyers must have put down a deposit, so I don’t understand why we don’t have our money back yet,” said Bogucki.

Vojkollari told the Star that he’s sold 22 homes in the project and has been trying to help any who want out get their deposits.

“A few of them have backed out, but quite a few have recognized the value in this project and are staying,” he said.

One purchaser — an investor who has no intention of living in the house — told the Star he’s happy with the discounts Urbancorp has offered to compensate for the delays and downsizing.