

Ontario woman charged \$280,000 extra for condo despite having signed contract



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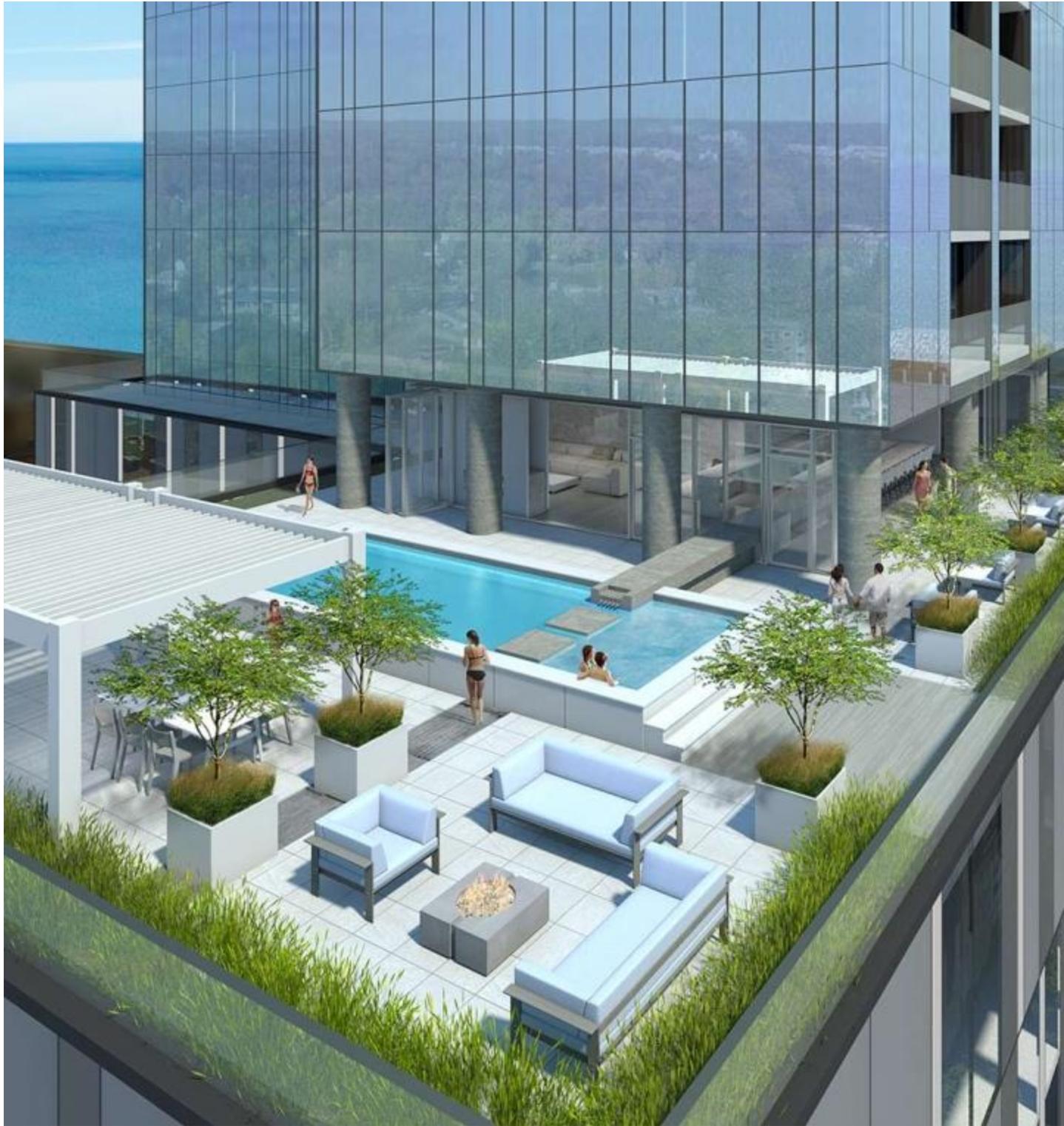
People who bought units in an Ontario condominium development said they were shocked when the developer raised prices and demanded more money despite them having signed contracts.

"They want me to pay almost \$280,000 more for the same unit. I'm just shocked. I mean I can't afford it plain and simple because I'm retired right now," Terri Ramsey of Mississauga, Ont. said.

Ramsey said she put a down payment on her Burlington condo unit in 2016, and has been waiting for it to be built. She then received a notification informing her that due to increasing construction costs, she would either have to pay more for her unit or take back her deposit and walk away from the unit.

Ramsey signed a contract and made a down payment to pay \$385,000 for her unit, but she was recently told the price had changed to \$663,990, which is \$278,990 more.

"I thought 'Finally in my retirement I can live where I want to live in beautiful downtown Burlington,'" said Ramsey. "There is no way I can pay this extra money and demanding I come up with it is extremely unfair."



Poonam Sharawat, of Mississauga, also put a down payment on a unit in the same development in 2018.

"I wanted to have a place for my retirement and have something where I'm not paying \$3,000 for rent each month," Sharawat told CTV News Toronto.

Sharawat signed a contract to purchase her unit for \$435,900, and was told if she still wanted the unit she would have to pay \$549,900 for it.

"I don't have \$120,000 more to give. When they told me about this I couldn't sleep," she said.

The condominium project is with ADI Developments. President and CEO Tariq Adi told CTV news Toronto that "unprecedented cost escalations" have left them with no choice but to ask for more money.



"We strived to maintain our original 2015 sales prices for buyers, but there have been unprecedented cost escalations and material shortages seen across the industry," Adi said. "With the significant delays in approvals and the impact of construction cost inflation, sub-trades opted to walk away from the contracts they signed previously to avoid their own losses."

"Our suppliers have cited supply chain issues, with extended lead times and inflation between 30 to 100 per cent on material cost, labour, and transportation costs. We needed to find solutions to truly protect our buyers. We are in touch with each customer personally to discuss customized solutions to help everyone move forward with their purchase. We have

partnered with alternative lenders to help our buyers re-qualify, also with extended capped rates to further protect them from future interest rate increases."

"This decision was extremely difficult and we sincerely apologize to all of our Nautique customers," said Adi.

Complaints about developers changing prices despite having signed contracts with buyers has caught the attention of Queen's Park. Ontario Government and Consumer Services Minister Ross Romano said in March [that price hikes are under review](#).

"We're not going to tolerate these types of bad faith, unethical practices of developers. They can't just unilaterally change contract terms and prices, and that is not going to be permitted to occur," said Romano.

Other developments in Ontario have also increased prices on signed deals blaming inflation, an increase in building costs and supply chain issues. Romano said builders who cancel agreements to resell at higher prices could face fines or lose their licence.

Both Ramsey and Sharawat said the province needs to take action to force the developer to honour it's original contracts to protect them and future buyers of developments in Ontario.