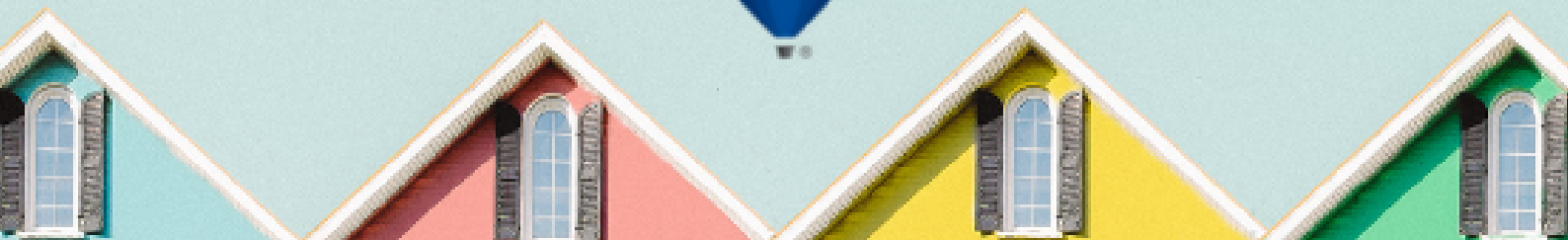


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A REAL GUIDE TO BUYING REAL ESTATE

Vision. Strategy. Clarity. Success.





SO YOU'RE BUYING A
HOME

THIS IS TRULY AN EXCITING TIME!

Buying a home is the largest investment we'll ever make in our life time. This guide will help you better understand the buying process. Let's get started!

Purchasing a home can be exciting and frightening. Especially when it's a brand new community we are not used to.

Start by asking yourself some of these questions:

- 1) What are my housing needs?
- 2) What are my choices in my desired areas?
- 3) What can I afford to spend/What am I comfortable spending?

By building better CONTEXT in this process, we are allowing ourselves to make better choices which yields better results!

What Kind of Home Do I Want?

There are many different styles of homes to choose from so eliminating the styles that WON'T work for you, is important.

- 1) Single Family, Detached Home
- 2) Semi-Detached (duplex)
- 3) Townhouse (a group of dwellings attached by common walls)
- 4) Apartment (one of several dwellings usually built one on top of the other)
- 5) Mobile/Modular Home (factory-built, residential structure designed to be moved from one place to the other)

Types of Ownership

Freehold - the owner has full use and control of the land and buildings on it, subject to any rights of the Crown, local land use bylaws or any other restrictions in place)

Strata (Condo) - Title - form of ownership designed to provide an exclusive use and ownership of a specific housing unit, which is contained in a larger property plus shared use and ownership of the common areas.



THE NUMBERS

DOWN PAYMENTS, MORTGAGES & BORROWED MONEY

Before you start looking, it is important for you to know how much you can afford to pay. Knowing this allows us to be laser focussed on only looking at properties that serve you and that is within your budget. Numbers you should be mindful of:

- 1) The cash you have saved (the down payment)
- 2) Plus: the mount of borrowed money (the mortgage)
- 3) Less: Closing Costs and other "last minute" costs associated with moving



The Down Payment:

Lending institutions will generally require a 5%-10% of a downpayment. As a general rule, you should make your downpayment as large as possible. Your deposit for the purchase will form part of your down payment as well.

Borrowed Money:

The easiest way to determine how much money you will be able to borrow as a mortgage loan is to consult with a lending institution or mortgage broker. Generally you should budget for no more than 30% of your monthly income to make up your monthly mortgage payment.

Being pre-approved with a mortgage is one of the biggest helpers in this process. If you don't know how much you can spend, how do you know what kinds of properties we should be looking at?

Land Title Transfer Tax:

The property transfer tax rate is: 1% on the first \$200,000, 2% on the portion of the fair market value greater than \$200,000 and up to and including \$2,000,000, 3% on the portion of the fair market value greater than \$2,000,000, and If the property is residential, a further 2% on the portion of the fair market value greater than \$3,000,000 (effective February 21, 2018).

What Types of Mortgages Are There?

- 1) Conventional Mortgage: allows you to borrow 75% of the purchase price or the appraised value of the home, whichever is less
- 2) High Ratio Mortgage: allows you to borrow more than 75% of the purchase price or the appraised value, whichever is less.

What is a Mortgage?

A mortgage is a financial loan from a lending institution that requires you to enter into, essentially a contract that sets out the terms and conditions for the loan and it's repayment. If you fail to meet your debt obligations, the lender may have the right to claim your home to pay off what you still owe. (A Foreclosure). Typically in my experience, 3 missed payments is the magic number to commence the foreclosure process.



BUDGET

What Other Expenses Should I Be Planning For?

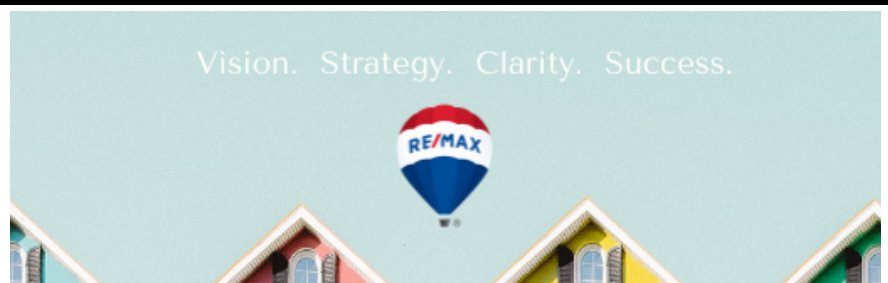
OTHER COSTS ASSOCIATED WITH BUYING:

- 1) Closing Costs
- 2) Taxes / Property Transfer Tax
- 3) Legal Fees
- 4) Appraisal Fees
- 5) Moving Expenses
- 6) Home Insurance to Pay Before You Finally Move In
- 7) Possible GST on the home if it's a New Build or Hobby Farm
- 8) Survey Fees
- 9) Mortgage Application Fees

OTHER EXPENSES TO CONSIDER...

- 1) Mortgage Default Insurance (CMHC & required if you have a high ratio mortgage)
- 2) Life & Disability Mortgage Insurance (optional, not mandatory)
- 3) Fire & Liability Insurance
- 4) Home Inspection Fees
- 5) Deposits required by utility companies
- 6) Furniture
- 7) Appliances (if you wish to replace existing right away)
- 8) Garden Equipment
- 9) Redecorating/Renovations
- 10) Garbage Bins
- 11) Window Coverings

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Team Work Makes the Dream Work

When you hire me as your trusted advisor we will spend a lot of time focussing on the context of what's important in your new home.

It can be so easy to get distracted by what's pretty or what's new. We should be constantly coming back to the question, "Will this home actually suit my needs?" during the process. As your trusted advisor, I will help ensure we are staying on track for what's actually important based on our consultation.

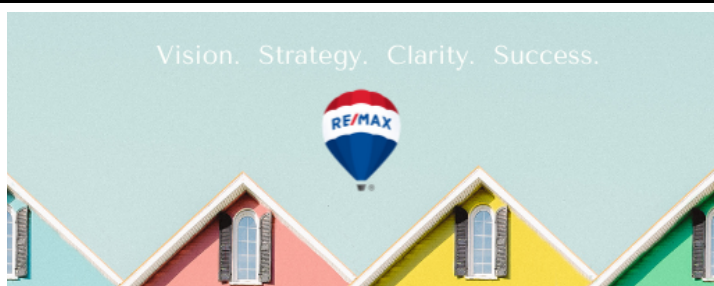


It's important to consider the needs of all of the people who will be living in the home and how it will affect their day to day living.

- 1) Community (rural or town?)
- 2) Location (Is it close to the hospital? The schools? Places of worship? Rec Facilities?)
- 3) What are the property taxes like?
- 4) Is there any future development coming in the area you may not like?
- 5) If you're looking at an acreage - how are the water systems? Septic condition?
- 6) What public services are available (police, ambulance, garbage collection?)
- 7) Where is my mail delivery?
- 8) Is there bus transport nearby if I need it?
- 9) What demographic lives on my street? Will there be kids on the street for my kids to play with?
- 10) Are there more renters or home owners on the street?
- 11) Are you wanting a character home in need of renovations? Or move-in ready?
- 12) What combination of space do you need? (Open concept, number of bedrooms, number of bathrooms, storage for outdoor equipment, yard space)
- 13) What features are most important (fire place, large entry way, sun deck, pool?)
- 14) Would you prefer low maintenance yard or lots of gardening?
- 15) How far is your desired school?

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BUYER'S INFORMATION EXERCISE

Are you pre-approved? _____

Do you need a mortgage broker? _____

Where is your downpayment coming from? _____

Do you have an initial deposit readily available? _____

What is your time frame of purchase? _____

Do you need to sell first? If so, is it currently listed? _____

What is your desired possession date? _____

Desired location of home (acreage vs town) _____

Style of Home _____

Desired Square Footage _____

of Bedrooms _____

of Bathrooms / Ensuite required? _____

Garage _____

(Double/Single/Attached/Detached) _____

Condition (Move-In Ready/Updates or Reno's ok?) _____

Fenced/ Landscaped _____

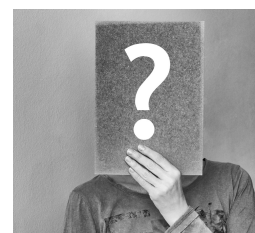
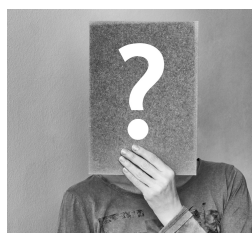
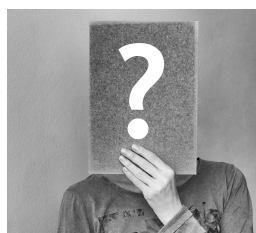
Do you want to be close to school? _____

What activities do your kids participate in? _____

What activities do you participate in? _____

What part of town/city do you work in? _____

Remember, gathering information allows us to build clarity, which helps us
make better decisions which yields better results for YOU!



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YOUR PENDING OFFER

WHAT DOES THIS MEAN?

This means we have an accepted offer that both the seller and buyer have agreed to the terms of the purchase contract! This is the due diligence phase. Pending simply means you are planning on buying this property, pending you get a mortgage and the house "passes" an inspection subject to your satisfaction (there are no "passing grades" when it comes to inspections). At the end of the day, you must be satisfied with the findings of the inspection .

DEPOSITS

You will also be required to put down a deposit. This amount is usually around 1% of the purchase price of the property. It can be more depending on what you and the seller agree to. Your deposit will also go towards the down payment of the purchase. Before we begin this process you should know a) where your deposit is coming from and b) have it readily available for when we write an offer.

INSURANCE

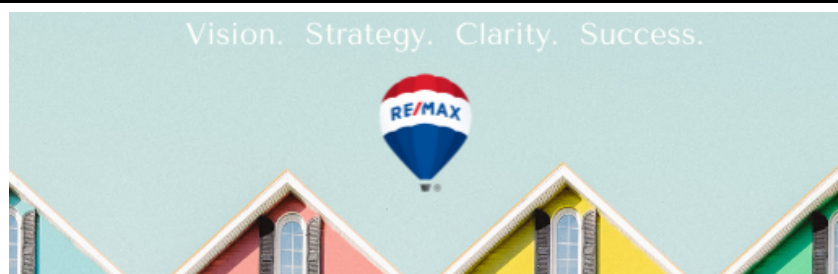
Make sure your new property can be insured! You cannot get the financing on a property if the property cannot be insured! We recommend to see if your insurance company will provide you with a letter of coverage for when you meet with your lawyers/notary.

CONDITIONS AND TERMS OF THE CONTRACT

There are a plethora of subject terms and conditions that can go into a purchase contract. We will talk at length to ensure your most important items are included in the contract. **Conditions** or "**subjects**" are items in the contract we must work towards satisfying ie: financing, the home inspection, insurance, and anything else we feel is important. **Terms** of the contract are items you and the seller agree to ie: the seller warrants there are no defects to the property that cannot be seen by a reasonable inspection, or the seller agrees to have the carpets professionally cleaned prior to possession.

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It is our responsibility to book the home inspection by a licensed home inspection professional.

THE HOME INSPECTION: HOW IT WORKS



We try to accommodate the time you choose and if I cannot attend, a trusted colleague will. Usually, I recommend booking your inspection closer to your condition removal date so you can make sure you get your mortgage commitment prior to investing in a home inspection (the cost will be around \$400-\$600). You can also waive the right to a professional home inspection (waiver provided by our office) but it is not recommended.

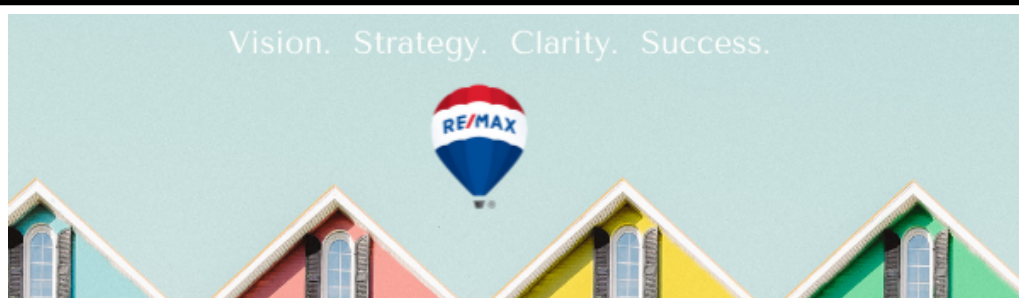
What Happens If I Don't Like Something in the Report?

You have 3 options when this happens:

- 1) You can walk away with 0 risk
- 2) You can ask for the seller to fix the items
- 3) You can renegotiate the price

Note that every transaction is different and each seller different. We cannot guarantee they will agree to any of this.

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WHEN TO MEET WITH MY LAWYER/NOTARY

**WE'VE REMOVED
CONDITIONS.
NOW WHAT?**



YOU STILL NEED TO MEET WITH YOUR LAWYER/NOTARY

We've signed off on removing conditions and the sale is FIRM!

This means you have effectively purchased the home and will get possession of it on "closing day" (the date we agreed to in the contract). Typically you will need to have a lawyer selected prior to waiving conditions but sometimes it's nice to get them involved before hand if it's been a tricky negotiation.

You should plan to meet with your lawyer about 10 days prior to closing day. This lets your lawyer/notary review your file and ensure all the paperwork is in order to facilitate a smooth closing day. Usually your lawyer will contact you to book your appointment but please feel free to contact them yourself ahead of time to schedule your meeting with them.

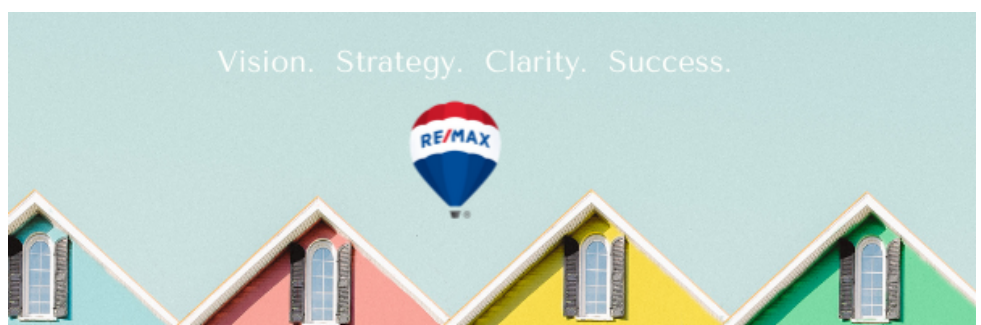
Who Sends The Lawyer/Notary My Real Estate Documents?

We prepare all the documents that pertain to the purchase of your home and send them to our office that will finish preparing the final documents and send them to your lawyer directly.

The Difference Between a Lawyer and a Notary

The simple answer to this common question is that notaries do not represent clients in court and cannot get involved in litigation. Their work is restricted to certain non-contentious matters where those involved are in agreement, and often involves notarizing, or witnessing people's signatures on documents. Unlike lawyers, notaries can only provide legal advice or services on specific types of matters. For example, they are not able to provide services related to family law issues, such as separation or divorce. Notaries can provide services on matters including the preparation of wills, drafting affidavits, and notarizing documents. Lawyers, on the other hand, may represent clients on all legal matters, inside and outside of the courtroom.

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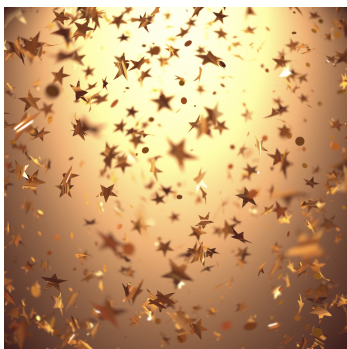


WHEN DO I GET MY KEYS?

On your purchase contract, it states the time and date agreed to and that is legally when you should be able to receive keys. Typically though, it is when the sellers receive funds from our lawyers.



You and I will arrange a time to meet at the property and I will collect keys from the seller's brokerage and meet you at the property for one final walk through. We should be receiving the home in the same condition as when we put in our offer and removed our conditions. I.e: If the homeowner was a slob, please don't expect it to be spotless when you get the keys.



Now it's time to celebrate as you officially own your home! As always, keep in touch and if there's anything we can help you with, we are here for you even after the transaction closes.

Congratulations!



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