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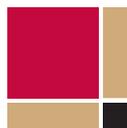
**Faith's Complete  
10 Step Guide  
to Buying a Home**

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# STEP 1

**Choose a REALTOR®**

## **Buying a Property**

You have decided to buy a home. Congratulations! Home is where the heart is, where memories are forged. It can also be a great investment. If this isn't your first home purchase, then what you read here may be old hat, but there is always room for a little refresher.

Having a good understanding of the steps in buying a home, and the associated costs are all of utmost importance. This is one research avenue for you in your quest for knowledge about the home buying experience. I hope you find it helpful.

## **Choose a REALTOR®**

There are lots of real estate agents to choose from, so how do you find the agent that is the right fit for you? When you have a home to sell (and that may be a step to making your next purchase) it is likely you will choose an agent by interviewing a few to ascertain which agent has the qualifications, knowledge, professionalism, marketing experience and personality that makes sense for you. Interviewing is also a good idea when looking for the right agent to act as your Buying Agent.

You will have a lot of questions to ask your real estate agent, and they should also have many questions to ask you. You and your agent will get to know each other well so having someone that you are comfortable working with, as well as someone with that meets all of the professional criteria, will make the home buying experience just that much better. Your agent will know what is important to you in this new purchase, what your objectives and goals are, and get you there.

You will want a real estate agent who has the confidence to tell the accurate story of the current marketplace and how your objectives align so that you will be successful. They are your barometer of the marketplace, your guide through the many steps of buying a home, and your creative architect in putting you and your new home together.

### **A knowledgeable real estate agent will:**

- Convert your home wish list to practical goals
- Educate you about the current market
- Collaborate with you based on your price, location and needs requirements to ensure that your goals are met
- Choose homes for you to view that best fit your parameters
- Provide expertise on neighbourhood, schools, lots, strata-titled properties
- Write a clear, enforceable contract for you



- Guide you through the due diligence period – or “subject to’s”
- Coordinate and act as liaison for other service professionals involved in your home purchase on your behalf
- Problem solve on your behalf and keep the process calm
- Get you to the finish line!

When choosing real estate agents to interview ask friends, family and business associates if they have any recommendations. Check in the neighbourhood that you are considering to buy in and see if anyone stands out. Research profiles and information on-line. Does a prospective agent have a good reputation both with the public and peers? Your agent should be honest, have integrity, be highly ethical and always provide full disclosure and transparency to you at all times.

**Here is a brief list of questions you may consider asking a prospective real estate agent:**

- How long have you been a licensed REALTOR®?
- Do you view this as your career?
- How many clients have you worked with this year?
- How many clients do you actively work with on average?
- What services do you offer?
- What is your business philosophy?
- How available are you?
- What sets you apart from other Agents?
- Do you have a team of experts you can recommend (i.e lawyers, inspectors etc)?
- Do you have testimonials I can read?
- And if they don’t ask – ask them “Do you have any questions of me?”. And if they don’t ask you any questions – question that.



# STEP 2

## Mortgage Pre-approval

Getting pre-approved for a mortgage could well be the first on your list of things to do when buying a home. However, sometimes a real estate agent will be called in first, and “Have you been pre-approved for your new purchase?” will be one of the items they will ask. Having the knowledge of what kind of mortgage you have at your disposal helps to define your realistic real estate goals.

Having a complete understanding of types of mortgages, their corresponding rates and fees, and the detailed fine print about things like the ability to pay down your mortgage faster and porting your mortgage are examples of important things to know about.

Mortgage brokers are professionals that can guide you through the variables. And how do you choose a mortgage broker? If you already have a relationship with a financial institution, that is a good place to start. But just as when choosing a real estate agent, talking to a few mortgage brokers ensures that you are getting the best advice.

**There are other associated costs of the home buying process and now is a good time to discuss them:**

### **One Time Costs**

- Down payment
- Legal fees
- Mortgage fees (potential herein)
  - Application fee
  - Appraisal fee
  - Mortgage broker fee
- Land survey fee
- Home inspection fee
- Title insurance (this is not as common in Canada)
- Property transfer tax
- Adjustments or reimbursement for prepaid services (utilities, taxes)
- GST / transitional tax (if buying new home)

### **Monthly Costs**

- Mortgage Payments
- Utilities
- Maintenance
- Insurance
- Property Tax
- Lease Fees (if a leasehold property, not prepaid)
- Always check with your realtor, mortgage broker and lawyer to ensure that you have an understanding of all associated costs



# STEP 3

**Make your Wish List**

Ensure you create a solid set of criteria – from “must-haves” to “would-likes” - that suit your lifestyle choices and your budget.

Let’s face it, for most of us, what we want and what we can afford are two different things. Having a clear understanding of what you can afford will inform your next set of decisions and will make it much easier for you to have that clear picture so when you are looking at homes there is a measure of reality.

**Here are some things to consider:**

- Where do you want to live? This is an important question as it will impact the next number of questions.
- What type of property do you want to purchase?
  - Detached
  - Attached (think Duplex, Townhome)
  - Condominium
- Do you want new or resale
- Do you have children or are they in your near future?
  - Consider schools, community centres and amenities
- Do you have pets
  - Consider walking routes and dog parks
- Walk ability
- Overall access to work, transit and amenities



# STEP 4

**Pound the Pavement!**

Most of us will not buy a home we haven't seen, so viewing homes is an important part of the buying process. **Did you know: Buyers make their home buying decision within the first few seconds of walking through the front door?** Why is that? Because we need to engage with the property before we buy it – it has to feel right and when that happens, we get excited! Then logic kicks in and we pull out our must-have list: does it have enough bedrooms, bathrooms, space, amenities, parking, can we walk the kids to school, or? Once we have found a dream home we make decisions on what we can compromise on, if it doesn't have everything on our list, because we love it. And, if this home fits the must-haves, we will probably consider putting an offer on it.

Viewing homes also gives the buyer an opportunity to understand value in the price point, in neighbourhood and property style they are looking for. I always say that Buyers are the best informed in a particular segment of the market for these reasons. So viewing homes, educates you in value, and, when the right home comes along you will feel confident about your purchase price.

That being said, your realtor is always at your side as your trusted advisor, your advocate, and confidante as you move through the buying process. When viewing homes, they will be educating on what to look for and point out things either pro or con that may affect your buying decision. They will also provide you with current market comparables, so you are able to make an informed decision about value and what you want to pay for your dream home. When it comes time to put pen to paper you want your realtor to know you, what your goal is and how to get you there. You also want a realtor who has the confidence to.

*So now that you have found perfection, what next?*



# STEP 5

**You are making an offer!**

Your real estate agent will now put to good use their expertise in contract writing to ensure that the contract stipulates to the Seller your interest in this property, under the terms and conditions that you put forth. The contract should be concise, easy to understand and enforceable.

**Unless you are writing a “no-subject” offer (there are many scenarios to writing offers and negotiating so ensure that your agent has the knowledge and expertise to guide you through these waters) your offer will contain:**

- An offering price
- Deposit amount – generally 5-7%
- Completion date: the day that you get title to your new home, and the Seller gets their money
- Possession date: the day that you move in - yay!
- Adjustment date: the day that you - the buyer - start paying for taxes, water, electricity etc. In other words: you own the home, you are responsible
- Expiration of the offer: the date and time that the offer you wrote terminates
- Clauses that pertain to the conditions of the agreement
- Chattels and Fixtures that are included in the purchase price: fixtures are items that are affixed, but that you want to ensure are part of the purchase price. Generally speaking fixtures are noted in the standard contract as included (they are already written in), however chattels are not. Chattels are items that are not affixed to the property, but that you want included. These are items such as fridges, stoves, dishwasher, window coverings and if you want them they need to be written clearly into the contract. Bottom line, ensure that all the items that you want to be included are documented as included.



# STEP 6

## Submitting your Offer

Your realtor will now send the offer over to the listing realtor. Once viewed the seller has options to either:

- **Accept** – Yippee, you have bought a home!
- **Reject** – Oops! They have outright said “no”.
- **Counter** - the seller wants to work with you on this offer. However, they have some items that they either want amended, struck out, or added to the contract. The amended contract will be sent back to you for another opportunity to review and now it is your turn to accept, reject or counter again

*Once you have an accepted offer, what comes next?*



# STEP 7

## Due Diligence

The time allotted for you to address the clauses in your offer is your due diligence period. Unless you are writing a no-subject offer (there are many scenarios to writing offers and negotiating, so ensure that your agent has the knowledge and expertise to guide you through these waters) your offer will contain not only an offering price and dates for completion, possession and adjustment, but also “subject to” clauses.

Subject clauses are items that you want satisfied prior to waiving or removing them from the contract. For example: “Subject to the Buyer receiving and approving a copy of the title search results on or before (date)”. This clause is for your benefit. You want an opportunity to review a copy of the title prior to committing to purchase this home. Sounds fair and logical, right? Right. You may have a number of “subject to” clauses, such as a home inspection clause, financing clause or a clause to review the documents that are part of a strata-titled property purchase. Your agent will be advising you what important and appropriate subject clauses should be inserted into the contract of purchase and sale to protect you, with respect to the property.

Think of the buying process as a puzzle and the “subject to” clauses are pieces to the puzzle. Once we have all the pieces put together we have a complete picture of the property. With a complete picture we ask ourselves, “Okay, what is my element of risk on this home. Am I comfortable with this?” If yes, the next step is to waive, or remove the “subject to” clauses from the contract. This is done in writing and the listing agent is supplied a copy of same. If not, then you will not remove the clauses. But remember – the offer document is a legally enforceable contract and as such, there has to be validity in your reason for not moving forward.



# STEP 8

## Inspection

One of your conditions to purchasing a home will likely be an inspection of the home and property, to be performed by a qualified inspector. An inspection is an important part of your due diligence and a good inspector will give you a lot of good information about the property. They will be able to report to you about safety, construction and maintenance items. If your inspection report comes back with only a few manageable items then you are good to go. If the inspection report contains serious issues you can convene with your REALTOR® to plan a strategy and next steps.

Once all your due diligence is done and you are happy with its outcome the next step is to give your realtor your deposit cheque. This is generally 5-7% of the purchase price and it is placed into your REALTOR®'s Agent's trust account. This amount goes toward the purchase price of the property.

**Congratulations – you have bought a home!**



# STEP 9

**Lawyer or Notary Public**

You will need to hire a lawyer or notary public to transfer title into your name. And, you should contact your lawyer or notary as early as possible in the process.

**Here is a basic list of services your lawyer provides:**

- Information is gathered from you, including how you plan to hold title with a spouse or partner. Most couples hold title as “joint tenants” which means that the couple jointly owns 100%, as opposed to “tenant-in-common” which means each owner owns a fixed percent.
- Conducts a title search and obtains tax information and any additional information necessary to prepare the Statement of Adjustments. The Statement of Adjustments is a balance sheet of the transaction showing the total funds required to complete the transaction, after accounting for your deposit and mortgage proceeds.
- Prepares closing documents including: title transfer, mortgage, property transfer tax forms and Statement of Adjustments. Your lawyer or notary will forward the seller’s closing documents to the seller’s lawyer or notary for execution.
- 1 to 3 days before closing is when you usually meet with your lawyer or notary to sign documents and deliver the balance of the down payment or equity.
- Registers the transfer and mortgage documents, arranges for the seller’s lawyer or notary to pick up funds and notifies you that the purchase has completed.



# STEP 10

**Moving In!**

Now you are almost at the finish line and can envision putting your feet up on the coffee table and enjoy a long cool drink. But there are still a few loose ends that need to be cleared up.

**Below is checklist to ensure that you cover off all the little details:**

### **Moving Checklist**

- Arrange for a lawyer or notary to handle the sale of your home and the purchase of your new home
- If you have children and they have to change schools, start arranging their school transfer process
- At the local post office fill out a change of address form with your new address. Note: Canada Post offers this service online at <http://www.smartmoves.ca>
- Arrange for Insurance for your new home
- Investigate and research moving companies and/or truck rental companies. It is a good idea to get written confirmation of date and costs. Note: Weekends and holiday long weekends and month ends are busy times for moving companies. Book as far in advance as possible to ensure you can get the days you want.
- Arrange for a cleaning company for carpets and someone to do a last minute clean after the movers are finished.
- Make a list of the items in your home that will need special attention while moving or special packing (ie computers, fine china, televisions etc)
- If there are items such as furniture and drapes that you will not be taking to your new home, now is a good time to determine what you will sell or donate.
- Purchase or get boxes and moving supplies (if you are using a mover they will be able to supply you) such as packing tape, bubble wrap, paper required to start your packing.
- Time to start packing! To make it easier, begin with the items in your home you DO NOT use regularly. Be sure to clearly label or number boxes to make it easier when you unpack. If you have time it is a great idea to make a list of what is in each box.

Also, inform companies and institutions that you use about your new address.

**Note: Many companies allow you to do this on line:**

- Banks
- Cable, phone & internet service providers
- Security service



- Insurance company
- Hydro & utility services
- Doctor and Dentist offices
- Gardener & Cleaner
- Any subscriptions you may have

### **Two Weeks Before**

- Confirm reservations with movers or truck rental company
- Cancel or transfer newspaper delivery service
- Finish packing this week
- Call your lawyer and mortgage company to ensure they have all the documentation they need and arrange time for any final signatures they may require
- Confirm the time you will receive keys to your new home.

### **The Day Before**

Gather items of importance – the things you wish to transport to your new home yourself (i.e. jewellery, passports, laptops etc).

### **Pack a travel bag of items your family may need on moving day:**

- tooth brushes
- soap
- towels
- toilet paper
- medications
- paper plates
- paper cups
- a change of clothing

*And now... relax! And congratulations!*

If you would like a private conversation with one of our excellent buyer representatives, please feel free to contact us at 604.224.5277.

