

# BUYER'S GUIDE

*Thank you for choosing the Kingsbury Realty Team*



## BUYING YOUR FIRST HOME?

*There are special programs that may apply to you and you may like a little more detail on what you should be doing for preparation!*

*Ask us about options for first time home buyers!*

## ARE YOU READY TO BUY?

*Property ownership is an excellent investment whether you're looking for your dream home, a rental property or to expand your investment portfolio. Owning real estate is one of the least risky ways to build equity or to obtain a greater return on your initial investment – as long as you're financially ready. The Canadian Mortgage & Housing Corporation (CMHC) recommends some things that you should consider when deciding to buy:*

### ***Financial Security***

Your home can provide you with financial security due to capital appreciation— as the value of your home increases over time, so does your equity.

### ***Responsibility***

You alone are responsible for payments, repairs, and maintenance.

### ***Financial Stress***

Added financial responsibilities such as: making regular mortgage payments and ongoing costs associated with home ownership can tie up a lot of your cash and put stress on your finances.

### ***Maintenance***

Keeping your home in good shape requires time and money.

### ***Stability***

Keeping your home in good shape requires time and money.

### ***Flexibility***

You can decorate or renovate your home to meet your family's needs and personal tastes.



## DECIDING TO BUY

*People have a lot of different reasons for deciding to buy a home. Some are first time home buyers looking to step into their own space, while some are buying to accommodate a growing family and others still are seeking a sound investment or to downsize from an existing home. The first step in the home buying process is knowing why you're buying, which will inform your decisions about what you'd like to look for.*

## WHY DO YOU WANT TO BUY?

*Are you tired of paying rent? Have you decided to pay your own mortgage and not your landlord's? Have you outgrown your current home? Are you looking for an investment portfolio? Are you looking for a rental property? Would you like a larger yard? Would you rather live in a different area? Do you want to shorten your commute? Having a clear sense of your reasons for buying will help you choose the right property.*



## HAS YOUR INCOME GROWN?

*Property ownership is an excellent investment; whether you are looking for your dream home, a rental property or to expand your investment portfolio. Owning real estate is one of the least risky ways to build equity or to obtain a greater return on your initial investment.*



## PREPARING TO BUY

*Now that you've decided that home ownership is right for you, you will need to determine if you are financially ready. At this point it's a good idea to take a look at your entire financial picture. You should be prepared and fully informed not just about the initial purchase but about your financial responsibilities in the future.*

## HOW MUCH CAN YOU AFFORD?

*There are two general affordability rules that will help you figure out what you can afford on a monthly basis in your current financial situation:*

- Your monthly housing costs shouldn't be more than 32% of your gross household monthly income. Monthly housing costs include: mortgage principal and interest, taxes and heating expenses. Known as your Gross Debt Service (GDS) ratio*
- Your entire monthly debt load shouldn't be more than 40% of your gross monthly income. This includes: housing costs and other debts such as car loans and credit payments. Known as your Total Debt Service (TDS) ratio.*

*These numbers help you to determine your overall financial health. They're also part of what your lender will consider when determining how much you can be approved for.*





## CHECK YOUR CREDIT RATING

*Your credit score will have a huge impact on what type of property you can buy and at what price. It is first recommended to check your credit rating either on your own or with an experienced lending institution so that you can determine what you can afford. The lender will research your credit ratings from the two credit reporting agencies: Equifax and Trans Union or you can go to them directly online. We will be happy to recommend experienced, knowledgeable lenders in the residential, agriculture and commercial real estate fields.*

## GET A MORTGAGE PRE-APPROVAL

*Having a pre-approved mortgage amount makes the search for your new home much easier and less time consuming because you have a good price range in mind. There a few pieces of information you will need to have handy the first time you meet with a lender:*

- *Your personal information including identification such as your drivers license.*
- *Details on your job, including confirmation of salary in the form of a letter from your employer.*
- *Your sources of income. Information and details on all bank accounts, loans and other debts.*
- *Proof of financial assets.*
- *Source and amount of down payment and deposit.*
- *Proof of source of funds for the closing costs.*



# WHAT TO LOOK FOR IN A REALTOR®

*The following are some factors to keep in mind when looking for a listing REALTOR®:*

 *How can they help you?: Selling your home is a complex and complicated process that is constantly changing. You want to make sure that you're working with someone who can take this burden off of your shoulders and get you the results that you're looking for. With The Kingsbury Realty Team you get a whole team of professionals working for you! Our professional team work together, using our diverse specialized skills and knowledge - all focused towards selling your home for the best possible price.*

 *Constant Learning: One of the most important factors in choosing a real estate professional is their willingness to continually educate themselves about the ever-changing real estate industry. Our team is continuously updating their training and education, allowing them to be among the most knowledgeable in the field.*

 *Experience and Expertise: You want a full-time REALTOR® who is familiar with your area and the type of property you intend to sell. Do they employ a diverse range of marketing and advertising strategies? How tech-savvy are they? Let our expertise work towards the stress-free sale of your home.*

 *Availability and Commitment: Your REALTOR® should be capable of prompt and decisive action during the course of selling your property. They should be able to keep in touch with you via phone, email, text message, etc and should be readily available in case of emergencies or even for the simplest questions. Our Team is always available for you during the home selling process to address any questions or concerns that you may have. We communicate with our clients through text, email, over the phone, FaceTime and in person. We will communicate with you in whichever way you are most comfortable!*

 *Rapport: You want an REALTOR® to take the time to listen to your goals and clarify your needs. They should understand your unique situation and be genuinely concerned about the outcome of the process. Our team will be your coach and partner in this crucial decision, so it is important for you to feel comfortable with us.*





## TIME TO GO SHOPPING

*Once those preparations are out of the way, it's time to find the right property for you. You're likely to spend years in your new home, so finding the right one is crucial.*

## TAKE A DRIVE

*Get to know the neighborhoods, subdivisions or communities which interest you. Drive around and get a feel for what it would be like to own a property in the area. Start getting a sense of the properties available in those areas.*



## NARROW YOUR SEARCH

*Select a few properties that interest you the most and have your REALTOR® make appointments to visit them. Ask your REALTOR® about the potential long term resale value of the properties you are considering.*

## TIME TO BUY

*Once you have picked out the property you want to purchase, your REALTOR® can help you make an offer that the seller will accept or work with. A good REALTOR® will investigate the potential costs and expenses associated with the new property and will help you draft your offer in a way that helps give you the advantage over another offer.*

## CONDITIONS, INSPECTIONS ETC.

*We're missing some intro text: An experienced REALTOR® will add tremendous value during the home search, the drafting of the contract, negotiations and closing of the purchase.*

## THE OFFER PROCESS

*When you come across the home or property that's right for you then the next step is to put in an offer. At this point your REALTOR® will discuss with you the best way to do this based on your situation and what fair market value for the home you'd like to buy is.*

*Typically offers will go back and forth a few times between the buyers and the sellers as you try to agree on price and terms. Any changes from the original offer will be documented in writing, although in extenuating circumstances negotiations will continue verbally until they can be documented in writing. This is where your REALTORS® negotiation skills and experience really go to work for you!*

## THE DEPOSIT

*The deposit is usually delivered to the listing brokerage upon acceptance of the offer or within a couple days depending on how the contract is written. The deposit will be held in trust until closing and then applied to your purchase price. A deposit can range depending on the value of the home you are purchasing in most cases \$500-\$2000 is the common deposit value. The deposit can be refundable under certain criteria if the deal does not come together, please ask your REALTOR® for clarification.*



# THE CONDITIONAL PERIOD

*Once your offer is accepted the conditional period begins. All of the conditions in your offer must be met before it can become firm and the deal finalized. The dates associated to the conditions are important and should be met on time as best as you can. Most offers contain the following conditions:*

- Finance - Mortgage approval for the purchase will need to be obtained to meet this condition. We would be happy to recommend an experienced mortgage specialist.*
- Appraisals - Sometimes mortgage providers will order an appraisal on the home to make sure that the home is worth what they are lending you to purchase it. If an appraisal is required it will be scheduled by your mortgage provider.*
- Inspection - A professional home inspector will thoroughly check the home and let you know if there is anything you should be concerned about. Some inspectors can perform water tests (if the home is on a well) and Radon testing if agreed on in the contract. Not all inspectors are qualified to administer Radon tests. We can recommend an experienced home inspector for you.*
- Insurance - If you are obtaining a mortgage, you will be required by your lender to purchase insurance on the property. You may be able to save money on homeowners insurance by shopping around for insurance.*

*And sometimes:*

- Sale of Purchasers Property or SOPP - If you are purchasing a property and still need to sell your current property you might make this condition part of your offer. We will guide you on whether to include this condition in your offer or not.*

*When all of the conditions have been met and the appropriate paperwork is signed and submitted the offer is considered firm.*

# A FIRM OFFER

*Now that all of the conditions have been met your offer is firm, congratulations you just bought a new home! All that's left to do is to get ready to move in on closing day.*



## MOVING IN

*It's almost time to sit back and relax in your new home! But there are still a few things you need to think about. The final section of our Home Buyer's Guide focuses on packing to move as well as switching over utilities, changing your address and preparing for your closing.*

## PACKING & MOVING

*Once the offer is firm and both parties have signed off on it, it's a good idea to start looking at movers. We have several moving companies our clients have dealt with and can recommend names to you.*

*If you opt to pack and move yourself then it's a great time to start collecting boxes and get to packing!*



## CHANGING YOUR ADDRESS

*You should also start contacting utility companies and government bodies to let them know about your new address.*

*Once your offer becomes firm we will send you a closing package which includes a checklist of everywhere you should call to change your address.*



## HOME SERVICES & UTILITIES

*After the sale becomes firm, its a good idea to set up your home services and utilities for move in day (NB Power) or the day after (internet, TV etc\_*

## BE PREPARED

*We are ready to assist you should an unforeseen glitch pop up, even at this last stage. Something at the property breaks down, or some other minor detail - no need to worry. We have encountered these problems before so we know how to handle them efficiently and in a stress-free manor.*



## CLOSING DAY - WHAT TO EXPECT

*The biggest misconception when it comes to closing is that come closing the new owners get the keys right away and can start moving in, although this would be ideal it's simply not the way things work.*

*Typically the morning of closing, or the evening before, you and your REALTOR® will do a "Closing Day Walk Through". This walk through allows you to make sure everything agreed upon in the contract is there and in working order, etc. Your REALTOR® will send a form, signed by you, to your lawyer and the listing REALTOR®. In the rare case of closing day issues, the lawyer will take care it.*

*In order for the keys to be passed from the seller to the buyer you have to wait for the title to be transferred. The title transfer is handled by your lawyer, who is a buyer's biggest ally come closing day. Your lawyer will notify you after the title has transferred and it's time to pick up the keys. This generally happens between 1:00 and 5:00 PM.*

*If possible we recommend scheduling movers in the afternoon or the day after closing - this way you avoid paying movers to sit around while you're waiting for the keys.*