

The Complicated Buying Process Made EASY With



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BUYER BEWARE

8 Factors to Consider When Buying a Home

Purchasing a home today has become an extremely complicated process compared to years gone by. There are so many factors that consumers need to consider and investigate prior to purchasing a home.



FACTOR 1 | LIFESTYLE

The Number One Factor that I need to ensure is to find you the perfect home that suits your family's needs and budget.

FACTOR 2 | YOUR INVESTMENT & EQUITY BUILDING

The Second Factor to ensure is that your new home will be a good investment, one that will realize a great rate of return over your initial 5 years of ownership.

In other words, finding the right home that suits your lifestyle and budget and a home that is also a **Good Investment** are factors paramount to me.

I will calculate the approximate value of your new home after the initial five years of ownership... how much equity growth will you realize.

However, some buyers are not concerned about building equity ... the only factor important to them is finding the perfect lifestyle that suits their family needs and I am happy to help.



BUYER BEWARE (continued)



FACTOR 3 | INSPECTIONS

The Third Factor is to determine what type of inspections are needed to ensure that you don't run into costly upgrade or replacement expenses after closing.



FACTOR 4 | HAZARDOUS SUBSTANCES & MATERIALS

The Fourth Factor is whether there are substances or materials that exist in the home that could be hazardous to you and your family's health.



FACTOR 5 | SITE INFLUENCES

The Fifth Factor is are there any site influences, future proposed developments, future road systems etc. that could have a negative impact on the future value of your home.



FACTOR 6 | REPUTABLE BUILDER

The Sixth Factor is whether your home has been built by a reputable builder. This could potentially affect future resale values.



BUYER BEWARE (continued)

FACTOR 7 | MORTGAGE FINANCING



The Seventh Factor is Mortgage Financing. When purchasing a home some consumers may need to consider Mortgage Financing as very few consumers elect to pay cash for their new home. There are so many factors to consider and it's not just interest rate, for example types of mortgages that will help reduce the principal faster by offering enhanced prepayment privileges or doubling up on mortgage payments, bi-weekly payments etc.

FACTOR 8 | HIDDEN SAVINGS



The Eighth Factor is identifying how your mortgage becomes a form of hidden savings. The cost of borrowing today is so inexpensive, I will calculate exactly how much of your principal will have been paid off in five years. If we take for example a Monthly Mortgage Payment of \$1000 with today's interest rates and averaging over 5 years, approximately \$500 plus goes towards paying down your principal. After 5 years \$30,000 of your mortgage principal will have been paid off. Owning your home will only have cost you \$500 a month not including property taxes.



WHEN BUYING DIRECTLY FROM A PRIVATE SELLER

How are you protected? What do you need to know?

Private Sellers, when selling their own homes, are not governed by any laws or legislations. In other words, **there is no protection for the Buyer Consumer.**

1. A Private Seller is allowed to disclose contents of your offer to another Buyer, ie: your offer may not be kept confidential especially in a Multiple Offer Situation, however when using the services of a licensed real estate professionals they are restricted by law from doing so.
2. A Private Seller can have more than one offer and does not need to make this disclosure to you the Buyer of the existence of any other offers or how many. If a real estate sales representative, representing a Seller, receives more than one offer they must make disclosure of this fact to all buyers bidding on the property including the number of offers received thereby advising all buyers that they are in a multiple offer scenario. This gives all competing buyers a chance to change and better their offers.
3. A Private Seller does not have to adhere to Bill 55 and can indicate there may be other offers coming in when there are none. A real estate sales representative cannot indicate that another offer may be coming...an offer must have been received prior to communicating this fact to any interested buyers.
4. A Private Seller does not have to disclose if he has a monetary gain and what the amount is if considering their own offer vs one they have received from you. A sales representative representing a Seller must disclose any monetary gain and the amount the Seller will realize if the listing sales representative brings an offer from their own Buyer. This must be disclosed to all Buyers submitting an offer through another real estate sales representative as outlined in the Real Estate & Business Brokers Act 2002 (REBBA 2002).
5. Fintrac Identification is not needed for a Seller selling privately other than MLS Mere Postings or Seller's Rights Reserved. There always exists a Higher Risk of Fraud that could potentially affect the Buyer on closing.
6. A Private Seller always wants the deposit payable to their lawyer who then can decide unilaterally to release the monies to their Seller without any further release from the Buyer. Therefore a Buyer's deposit may not be protected and in order to get the deposit monies back, the Buyer may have to seek costly resolution through the courts. When a deposit is held in a real estate trust account it is held in a neutral position and cannot be released without the written consent and agreement by all parties to the transaction as outlined in the Real Estate & Business Brokers Act (REBBA 2002).
7. Disclosures relating to the real property ie: deficiencies not visual to the eye or hazardous materials or substances may not be disclosed by the Private Seller. (A licensed real estate sales representative), if they have knowledge must make disclosures of all the aforementioned or, at the very least, will recommend the appropriate inspections to ensure the Buyer is protected.
8. Mortgage Verification: Can the Private Seller Sell? When the private seller sells their property, will they be able to pay off all outstanding Mortgages and liens registered against the real property? If not, the Private Seller cannot close the transaction on the completion date and the Buyer may not have a home to move into.



I LEAVE NO STONE UNTURNED

to ensure your family and your investment are protected

There are many Environmental Issues surrounding residential homes and the cost to remediate, if undetected, can have a serious impact on your family's health and the resale value of your home.

The cost of rented fixtures or the cost to buyout a rent-to-own or lease on fixtures can be expensive and I will ensure that you have all the information needed to make an informed decision.

Although the following list is not comprehensive it does give a great indication on how I work on your behalf to ensure you are aware of the impact on health and value.



- Hydro Lines
- Mould
- Radon Gas
- Knob & Tube Wiring
- 60 + Amp Services on Fuse Panel
- Grow - Opts
- UFFI
- Asbestos
- Vermiculite Insulation containing Asbestos
- WiFi on Health
- Kitec Plumbing
- Lead Plumbing
- Well Water Testing
- Well Meets Code
- Well System in Good Operation
- Septic System Inspection
- Decommissioned Waste Disposal Sites in Area
- Rental Equipment Costs & Buyouts



11 CRITICAL Steps in the BUYING PROCESS



Yasmin Fues
Sales Representative

ROYAL LEPAGE
Team Realty
Independently Owned and Operated, Brokerage



STEP ONE

Mortgage Pre-Approval

Obtain a Mortgage Pre-Approval Options Available

Mortgage Broker

Using a Mortgage Broker may be your best option. They can provide you with the most favourable Mortgage available in the marketplace today with terms, conditions and interest rates to best suit your needs. Mortgage Brokers are not limited to one Lender or Financial Institution, they have access to all of them.

Financial Institution

Your Lending Options are Limited with a Financial Institution. They can only offer you their product and interest rates based on their lending policies. However a Financial Institution may be the best options as they provide a number of other banking services that will enhance the Mortgage Funding Process. Ensure that the Mortgage Person is a Mortgage Broker paid on commission vs an employee on salary as this could delay your approval and cause you to potentially lose out on your dream home.

TIPS

Establish What You Can Afford

Before you start house hunting, establish how much cash (or downpayment) is needed and how much you can afford to carry in monthly payments.

Hidden Costs

Approximate costs are \$3000, an amount over and above the above noted cash down payment. These costs could include services needed such as a Building Inspection, Other Inspections, Appraisal Fees, Mortgage Insurance, CMHC Fees, Legal Fees, Transfer Tax, Title Insurance, Taxes, etcetera.

Stay Within Your Price-Range

There is no use looking at homes that are out of your afforded price range. It will only frustrate you and waste your time. It also confuses your knowledge building process as it may interfere with you making that right decision. We need to compare apples to apples, *not* apples to oranges.

NOTE: Most Realtors® will not show you homes unless you are pre-approved.

Documents Needed For Your Mortgage Approval

- Notice of Assessment from previous taxation year.
- Letter of Employment detailing Income and Length of Employment
- T4's.
- Recent Pay Stub
- Proof of Down Payment.
- Your Mortgage Broker will let you know what else you might need.



STEP ONE (continued)

Mortgage Pre-Approval

HOW MUCH HOME CAN YOU AFFORD?

- Pre-Qualification will define the numbers
- Pre-Approval will **“Show you the Money!”**

NEGOTIATING POWER

Pre-Approval

Is a detailed approach that can give you a firm decision on a home loan. It makes you a “cash buyer” in the seller’s eyes.

Pre-qualification

Establishes how much you can afford to borrow, based on how much you earn and owe. Pre-qualification is not an assurance of mortgage approval.

Pre-Approval Advantage

Bargaining Power

Pre-approved Buyers have increased bargaining power with the Seller as they are perceived as serious Buyers and bring to the table a certain level of credibility. Quick decisions can be made which is attractive to the Seller especially in a multiple offer situation, potentially placing your offer to buy in a “first choice” position.



STEP TWO

Types of Mortgages and Documents Needed for Financing Approval

Down Payment

- 5% or more.
- In some cases a 10% down payment is required depending on the Buyer's employment, income and credit history.

Types of Mortgages

- Conventional
- High Ratio.

Conventional Mortgage

- Down payment (cash to mortgage) of 20% or more. No insurance premium.

High Ratio

- Down payment between 5% and 19.99%.
- Must have insurance through CMHC or Genworth Financial for the Lender.
- Mortgage Insurance Premiums apply to all High Ratio Mortgages
- This Mortgage Insurance is Insurance for the Lender in the event of Non Payment by the Mortgagor.
- Premium can be added to the Mortgage. (Note HST of 13% will not be added to the premium and must be paid upfront).

Required Documentation for Mortgages

- Accepted Agreement of Purchase & Sale.
- Feature Sheet/Listing Information with Exterior Photo.
- Letter from Employer confirming annual income and length of employment.
- T4 Slips/Income Tax returns.
- Notice of Assessment from previous years.
- Verification of Down Payment– copy of bonds, investment certificates, bank books.



STEP THREE

Additional Costs to Consider

Legal Fees & Disbursements

- May vary (\$200—\$800 approx.)
- Title Search
- Sub-Search of Title
- Tax Certificate
- Water & Sewage Certificate
- Hydro Certificate
- Status Certificate
- Register the Mortgage
- Register the Deed
- Title Insurance

Plus standard office disbursements including, photocopies, postage, courier services, fax charges (as applicable.)

Statement of Adjustments— Given to the Buyer upon Closing

This is a summary of all costs and expenses paid by the Buyer(s) and will be provided to the Buyer(s) upon closing.

Land Transfer Tax

- Paid on the final date of closing to the Treasurer of Ontario
- Calculated using final Purchase Price of home.
- 1.5% of Price, minus \$1,525 (i.e.: \$275,000 x 1.5% = \$4125 - \$1525 = \$2600)
- Payment of \$2600 in Land Transfer Tax.

These rates are for single family residences

\$0-\$55,000	>>	0.5%
\$55,001-\$250,000	>>	1% less \$275
\$250,001-\$400,000	>>	1.5% less \$1525
\$400,001– and up	>>	2.0% less \$3525

A Rebate on payment of Land Transfer Tax up to \$4000 is available to First Time Home Buyers.

Survey

- \$1000-\$2000
- Many homes already have one.

Note: A Survey is not transferable and belongs to the individual who paid for the Survey. You cannot rely on the accuracy of the information unless you ordered and paid for the Survey.

Title Insurance

- \$300 (approx)
- If there is no Survey, Title Insurance will satisfy the Lender and you will not have to incur the cost of a new survey.

Note: Title Insurance is a must on all Real Property Purchases.

All fees, costs & disbursements quoted are approximate. Actual fees, costs & disbursements could be more or less and should be obtained directly from the Lawyer.



STEP FOUR

Representation

REALTORS®

Choosing the RIGHT Realtor®

Choose someone that will offer you professional advice as to preferred locations, styles, prices, trends, financing and how to handle the unexpected. Your chosen sales representative should also have connections with Lawyers, Building Inspectors, Mortgage Representatives and many other Professionals. You may need these various service providers' expert advice. Your sales representative will ensure that conditions are included in your Agreement of Purchase and Sale detailing various investigations due diligence needed. Your sales representative should also be skilled at the negotiating process.

Choose a Sales Representative that you are comfortable with. Someone you feel understands your needs and wants. There are many advantages to having a Realtor® work specifically for you in your best interests!

The Personal "One on One" Buyer Consultation

The Sales Representative should discuss and advise you on your personal situation. Before you start viewing homes, decide on your needs and your wants (i.e.: number of bedrooms, bathroom, garage, etcetera). Get your Sales Representative's advice, use their experience and knowledge of the Market and Neighbourhoods.

TIPS

- ❑ LOCATION, LOCATION, LOCATION.
Decide what area you want to live in.
- ❑ Don't be overwhelmed by the owner's décor or furniture.
- ❑ Imagine your own furniture there. Look at the features of the home, even if it needs a coat of paint, it may still suit your needs.



STEP FIVE

Client vs Customer

As a Buyer, working with a real estate sales representative, you may enter into one of two types of agreements with the sales representative and their brokerage. One being a **Buyer Representation Agreement** whereby you become the client of the Real Estate Company or the second being a **Customer Service Agreement** whereby you become a Customer of the Real Estate Company. Both are considered legally binding agreements but the two agreements may be confusing as to which one to pick.

There are **two big differences** between the sales representative and their real Estate Company's **obligations** to a **client** versus a **customer**.

Client

First, if you are a client, the sales representative and the real estate company have an important obligation to you, called **Fiduciary Duty**, they must **promote and protect your best interests** in the real estate transaction.

Fiduciary means faithful servant, and a sales representative and their brokerage is a fiduciary of the client.

Fiduciary Duty Owed to a Client

- **Accounting:** The sales rep must account for all funds entrusted to them and not *co-mingle* (combine) client/customer funds with their personal and/or business funds.
- **Care:** The sales rep must use all of their skills to the best of their ability on behalf of the client.
- **Confidentiality:** The sales rep must keep confidential any information given to them by their client, especially information that may be damaging to the client in a negotiation.
- **Disclosure:** The sales rep must disclose to the client any information they receive that may benefit the client's position in a negotiation.
- **Loyalty:** The sales rep owes undivided loyalty to the client and puts the client's interests above their own.
- **Obedience:** The sales rep must obey all lawful orders that the client gives them.

Second, if you are a client looking to purchase a property, under a **legislated Code of Ethics**, the salesperson **must take reasonable steps** to determine, and then **disclose to you, all material facts about the property**.

If you choose to enter into a client relationship with a brokerage while you're looking to buy a house, your salesperson can help you prepare and negotiate an offer seeking the most advantageous terms on your behalf (including price), provide referrals to other professionals, and help you do your due diligence on a specific property.

Customer

If you are a customer, the sales representative and real estate company **does not have a fiduciary duty** to promote or protect your best interests, however, they are obligated to treat you with fairness, honesty and integrity, and to provide you with conscientious and competent service.

If you are a customer, the **salesperson only has to disclose to you the material facts that he or she already knows or ought to know**, and they are not required to take any further steps.

Customer status means that your salesperson may help you prepare the paperwork for an offer, **but you are on your own when you decide upon your offer strategy**. If the seller is the salesperson's client, the salesperson is obligated to share whatever they know with the seller. You will have to decide if sharing information would help or hinder your negotiation goals.

In this scenario the sales representative is obligated to get the best deal possible for their seller client, but not for you. If you advise the salesperson that you need a fast possession of the home, it is a reasonable expectation that this information will be relayed to the seller, especially if this knowledge is advantageous to the seller during negotiations.

Choosing Client vs Customer Service is very complicated... so it is important to understand the relationship options and weigh the advantages and disadvantages carefully before making your decision.



STEP SIX

House Hunting

Before We Start Viewing Homes...

- To find your dream home I research the MLS® system, New Home Builders, Private Sellers, and I make contact with people that I know may be interested in selling.
- Once you decide on which homes are of interest to you, I will set up all the appointments for viewing whether Resale or New Homes. **NOTE:** I must accompany you to all New and Resale Home Sites.
- It is important to note that I have first access to all the Hot New MLS Listings that come on the market, ... before the public actually gets to see them on the various web sites. I will review all these Hot New Listings to determine if any match your needs and if they do you will be the first one in the door eliminating potential competition.

The Timing of Home Viewings

- It is important to note that while you may be available to view homes at a certain time, it may not be a good time for sellers. They may need time to get their home in showing condition, they may have small children that have early bedtimes, they may have animals that need to be removed from the home before a showing, they may have a home filled with guest or perhaps a Flu Bug has hit their home.
- For the most part, Sellers are well prepped in advance to be ready at a moment's notice but sometimes the unexpected can happen. An understanding of these situations in advance helps to eliminate frustrations.
- Fast Real Estate Markets (Seller's Market) requires fast action, and if that perfect home becomes available I will immediately advise you and we will need to be prepared to view the property as quickly as possible otherwise a delay may result in the home being sold to another buyer.

TIPS

- Ask me about homes you see or read about in newspapers or on the internet, regardless of the Listing Brokerage or Sales Representative's name in the ad. I can show you any home no matter who has it available for sale.
- When buying a NEW CONSTRUCTION home– I can advise you on who is a preferred and reputable builder and what models are the most attractive to the buying population when it is time to resell. I will also advise on preferred locations and neighbourhoods, upgrades that will enhance the future marketability of your home and offer you the best return on the upgrade investment, bring to your attention undisclosed negative site influences such as utility boxes in the yard, easements, community mail kiosks or boxes, bus routes, busy through streets, nearby commercial development, auxiliary road expansions or widening, hidden costs, future resale value of the home, etcetera. The onsite Salesperson is representing the builder. You should have representation to protect your interests.



STEP SIX

House Hunting

Now the Fun Begins...

It is important to always keep top of mind what it is you actually are looking for in a home. It is so very easy to become sidetracked! So prior to looking at any homes, make sure that you have your checklist with you to ensure that the properties you are viewing have what you and your family need. It is virtually impossible to find a home that meets everything on your checklist so create two different lists, the priority list which identifies what you must have and cannot live without, and the second list is what you would like to have, but if the home doesn't have that feature, you can live without it because you love everything else about the home.

This will help eliminating thinking with your heart and concentrating on what is needed for your lifestyle and budget. It takes less than eighteen seconds to make a first impression, and thinking with your heart and making a quick decision could lead to an unavoidable case of buyer's remorse.

To Get You Started Below is a Checklist of Some Features to Consider

1. **Location:** Many things can be changed, upgraded, or improved once you have purchased a home, but unfortunately location isn't one of them. So keep in mind distance to work, schools, and other amenities and research what could be happening in that empty field or upcoming changes planned for the neighbourhood.
2. **Size of Rooms and Window Placements:** To ensure that your furniture will fit bring along your furniture measurements, then when analysing a room it will be an easy process to see if your furniture will fit.
3. **Scrutinize the Kitchen and Bathrooms:** Kitchen and bathrooms are the two most used rooms in the home and any renovations or upgrades can end up being extremely costly. Ensure these main rooms have what you need.
4. **Laundry Facilities:** Where is the laundry room located in the home and is it readily accessible. Does the space offer storage for your laundry soaps, does it offer space for folding or ironing etc.
5. **Natural Lighting:** Daylight and how it impacts the home may be important to you and your family. Try and schedule your viewings in the day time to ensure that the lighting is optimal.
6. **Smells:** It's important to pay attention to smells as serious problems could be masked by air fresheners and open windows.
7. **Level Flooring:** Potential structural issues in a home can be red flagged and investigated if the flooring is slanted or uneven.
8. **Storage Space In Home and Storage Shed or Lockers:** Is there enough to store all your seasonal belongings or sporting equipment. Too much clutter can make a spaces unliveable or a fire hazard.
9. **Landscaping & Fencing:** Do you need a fenced yard to protect your children or pets. Could the existing landscaping be hazardous to your family, for example decks without railings, swimming pools separately fenced etc.?
10. **Garage & Parking:** Will your vehicle(s) fit? And or is there enough parking spaces for all your cars or is street parking readily available for guests. Is there an extra cost for parking?
11. **The Home Looks Too Perfect! Most homes today are professionally staged** to create a **Wow Factor** and to bring out the best qualities of a home. But beware this is also done to hide any of the home's flaws. Keep focused and don't be distracted by the fluff!

A home inspection will help identify any potential issues a home may have, however if you pay attention to some of the basic things mentioned above you may decide not to offer on the home which will save you a costly inspection fees on an inspection that could have been avoided.



STEP SEVEN

Pricing

- ❑ What should you pay for the home?
- ❑ Make sure you know what the home is worth! I have the information that YOU need to know!
- ❑ I **will** prepare a Comprehensive Comparative Market Analysis for YOU to help determine what the home is actually worth.

DETERMINING THE RIGHT PRICE

A Comprehensive Comparative Market Analysis determines today's Market Value for the home.

Similar Homes Recently SOLD

These tell me what a Buyer is willing to pay for this kind of home, in this area, at this time.

Similar Homes For SALE Now

These tell me what we are competing against. Buyers will compare the price of all these homes along with their selling features, extras and location.

Similar Homes That Did Not SELL

These illustrate possible problems or overpricing.

TIPS

- Try to avoid getting into a bidding war, if possible.
- Try to avoid getting too emotionally involved.
- Ask yourself... do you need to have this home no matter what?
- If you find yourself in a bidding war try to determine what is the most monies you will pay for the home, then give it your best shot, and don't be disappointed if another buyer wins the bid.
- Using the Pain Threshold Exercise works well in determining the highest price you are willing to pay,... for example, if you knew that the buyer that won the bid paid \$1,000. over asking would you be disappointed, then keep doing this and you will come to the final price you are willing to pay.



STEP EIGHT

Preparing An Offer



Price

Determine initial price to offer without offending the Seller. Utilizing the information on the previously prepared CMA is helpful with this and I will also guide you through the process.



Deposit

1. Initial deposit between \$500 and \$1000.
2. Additional deposit given after the removal of all conditions usually \$4000 and up, depending on the price of the home.



Conditions

What conditions will you need in your offer to ensure you are protected including Financing, Various Inspections, Insurance, Site Influences, Lawyer Approval, Sale of Your Home, etc. I will review all with you and I will also take into consideration the condition and physical attributes of the home and make recommendations as to what you should include in your offer.



Chattels Included

Chattels included are always outlined in the MLS Listing, but we will review everything to determine if there are any additional chattels that you would like included or maybe some that the seller has included that you may not want.



Terms

Balance of Purchase Price, Chattels in Good Working Order, Right to Re-Visit prior to Closing, Survey, etc.

Rental Equipment & Exclusions

I will help with this process to make sure that we have all the information needed on the costs of the rental equipment along with potential for a buyout and how much will it cost.



Irrevocable

Time the Seller has to accept your (Buyer's) offer.

Note: If Seller is countering the your (Buyer's) offer, it is a new offer from the Seller back to you (the Buyer) and can be done after the expiration of your irrevocable time.



Closing Date

When would you like to move into your new home?

The above noted are some examples of terms & conditions that may be contained in any offer. However, every offer needs to be created and structured to suit your needs. Every Offer is also structured to take into consideration the property you are purchasing.



STEP NINE

Negotiating the Offer

When Negotiating a Real Estate Transactions, Buyers Ask and Sellers Push Back .

Goals

The Seller's goal is always selling for the highest price under their terms and you, the buyer, your goal is to purchase at the lowest price under your terms and conditions. A home purchase may be your largest asset and there is a lot of monies at stake, so setting the stage for a favourable negotiation is paramount.

Offer Foundation

So, let's start with a good foundation which is taking a look at the real estate data, for example, what has sold recently, what is currently available etc. As your sales representative any home that you are interested in placing a bid on, I will prepare an in-depth market evaluation, so at offer time you will have clarity as to what you would like to start your bid at and where you would like to end up.

You Are Disadvantaged as a Buyer

It is important to note that as a Buyer of real estate you are always disadvantaged as you do not own the home, the seller does, and they can make any decision they wish.

It is also important to note that the seller can change the asking price for a home, in an offer negotiation, and ask for more than the property is listed at.

Appealing to the Seller

- ★ It is important that to appeal to the seller that we structure your offer such that it contains **limited conditions**, which the seller always finds favourable, but at the same time ensuring that I am not compromising what it is you need to ensure you are protected.
- ★ This is critical especially in a Multiple Offer situation where you have more than one buyer bidding on the same property.
- ★ Another great idea is to **give the seller the closing date they are looking for**. This could be one of the most important things for the seller and again will help greatly in a multiple offer situation.

Bidding Wars (Multiple Offers on the Same Property)

- It is critical that if we end up in a bidding war that **you personally accompany me to the seller's home at the time of offer presentation**, so that we are readily available to answer any questions that the sales representative representing the seller may have. If we are handy, the seller may counter offer to you initially as they can get an immediate answer.
- It is also important to note that **you may not have an opportunity to improve your initial offer** as the seller may take the offer with the highest offering price with limited or no conditions.
- With this in mind, if we are advised that we will be in a competing offer situation, **I will review with you how to establish and offer your best price for the home**. It's unfortunate but sometimes you will only get one chance.

When an offer is presented to a seller the following 5 things can happen.

1. The seller accepts your offer,
2. The seller counters your offer,
3. The seller rejects your offer,
4. The Seller refuses to do anything, or
5. The Seller decides not to sell anymore, no matter what, they have had a change of heart.



STEP TEN

Home Inspections

What is a Home Inspection?

Technically defined a Home Inspection is the visual examination of the home to determine the condition of that home at the time of Inspection. Home Inspectors are highly skilled at determining a house's condition, but they are limited to what they can access visually.

The main purpose of a home inspection is to determine if the home has any existing major defects (usually defined as repairs costing \$1000 to \$1500 and up), or any major repairs coming up in the near future. The Inspector will point out smaller defects during the inspection, of course, many problems can add up to a major cost.

An inspection done to the Standards of Practice of the Ontario Association of Home Inspectors (OAHI) will cover the following major systems and components:

- Roofing, Chimneys and Flashing, Exterior, Property Drainage, Structure, Electrical, Heating and Cooling, Insulation, Plumbing, Foundation and Interior.

The standard Home Inspection takes approximately three hours. A quality inspection is very thorough, checking the home from the basement to the attic and everything in between. Professional Home Inspectors are highly skilled individuals with knowledge of building codes and all systems and components of your home.

Why HAVE a Home Inspection?

There are several good reasons to have a professional Inspection done on the home you are thinking of buying.

The first and most important reason is knowing what you are buying. This will eliminate future surprises and unplanned expenses. A quality Home Inspection allows you to make an informed decision about your purchase.

If significant repairs are discovered during an Inspection you should speak with your inspector to discuss your options. It is quite possible you will save money in the future by completing maintenance repairs suggested by your Inspector, that would lead to larger repairs if left unattended.

Finally you will be able to continue with the purchase of your home with full knowledge of it's condition, giving you "Peace of Mind" in a very stressful time.



STEP TEN

(continued)

Home Inspections & Other Inspections

Other Inspections that May Necessary

1. Environmental
2. Furnace
3. Insulation
4. Electrical
5. Structural

Rural Properties

1. Septic
2. Well

When Does The Inspection Take Place?

I will include a clause in your offer, allowing for you to conduct a Home Inspection and be satisfied with the outcome. The inspection generally takes place after we have negotiated the final price. At this point you are pretty sure you will be buying the home.

TIPS

It is highly recommended that you attend the Inspection. Should your Inspector suggest that you do not attend the Inspection, look for a new Inspector. You will be given a wealth of information about your home; this information is much easier to understand while you are present. Buying a home is probably the biggest investment you will make in your lifetime. Don't miss out on the opportunity to learn as much as you can about your home.

Part of the Home Inspection takes place outside,
remember to dress for the weather.

How much will it cost?

A good quality Home Inspection in the Ottawa area will cost \$450 - \$500 plus taxes. A small price to pay compared to the cost of a major deficiency discovered after you own the home. Be sure your Inspector offers a written report and a written contract. A verbal Inspection will be of no use to you when you move into the house three or four months later. The benefits realized from a professional Inspection far outweigh the cost.

How to choose a Home Inspector?

The Ontario Provincial Government has granted the Ontario Association of Home Inspectors (OAH) the exclusive right to designate it's members Registered Home Inspectors.

Hiring a **Registered Home Inspector (RHI)** from the Ontario Association of Home Inspectors ensures you are hiring a qualified, professional, Home Inspector.

Members of the OAH follow a strict Code of Ethics and Standards of Practice. The stringent Code of Conduct ensures that you will be getting a quality Home Inspection.



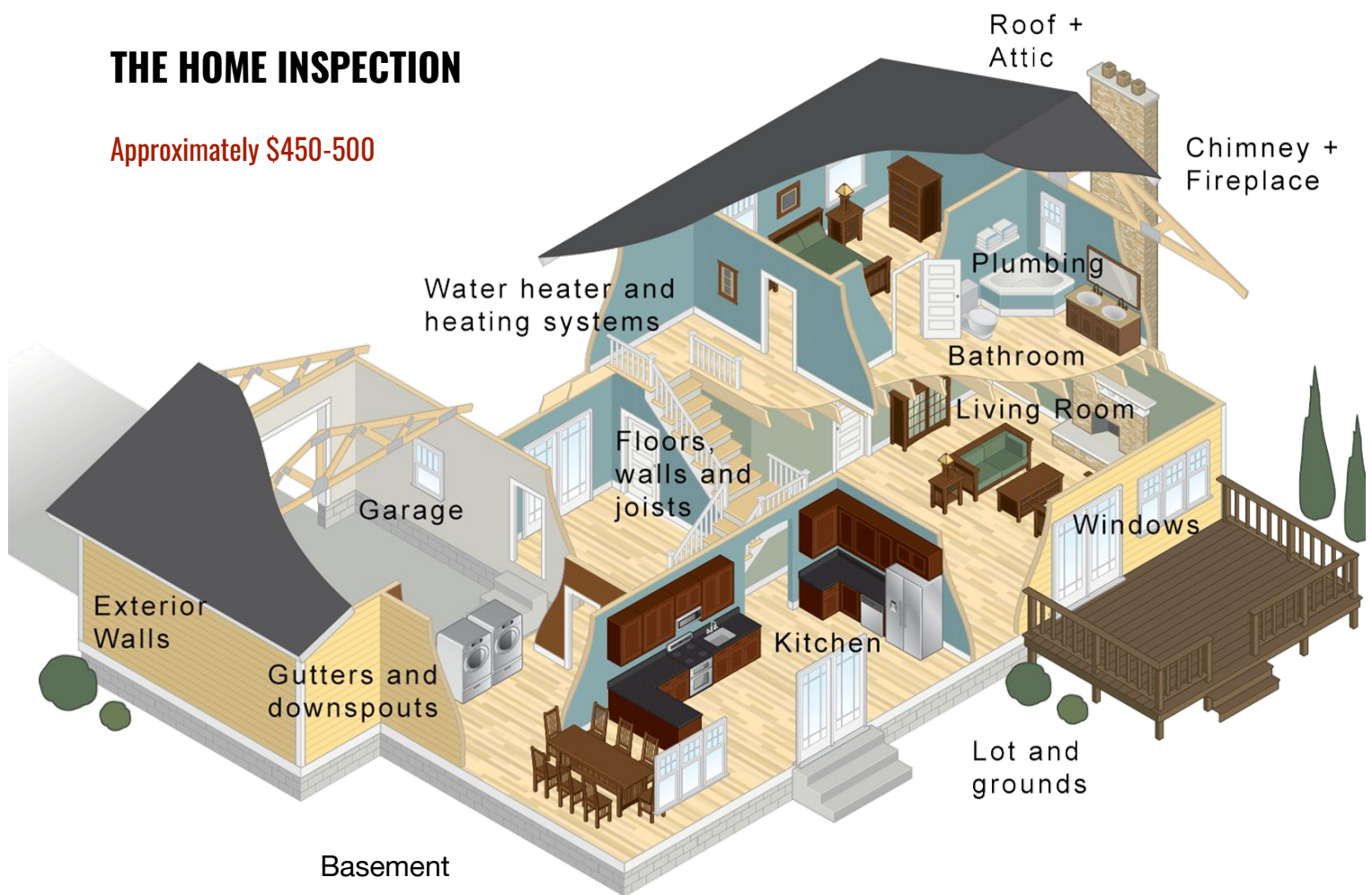
STEP TEN

(continued)

Home Inspections

THE HOME INSPECTION

Approximately \$450-500



STEP ELEVEN

Satisfying & Fulfilling The Conditions

You are now satisfied with all of the conditions...

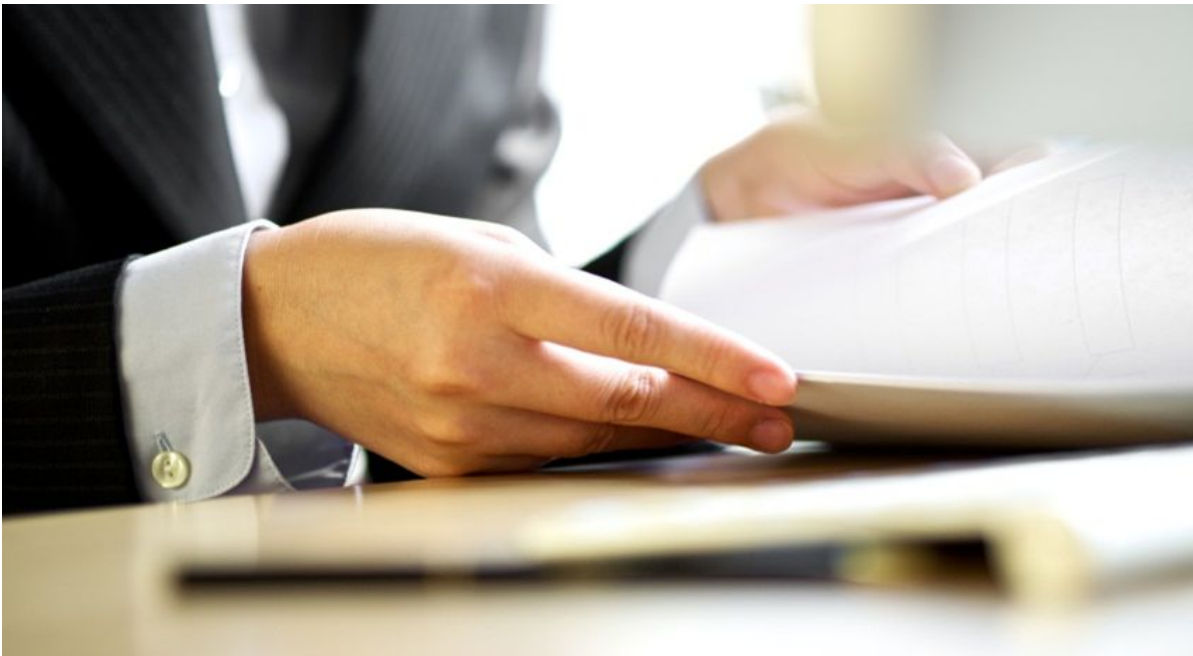
FULFILLING THE CONDITIONS

A final document called a “**Notice of Fulfillment of Conditions**” or “**Waiver**” needs to be signed and delivered to the Seller within the time frame provided for in your offer.

Once you have executed this document and I deliver it to the Seller or their Representative and they acknowledge receipt of the document, **you will have bought your new home!**

I take care of sending all of the required documentation to your appointed Lawyer. From this point until your closing date, your Lawyer will finish the purchasing process.

However, please know that I will stay in touch with you on a regular basis prior to closing, and also if you run across any challenges or have any additional questions I am here to help in any way I can.



CONGRATULATIONS, YOU JUST BOUGHT A HOME!



Yasmin Fues
Sales Representative



ROYAL LEPAGE
Team Realty
Independently Owned and Operated Brokerage

MONTHLY EXPENSES

Monthly Lifestyle Expenses

TRANSPORT	Public Transpo / Parking	\$ _____
	Fuel / Repairs	\$ _____
	Insurance /Licence	\$ _____
FOOD	Groceries	\$ _____
	Dining / Snacks	\$ _____
UTILITIES	Phone / Cell / Cable / Internet	\$ _____
	Gas / Hydro	\$ _____
	Water / Security	\$ _____
HEALTH	Life Insurance	\$ _____
	Medication / Wellness Costs	\$ _____
PERSONAL	Entertainment / Hobbies / Sports	\$ _____
	Donations / Subscriptions / Fun	\$ _____
	Clothing	\$ _____
CHILD CARE	Day Care / Activities / Allowance	\$ _____
	School Supplies / Fees	\$ _____
	Babysitting / Clothing & Supplies	\$ _____
HOME MAINTENANCE	Decor / Upgrades	\$ _____
	Gardening / Repairs	\$ _____
HOME	Insurance	\$ _____
LOANS	Car Loan(s)	\$ _____
	Credit Card(s)	\$ _____
	Other Loans(s)	\$ _____
SAVINGS	Emergency Funds	\$ _____
	RRSP / RESP	\$ _____
	Seasonal Expenses / Vacation / etc.	\$ _____

TOTAL \$
Monthly Lifestyle Expenses

\$
Income Tax & Other Deductions

TOTAL \$
Monthly Expenses

\$
Monthly Income

\$
Subtract Total Monthly Income
From Total Monthly Expenses

\$
Amount Left for
Housing Costs



A FEW BUYER TIPS

Your Professional Real Estate Sales Representative can help you with the TIPS listed below.

1. Choose a Realtor® **you are comfortable with**, someone you feel is honest, trustworthy and understands your needs and wants.
2. Before you look, you should decide your **needs and wants**. Get your Realtor's® advice.
3. **Get Pre-Approved for a mortgage**. Know how much you can afford. Your Realtor will Help.
4. **Stick to your budget**. "You still want to go out for dinner and movie sometime."
5. Before you look **get your documentation ready for your Mortgage**: T4's, Letter of Employment, Proof of down payment (*your Mortgage Representative will let you know what you need*).
6. Make sure that you know **how much the home is worth**. You don't want to pay too much. Your real estate representative will help with this process.
7. **Avoid** getting into a **bidding war** where possible. You usually pay too much.
8. **Don't be overwhelmed by** the owner's **décor or furniture**. Imagine your own furniture there.
9. **Look at the features of a home**, even if it needs a coat of paint, it may still suit your needs.
10. **Location! Location! Location!**
11. Decide what **area** you want to live in.
12. Decide if you want to be close to work, school, buses, etcetera.
13. Get the home inspected by a "**Professional Home Inspector**."
14. **If you're renting**, you may be able to buy a home and don't realize it. Get in touch with a Mortgage Specialist or your real estate sales representative and see if you qualify for a mortgage.
15. **Get a Lawyer**. A referral from family, friends or your Real Estate Sales Representative.



Glossary

Agreement of Purchase and Sale

A written document in which the purchaser agrees to buy certain real estate and the seller agrees to sell under stated terms and conditions.

Amortization

Repayment of a loan in equal installments of principal and interest, rather than interest-only payments.

Assumption of Mortgage

A buyer's agreement to assume the liability under an existing note this is secure by a mortgage. The lender usually must approve the buyer in order to release original borrower (usually the seller) from liability.

Closing Statement

The financial disclosure statement that accounts for all of the funds received and expected at the closing, including deposits for taxes and mortgage life insurance.

Conditions in an Agreement of Purchase & Sale

A condition that must be satisfied before a contract is binding. For instance, a sales agreement may be contingent upon the buyer obtaining financing.

Gross Debt Service Ratio (GDS)

The percentage of a borrower's gross income that can be used for housing costs, including mortgage payments and taxes (condominium fees when applicable).

Home Inspection Report

A qualified inspector's report on a property's overall condition. The report usually includes an evaluation of both the structure and mechanical systems.

Home Warranty Plan

Protection against failure of mechanical systems within the property. Usually includes plumbing, electrical, heating systems and installed appliances.

TENANCY

An equal undivided ownership of property by two or more persons. Upon the death of any owner, the survivors take the decedent's interest in the property.

LIEN

A legal hold or claim in property as security for a debt or charge.



Glossary (continued)

CONDOMINIUM

A form of real estate ownership where the owner receives title to a particular unit and has a proportionate interest in certain common areas. The unit itself is generally a separately owned space whose interior surfaces (walls, floors and ceilings) serve as its boundaries.

COOPERATIVE

A form of multiple ownership in which a corporation or business trust entity holds title to a property and grants occupancy rights to shareholders by means of proprietary leases or similar arrangements.

CMHC

Canada Mortgage and Housing Corporation. CMHC administers the national Housing Act of Canada and also provides default insurance on mortgages where the down payment is less than 20%.

DEPOSIT

Payment of money or other valuable consideration as pledge for fulfillment of contract.

LOAN-TO-VALUE RATIO

The relationship between the amount of the mortgage and the appraised value of the property, expressed as a percentage of the appraised value.

MORTGAGE COMMITMENT

A written promise to make a loan for a specified amount on specified terms.

MORTGAGE

A type of term life insurance often bought by mortgage balance declines. If the borrower dies while the policy is in force, the debt is automatically covered by insurance proceeds.

PIT

Principal, interest, and taxes.

REALTOR®

A real estate broker or salesperson who is an active member of Canadian Real Estate Association and the local Real Estate Board.

