



First Time Home Buyer *Handbook*



Heidi Brown

RE/MAX
ESCARPMENT
Realty Inc., Brokerage
Independently Owned & Operated



Thinking of
Buying?

Congratulations on your decision to buy your first home! You are off to a great start with reviewing this handbook to help prepare for this exciting time in your life!

As you travel the road to owning your first home, you may have many questions or concerns. It is my hope is that this handbook will bring you some clarity and peace of mind to you during your journey to home ownership.

Being an informed buyer is a distinct advantage in this market. This handbook will help answer some basic questions, outline what to expect on the road ahead and boost your confidence in finding the right home for you.

I'm here to help every step of the way so, let's get started!



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Step 1

Preparing your finances

The first step in buying your new home is getting your financial house in order. The amount of money you have available for buying a home - and the amount of money you owe - directly impacts your borrowing power. So get out your piggy bank out and here goes.

Steps to getting your money ready for a new home...



SAVE FOR YOUR DOWN PAYMENT

When buying a home, plan to have a minimum 5% plus additional funds for moving and closing costs. The sooner you save this minimum the sooner you can start house shopping.



PAY OFF OUTSTANDING DEBT

Time to minimize your debts as the amount of credit card or other loans that you are responsible for will directly impact the amount of mortgage you will qualify for. Pay off as much as you can before you start your new home search.



DELAY ANY MAJOR PURCHASES

It is a good idea to defer or ideally decide not to purchase any new major items when preparing to buy a new home. The amount of your loans can also impact the amount of mortgage you will qualify for, even if you have pre-approval.

POLISH YOUR CREDIT SCORE

04 Keeping a healthy credit history and score will be of benefit in the financing of your new home. You can order a free credit report from TransUnion or Equifax. Then be sure to verify your report and correct any errors.

PREPARE A BUDGET

05 If you haven't done so already, time to prepare a budget of your monthly costs including your potential mortgage and tax payments. Draw up a list of personal expenses like groceries, cell phone etc. and sharpen your pencil where you can.

TO CHECK YOUR CREDIT REPORT

Order and check out your credit report for free at one of these organizations

[Equifax: Equifax.ca](http://Equifax.ca)

[Transunion: Transunion.ca.](http://Transunion.ca)

The time spent getting your financial house in order...is time well spent when it comes time to shop for your perfect new home

First time home buyers are eligible for a few incentives when purchasing a home. Check them out to see if they are right for you...

HOME BUYERS AMOUNT

As a first time home buyer, you may qualify for a one-time tax credit on Line 31270 of your tax return. To learn about this program and determine if you qualify visit www.canada.ca

HOME BUYERS PLAN

This program allows first time home buyers to contribute to their down payment by withdrawing funds, tax-free from their registered retirement savings plan (RRSP). Talk to your lender for more details. www.canada.ca

Once you have your financials in order, its time to assemble your home buying team.

FIRST TIME HOME BUYER INCENTIVE

This program is offered by the Government of Canada to support first time home buyers. This program provides additional down payment and is repaid based on a calculation of fair market value at the time of repayment. Check out www.placetocallhome.ca/FTHBI to explore if this program is for you.

LAND TRANSFER CREDIT

First time home buyers are eligible for a one time up to \$4,000 reduction in the land transfer fee for the first home purchase. Typically this credit is applied by your lawyer and noted in your final billing and statement of adjustments with your lawyer. www.fin.gov.on.ca

Step 2

Getting pre-approved for your mortgage

The next step before you start your home search is to decide on the trusted experts on your side, starting with your mortgage lender. A lender will help you through this important process to secure your mortgage pre-approval. This pre-approval outlines how much you can afford to spend on a home, it often allows you to lock in an interest rate for a period of time which could potentially save you thousands of dollars for years to come.

Here are 4 simple steps to a mortgage pre-approval...

TALK TO A MORTGAGE SPECIALIST

Whether it's your bank mortgage specialist or an independent mortgage broker – talk to someone with expertise who can help you compare rates and terms as there are hundreds of options to choose from.

COMPLETE AN APPLICATION TO FIND OUT HOW MUCH YOU QUALIFY FOR

Your lender will request and verify your income, down payment, debts, credit score and calculate your debt servicing ratios to determine the mortgage amount you can comfortably afford.

GATHER YOUR FINANCIAL INFORMATION TO FINALIZE PRE-APPROVAL

Your mortgage lender will require specific documentation to support your application such as income and down payment verification to finalize the pre-approval process.

GET A COPY OF YOUR PRE-APPROVAL

Congratulations! Once your written pre-approval is ready, it's time to get ready to shop. Now you know how much you can comfortably spend on your new home.

Are you looking for the right mortgage specialist and don't know where to start? Please call me for a few trusted referrals.



Step 3

Choosing the best advisors for your team

Buying your first new home is likely the largest purchase you have considered so far. This journey to owning your first home can easily become overwhelming. However, this journey can be much easier with the help of some trusted experts along the way. These experts will help you make the best and informed decisions for your situation.

Choose a team of advisors that you can trust and are comfortable representing you...

MORTGAGE LENDER

01 Early on in your home search journey you have learned you will need a lender you can count on. This person will first arrange your pre-approval and guide you through the many mortgage terms, options and incentives so you can decide which is best for you.

YOUR REALTOR®

02 Next, when searching for your new home, its essential to work with a trusted real estate professional understands the market and will work with you to find you the right home while protecting your best interests



Did you know the services of a REALTOR® is usually is at no cost to you the buyer?

SUBJECT MATTER EXPERTS

03

Depending on the type and condition of your potential new home, you may need to consult with home inspectors, contractors, or other experts. Your REALTOR® will help identify your needs and connect you with the right advisors.

Your

REALTOR®

provides...

- Confidential advice that addresses your needs first and foremost.
- Loyal and diligent “full disclosure” service, free from any conflicts of interest.
- Expert advice on market value, locations, useful clauses such as home inspections and financing to protect you fully.

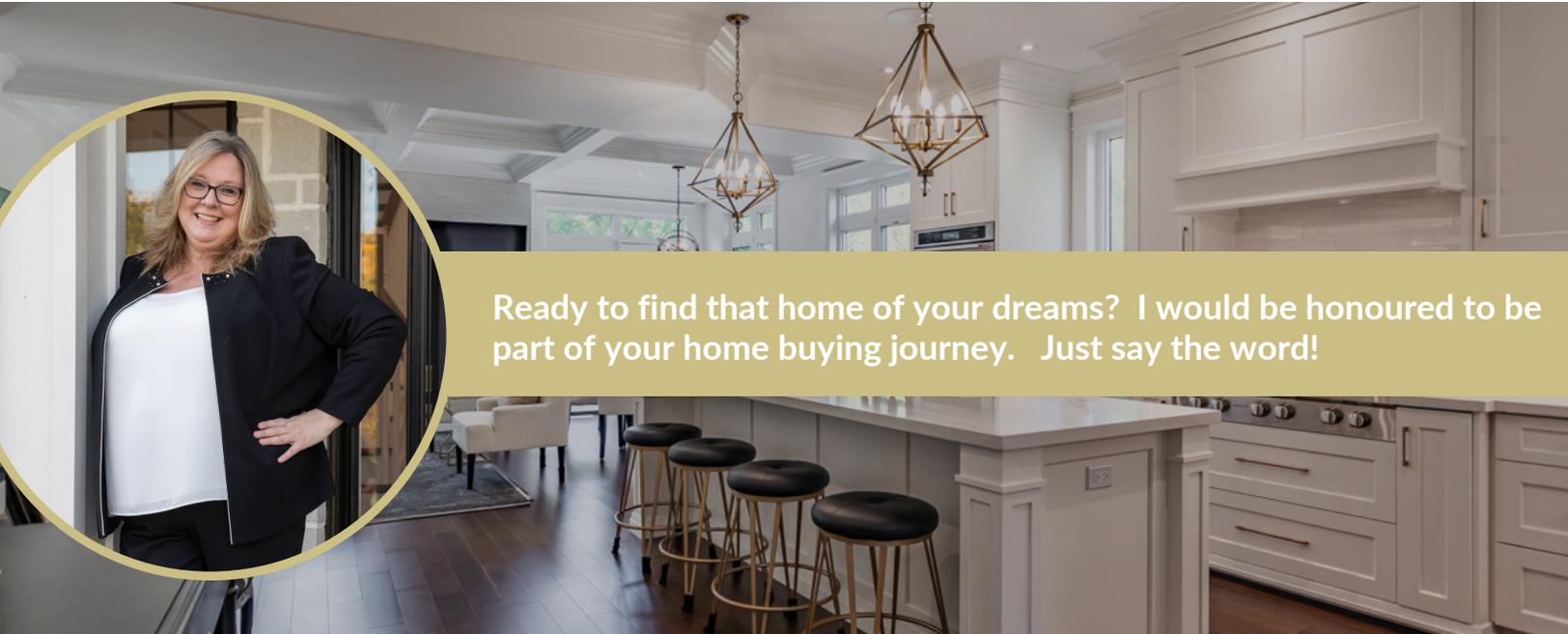
LAWYER

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The home buying process has a number of items that requires the advice and work of a lawyer who will take care of your purchase, including things such as financial transfers, title search, and other details. Your lawyer will ensure the paperwork is in order on your journey to get the keys to your new home.

YOUR TEAM ALONG THE WAY

Working with a team of advisors through your home buying journey will help reduce the stress and ensure you are protected through the process. Be sure to choose advisors that you have trust and confidence in.



Ready to find that home of your dreams? I would be honoured to be part of your home buying journey. Just say the word!

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Step

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Searching for your home online and off

The internet is a great place to start your research and can be very helpful for you to get a sense of homes available. You can explore the types, features and locations of your possible new home. This will help you be better informed as you work with your REALTOR® who will show you the homes of your choice and work with you through the complexities of the home buying process.

Here's some things to consider when looking for your new home...

TYPES OF HOMES

There are a number of types of homes you can purchase, the most common types being a detached, semi-detached and high rise or townhome style condominiums. Consider your options and narrow down your choices to what style most appeals to you and is within your budget.



KEEP AN OPEN MIND

You likely have your list of wishes, including needs and wants. It is helpful to have a clear sense of your **MUST HAVES** and **DEAL BREAKERS**. Outside of this, listening to the suggestions and feedback from your REALTOR® and keeping an open mind to what is possible, can help guide you to find the right home for you.

VIEW YOUR TOP CHOICES ONLINE FIRST THEN IN PERSON

Take some time to review all of the online information including videos, photos and virtual tours. You should then develop a short list of your top choice in homes of to view in person . When you do visit these homes, it helps to keep notes on top likes and changes for the property. A great REALTOR® will bring an insider's perspective, provide key insights and expertise so you can be confident in knowing you have a complete picture of each property you are considering.



Step 5

Preparing an offer for your new home

You have found a house you love. Fantastic news! Here's how the offer process typically works...

DECIDE ON WHAT YOU ARE WILLING TO OFFER

01 STEP

You have made your decision to put in your offer, and it's time to work out the aspects of the offer. To help you decide on what price, terms and conditions to include, it is important to review the local market assessment and comparable homes with your REALTOR®. It is also helpful to consider any property notes you made while viewing the property.

Along with the price you will offer, you will also need to decide on a closing date and if there will be any conditions in the offer such as home inspection, appraisal, water tests, etc. Your REALTOR® will guide you through every step of your offer.

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PREPARING THE OFFER

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There are a number of considerations and documents to be prepared, in developing your offer. Your REALTOR® will complete the offer with your instructions, ensuring your best interests are protected. Your REALTOR® will also discuss the strategy of how to position your offer the best way.

REVIEWING THE OFFER

03

Once the offer is prepared, your REALTOR® will review your offer with you virtually or in-person and explain all facets and terms of the offer. Typically the documents are sent to you electronically and you will be guided through a digital e-signature process, If you prefer, paper documents can be prepared instead.

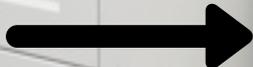
PRESENTING THE OFFER

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Once the offer is signed by you, your REALTOR® will present your offer to the real estate professional representing the seller. The seller's real estate representative will then present your offer to the seller of the property for consideration.

When a seller receives your offer, there are three possible outcomes...

1. The seller accepts your offer.



Congratulations!

2. The seller rejects your offer. It happens.



Your REALTOR® will investigate.

3. The seller countersigns your offer



The seller may change the terms of the offer and presents the offer to back for further negotiation.



More questions on this process? Please reach out, I'm here to help.



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Step 6

Managing your details & deadlines

If your offer is accepted, your REALTOR® will keep a close eye on all of the details and deadlines including any conditions that may need to be fulfilled to ensure your home buying runs as smooth as possible. The first deadline that is critical is delivery of your deposit within 24 hours of signing the final offer. There are additional items to manage through this next phase of your home purchase which your REALTOR® will support.



DETAILS TO CONSIDER

Many offers include conditions that must be fulfilled before the offer is considered a firm deal. This may include conducting a home inspection by a qualified inspector, arranging a home appraisal by the bank, finalizing your financing or other possibilities.

Depending on the structure of your offer, missing or not completing any of these conditions could cost you time or lead to potential liabilities, so managing those details with your REALTOR® is critical to the success of your new home purchase

DOCUMENTATION TO COMPLETE

There are a number of documents and procedures that must be completed during the time of offer acceptance to getting your keys. There are various searches, adjustments, transfers and considerations to complete the purchase process involving your team of advisors.

Your REALTOR® is there to support the flow of paperwork and often connects with your advisors throughout the process to ensure seamless transactions to ensure everything goes as smoothly as possible.

Looking for someone you can trust to manage all the details? I'm just one call away!



Step 7

Preparing for your closing day

What an exciting time! Being organized well in advance will pave the way for a much more enjoyable journey to your new home.

The closing date for homes is typically between 30 and 90 days after the offer is accepted. You and your trusted real estate representative will monitor the documentation requirements for your offer, and there is work for you to do...

CHANGE OF ADDRESS

This is a good time to gather together all of the health, government, employment and other organizations you will need to notify of your change of address.

SET UP NEW UTILITY ACCOUNTS

You can contact the new utility companies in advance of your move to ensure your accounts are set up, so the utilities can be automatically switched on closing day.

MOVING

Now is the time to set up the arrangements on who and how you will move your belongings. This is a great time to declutter, hold a garage sale or donate goods to a worthy cause.

REGISTERING FOR SCHOOL

Making sure you are set up at local school or daycare for your children is something else you can take care of in advance of your move.

INSURANCE

This is also the time to arrange for your house insurance. You also may require mortgage insurance, so check with your lender and lawyer for details.

WEEK BEFORE CLOSING

Plan to advance your downpayment and discuss any further details with your lawyer approximately one week prior to closing.

THE DAY OF CLOSING

On the day of closing, there are a number of things your lawyer, the seller's lawyer and lender need to complete to finalize your closing on your new home. The lender will advance the funding and the lawyers will complete the necessary transfers to put the home in your name. This process will take some time, so try and be patient, you may receive your keys late in the day. Then it's time to...

Celebrate!

The journey to buying your first home is an exciting time filled with a range of moments and emotions.

You are not alone in this journey! I would be honoured to work along side of you to make your dreams come true and buy your first ever home.

I am here for you. Reach out anytime. I mean that.

Meredith

You ready?

*I'm here
to help*



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