THE KEY TO BUYING YOUR HOME



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Buying a home can sometimes be both exciting and overwhelming. This guide outlines the steps you and your Royal LePage REALTOR® will follow to make your search a successful one.



Determine what you can afford

Purchasing a home involves both one-time costs and on- going monthly expenses. The largest one-time cost is the down payment, which is usually between five per cent and 25 per cent of the total price of the property.

Mortgage insurance is typically required by lenders on down payments of less than 20 per cent. For a purchase price of $500,000 or less, the minimum down payment is five per cent. A purchase price over that amount, requires five per cent down on the first $500,000 and 10 per cent down for the remaining portion.

In addition to the actual purchase price, there are a number of other one-time expenses outlined in this document that you might incur.



Obtain a pre-approved mortgage

A pre-approved mortgage protects you against interest rate increases while you look for your new home, and gives you a clear idea of what you can afford, saving you time by limiting your search to only viable options.

Once you've found the property you want to purchase, you will require the following in order to confirm financing:

1. A copy of the real estate listing of the property.
2. A copy of the offer to purchase or the building contract.
3. Documents to confirm employment, income, and previous year's income tax assessments.

Typical one-time expenses

1. Mortgage application and appraisal fee (if applicable), due at time of application.
2. Property inspection (optional), due at inspection.
3. Legal fees and disbursements, due upon closing.
4. Property survey (sometimes provided by seller, optional) as needed.
5. Land transfer, deed or property purchase tax (in Quebec within 3 months following signing), due upon closing.
6. Mortgage interest adjustment and take over fee (if applicable), due upon closing.
7. Adjustments for utilities, property taxes, etc., due upon closing.
8. Mortgage insurance (if applicable), due upon closing and ongoing.
9. Home and property insurance, due upon closing and ongoing.

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Typical monthly expenses

Typical monthly costs incurred with home ownership are mortgage payments, maintenance, insurance, condo fees, property taxes and utilities.

The major elements of an offer

Price

Depending on local market conditions, your opinion of value, and marketing information provided by your Royal LePage REALTOR®, the price you offer may differ from the seller's asking price.

Deposit

The deposit shows your good faith and will be applied against the purchase of the property when the sale closes. Your REALTOR® can advise you on an appropriate amount.

Terms

This includes the total price offered and the financing details. You may arrange your own financing or ask to assume the seller's mortgage, especially if it has an attractive interest rate.

Conditions

You can decide to make a "firm" offer, which means that you're willing to buy the property exactly as it is. Or, you could make the offer "conditional" on things like a property inspection, approval of financing or the sale of your existing home. Your REALTOR® will advise you on the options you may need to consider.

Inclusions and Exclusions

Certain fixtures or decorative items are included or excluded in the purchase price of the property, such as appliances, window coverings and light fixtures.

Closing or Possession Date

Generally, the day the property title is legally transferred and the transaction of funds are finalized, unless otherwise stated. The regulations surrounding closing and possession dates vary by province. Your Royal LePage REALTOR® will be familiar with the rules in your area.

How to make an offer

When it comes time to make an offer, your Royal LePage REALTOR® can provide current market information, expertise and advice and will assist you by drafting your offer.

Your REALTOR® will communicate your offer to the seller and/or the seller's representative, on your behalf. There may be more than one offer on a property registered at the same time. Your REALTOR® will guide you through this process.

Your offer is a legal document which specifies the terms and conditions of your purchase. The offer can be firm or conditional.

Firm Offer To Purchase

Usually preferable to the seller, because it means that you are prepared to purchase the property without any conditions. If the offer is accepted, the property is yours.



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Conditional Offer to Purchase

This means that you have placed one or more conditions on the purchase. The property is not sold until all the conditions have been met or waived. In the province of Quebec, this is referred to as a “Promise to Purchase”.

Acceptance of the Offer

Your offer will be presented as soon as possible. The seller may accept the offer, reject it, or submit a counter-offer. The counter-offer may be in reference to the price, the closing date, or any number of variables. The offer can go back and forth until both parties have agreed or one of you ends the negotiations.

Have the property inspected (optional)

Having the property inspected by a qualified inspector can give you some added confidence that you’ve made the right decision. After the inspection is complete, you will receive a written report plus estimated costs for any necessary repairs.

Hire a legal professional

A legal professional is there to represent your interests and to provide the legal documentation required. Your Royal LePage REALTOR® can provide you with names of legal professionals who specialize in real estate.

The legal process differs from province to province. Your REALTOR® or legal professional will advise you on the steps to be taken before the keys to your new home are presented to you.

With you at every step

Royal LePage REALTORS® bring invaluable knowledge and expertise to the home buying experience and are dedicated to your needs from the property search and purchase, to your relocation. Please do not hesitate to call your local Royal LePage REALTOR® if you have any questions.

For more information about buying your new home, visit royallepage.ca

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