



Buyer Package

^{YOUR}Community™
REALTY



BROKER/IGE INDEPENDENTLY OWNED & OPERATED

Helping You With Your Home Purchase

Financing

Organizing your finances is the critical first step in your home purchase

- > Consider the one-time costs associated with a home purchase, including a down payment, legal fees, inspection fees, taxes and moving expenses.
- > Understand ongoing monthly costs, including mortgage payments, insurance, utilities, property taxes, maintenance and, if applicable, condo fees
- > Take into account the equity you may have in your current home and the applicable mortgage options available for your next move.
- > Pre-qualifying for a mortgage gives you the comfort of knowing how much and what your monthly payments will be.
- > A pre-approval from a mortgage lender protects you against interest rate increases for a given period during your home search.

Costs to Buying a Home

What does it Cost to Buy a Home?

Once your contract has been accepted, here are some costs that you will have to pay between now and closing. Some of these costs must be paid before closing, others are paid at closing, and some may be financed at closing. Overall, it is recommended that you set aside approximately 1.5% of the purchase price to cover closing costs, adjustments and fees.

In addition to the actual purchase price, some of the other expenses that you will encounter are:

Mortgage Application and Appraisal Fee – This is paid at the time of application

Property Inspection - Before you buy a property, it is wise and recommended to have it inspected by a qualified professional property inspector. The inspector will provide you with a written report.

Costs are approximately \$250 - \$500 paid at Inspection.

Legal Fees – lawyers fees vary, and are payable at the time of closing.

Property Survey – although can be provided by seller, a new survey starts at approximately \$1000, and depends on size and configuration of the property. These fees are paid at time you obtain the survey.

Land Transfer Tax – This is a sales tax charged by the provincial government. The formula used to assess the tax is as follows:

- 0.55% of the first \$55,000 of the purchase price
- 1.00% of the next \$195,000 of the purchase price
- 1.50% of the next \$150,000 of the purchase price
- 2.00% of the balance of the purchase price.

In addition to the Provincial tax, there is a new Land Transfer tax for homes in the City of Toronto. First time home buyers are exempt up to \$400,000. Land Transfer taxes are paid at time of closing.

Mortgage Financing Fees – Many mortgage companies charge appraisal and processing fees. These fees can be several hundred dollars. If you are borrowing more than 80% of the property value (high ratio financing), there will be a mortgage insurance premium added to the face amount of the mortgage. These fees are usually paid at time of closing.

Insurance Policies – You may wish to consider a closing insurance policy (about \$40.00) and/or home warranty policy \$230.00-\$350.00. As well, you will need property insurance and occupier's liability insurance. Contact an insurer well in advance of closing in order to ascertain the costs, and to have the policies in place at closing.

Adjustments – Taxes, Fuel etc. will be apportioned to the seller and buyer at the time of closing. The buyer's lawyer arranges for these adjustments with the seller's lawyer as part of the closing process.

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Needs & Wants

With an appreciation of what you can afford, determine what you need vs what you want with respect to the price range you can afford:

- > Consider your current lifestyle as well as any lifestyle changes you foresee longer term
- > Select an urban, suburban or rural location that best serves the needs of your evolving lifestyle
- > Choose neighbourhoods in close proximity to the amenities that are most important to you like schools, shopping, entertainment, recreation and transportation
- > Consider your commute times to work, school, friends and family
- > Determine the size of home you require, such as the minimum number of bedrooms, as well as any other space requirements, like room for a home office
- > Understand which home features are most important to you, such as additional bathrooms or a large yard
- > Decide on a property type that suits your lifestyle, needs and finances whether condo, loft, townhouse, single or multi-family dwelling

Helping You With Your Home Purchase

Home Search

Begin your home search when you have determined your needs and what you can afford. As your chosen real estate professional, we will:

- > Provide access to both MLS listed properties and properties listed exclusively with Royal LePage Your Community Realty
- > Send you listings of the properties that match your specific criteria
- > Ensure you receive new listings of properties that match your criteria as soon as they become available on the market
- > Supply supplemental neighbourhood information like historical property values for the area, property taxes, schools and public transportation
- > Help you hone your home search criteria, as required, with an appreciation for current market conditions
- > Prescreen and preview the homes that best fit your criteria
- > Show you the properties that you are interested in viewing

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Viewing Homes

When viewing properties you are interested in, it is important to remain objective. We will help you understand the importance of looking beyond surface aesthetics at:

- > A home's exterior features from the foundation to the walls, the roof, the eaves and downspouts, drainage, windows, doors, fencing and landscaping
- > A home's interior fittings such as walls, floors, outlets and switches, lighting, kitchen and bathroom fixtures, and appliances
- > A home's heating, cooling, plumbing and electrical systems
- > Visible signs of problems such as water or pest damage
- > The benefits of having all of the above investigated thoroughly by a qualified property inspector
- > Noise levels from neighbouring properties, the street, cars and public transport, and where applicable, highways, railways and airports
- > The ability for you to live comfortably, according to your predetermined needs and wants, with available space for your furnishings and storage requirements

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Making An Offer

There are a number of considerations to make before the offer is prepared for your next home. As your chosen real estate professional, we will guide you through the offer process to help you:

- > Appreciate what comparable houses are selling for, how current market conditions can impact your offer, and where applicable, whether there is any competition from other interested homebuyers
- > Understand the benefits of investing in a qualified home inspector who can expose any property deficiencies and who may also provide you with an estimate on their cost of repair
- > Determine any offer conditions such as a satisfactory home inspection or arranging financing, and the potential impact of such conditions on the acceptance of your offer
- > Sort through the key elements of your offer including price, deposit, financial terms, inclusions and exclusions, and your closing or possession date
- > Present your offer to the seller or the seller's representative on your behalf
- > Manage all offers and any counter-offers, negotiating to get you what you want

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Closing

Your home purchase becomes a reality on closing day when ownership is officially transferred to you. Before and on closing day, there are a number of tasks to complete of which we can assist in providing recommendations:

- > If you are renting, give notice to your landlord and arrange for the return of your deposit
- > Confirm your home purchase with your mortgage lender and finalize your mortgage details
- > Hire a legal professional to represent your interests and manage closing documentation
- > Obtain home insurance and notify your lawyer and mortgage lender of the selected insurer
- > Arrange for your self-move requirements or obtain estimates from reputable moving companies and book as far in advance as possible
- > Coordinate cancellations, transfers and change-of-address notification for medical, financial and contracted services, utilities, licenses, subscriptions, memberships, and personal mail
- > Organize the connection of services and utilities at your new home
- > Meet with your lawyer on closing day to sign required mortgage and property closing documentation, pay associated balances and fees, and collect the keys to your new home