

*MaxWell*

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WHERE  
REAL ESTATE  
HAPPENS



**Informed  
Home  
Buyers  
Guide**



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## **Are You Ready To Buy A Home?**

**Step One.**

**The Big Question:**

***“Can I afford to buy a home?”***

**The Answer Might Surprise You....**



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## Financing Your Purchase

Many people have more options for financing than they realize. If you're considering affordability from a long term perspective, the value of home equity is an important aspect to factor in.

When you choose *MaxWell Realty*, I will work with you to understand your goals and resources in order to give you the best advice in regards to your financial situation.

Is this your first time buying a home? Do you have plans for financing? Have you already built up equity in your current home? How much do you have available for a down payment?

Most people who buy a home end up taking on a loan or mortgage of some kind. I can educate you on a range of traditional and non-traditional borrowing options, from banks to mortgage brokers and private lenders. They will help you get access to financing that meets your needs at the best rates possible.

Perhaps you've considered renting out a part of your home to help cover the cost. Do you know if and how this could affect your mortgage or home insurance? I can help you understand the potential risks and benefits.

Be prepared to revisit Step One throughout the buying process. As you learn more about what's available on the market, how much you can secure for financing, and what you truly need or desire in a home – you may need to reconsider what you're able to afford or willing to pay.



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## Budgeting for Your Purchase

There's more to buying a new home than just the price of the property. If you've purchased a home before, you're probably familiar with the additional costs of closing. I can help you budget for this and minimize costs where possible.

If this is your first time buying, you'll need to be aware of all of your costs for closing and new ownership; such as legal fees, property appraisal, transfer of ownership, land title registration, tax adjustments, GST, home inspection and insurance costs. I will keep you informed about various costs that may arise, and where you may be able to save money.

Be proactive and involve me as early as possible in your planning. This will help you make the most informed decisions throughout the buying process and avoid making costly mistakes.



## Knowing What You Want (And What You Do Not Want)



What do you really want in a property? It is equally important to know what you don't want. It's essential to consider what you want from a property, what you need from a property, and what would count as an absolute deal breaker.

Why do you want to buy a home in the first place? Are you looking to upgrade to a larger home that will accommodate a growing family? Are you downsizing now that the kids have moved out? Maybe you just want to turn your rent payments into equity that adds to your wealth instead of someone else's.

If you're moving to accommodate family needs, you might be wondering about things like nearby schools or how safe the neighbourhood is for your kids to play in. If your goal of home buying is to keep more of your money in your own pocket, you may be more flexible about your neighbourhood, home style, or proximity to amenities.

Identifying what you will and won't trade off on in advance will save you tons of time and energy. It will also keep you from getting overwhelmed or distracted by your options. Keep in mind: you may need to revisit your plans for financing as you start to get a better idea of what your true priorities are.

I can answer any questions you have along the way and help you complete a comprehensive inventory of what you're searching for in your new home. Together we can move forward with confidence in your budgeting, planning and decision-making.



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## Working With Our Team Of Professionals

Choosing representation means deciding who you want to act as your Agent to carry out your real estate transactions. Your REALTOR® will provide reliable guidance and advice, so you can successfully navigate the complexities of buying a home.

If you work with our team, our exclusive network of professionals will make your home buying experience safe and as stress-free as possible. Our team of more than 100 professionals includes:

- Lawyers
- Insurance Specialists
- Real Property Report Surveyors
- Professional Movers
- Carpet Cleaning
- Painters
- Plumbing/Heating Specialists
- Air-Conditioning Specialists
- Roof/Siding Professionals
- Deck/Fence Professionals
- Building Supply Experts
- Property Management Companies
- Financial Advisors/Mortgage Specialists
- General Contractors
- Home Inspectors





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## Financing and Mortgage Pre-Approval

Once you've had a chance to consider the different financing options available to you, it's important to get pre-approval from your lender. Failure to secure financing is one of the most common reasons for property deals to fall through. A seller will take your offer far more seriously knowing that you have the means to complete the contract.

Your pre-approval tells you how much you are going to be able to afford and gives you an estimate of what your monthly mortgage payments would be. It can also give you a chance to lock in a good interest rate early while you're still shopping for the right property. This could potentially save you thousands of dollars in the future.

If a great home pops up on the market, your mortgage pre approval provides you the ability to make an immediate offer with greater confidence that it will be accepted.



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## How to Obtain a Mortgage Pre-Approval

### 1. Do your research:

Talk to a mortgage specialist to determine what your options are. Most people think of banks first, however, you might get a better rate through another lender. This could be a mortgage broker or private lender. You may even want to consider non-traditional lending options. I can give you guidance on how to get access to financing that meets your needs.

### 2. Complete an application

Request a mortgage application from your preferred lender. You will be asked about things like your employment and credit history, living expenses, outstanding debts or obligations, total Down payment available, and various other questions. This will determine your eligibility for borrowing funds and what terms your lender may be able to offer.

### 3. Submit your documentation for finalization

You will need to provide certain documentation for your mortgage application, including proof of income or verification of your down payment. These will be required before your mortgage pre-approval can be finalized. Your lender will let you know exactly what they need in order to process your application.

### 4. Obtain a copy of your finalized pre-approval

Once you have submitted all necessary documentation, and your pre-approval has been finalized, you need to obtain a copy from your lender. I can use it as a negotiating tool when making an offer on a property.

(Make sure you find out how long your lender will guarantee your rate for, in case the negotiation process takes longer than usual)



## Conditions on an Offer to Purchase

Setting conditions on an offer to purchase is a highly effective way of protecting yourself during the negotiation process, as a buyer or as a seller.

Some of the most common conditions on property sales in Canada include:

- Passing a property inspection report before closing
- Obtaining final approval for mortgage financing
- Obtaining your lawyer's approval of any documentation or terms of sale
- Length of time for consideration of an offer
- The successful sale of a buyer's current home





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## Conditions Requiring a Property Inspection

A pre-sale home inspection can be an invaluable condition on an offer to purchase. A visual walkthrough will only tell you so much; even the most beautiful home that seems to check off all the right boxes can have costly problems hidden below the surface.

A qualified home inspector is likely to uncover any major problems before you get stuck with the bill. During a pre-sale home inspection, your home Inspector will examine the physical state of the property more closely. This includes items such as roof and windows, wiring, plumbing, insulation, foundation and more. They will provide you with a detailed report confirming the condition of the home.

## Setting Conditions

I will advise you on how to use conditions to your advantage as part of the buying and negotiating process in order to protect yourself and increase your likelihood of closing a successful deal. They will also advise you on how to approach the satisfaction or removal of conditions as part of the agreement to purchase.



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## Offer and Negotiation Process

The offer and negotiation process is where I can have a massive impact. We thrive on negotiation, and have the experience and training needed to be the best in a competitive market.

We have specialized knowledge of local property values and current market conditions. They allow you to stay competitive with your offer and obtain the best possible price.





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## How does the offer process work?

There are four basic steps to making a formal offer on a home:

### 1. Outline the price, terms and conditions you're willing to offer

Are you prepared to make a firm offer or do you have conditions that must be satisfied before you are ready to move forward with any deal? What price should you offer? I will conduct a market analysis to help you determine the fair market value of any property and advise you on market conditions that may affect your approach to negotiating. They may also review or suggest any conditions or clauses to help give you added protection.

### 2. Prepare an offer to purchase

Based on the terms you have decided upon, I will prepare a Contract of Purchase and Sale that outlines in detail what your actual offer is. This will include the exact price, any terms or conditions, and proposed date for closing. This legal document will be presented to the seller on your behalf.

### 3. Review the offer prior to submitting

I will go through the full offer agreement with you to ensure you have a clear understanding of every detail. It is imperative that no elements have been missed, and that everything in the document aligns with the terms you are willing to offer.

### 4. Present the offer and any attached terms or conditions

I will contact the seller on your behalf, present them with your formal offer to purchase, and begin the negotiation process.





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## Closing the Deal

You have found the perfect property. You have submitted a serious offer, it's been accepted (with or without conditions), and the sale is now pending. What needs to happen next?

What deadlines do you need to be aware of? What needs to be finalized or signed? What do you need for closing day? What do you need to do before you move?

I will walk you through each step of the closing process answering any questions you may have, and help you with everything you need to have ready for closing day. I can also give you helpful advice on planning the move into your new home.

### In Advance of Closing Day

There is a lot to be done between the time you make your offer and the day it actually closes, whether or not there are any conditions attached to the sale.

This period, when the sale is still pending, is called "escrow". During this time:

- Your mortgage loan is processed
- Legal documentation is prepared for the property transfer
- Your property inspection takes place
- Any remaining conditions are removed or satisfied
- Property insurance is assigned
- Closing costs are finalized
- All necessary signatures are made
- You start making plans to move

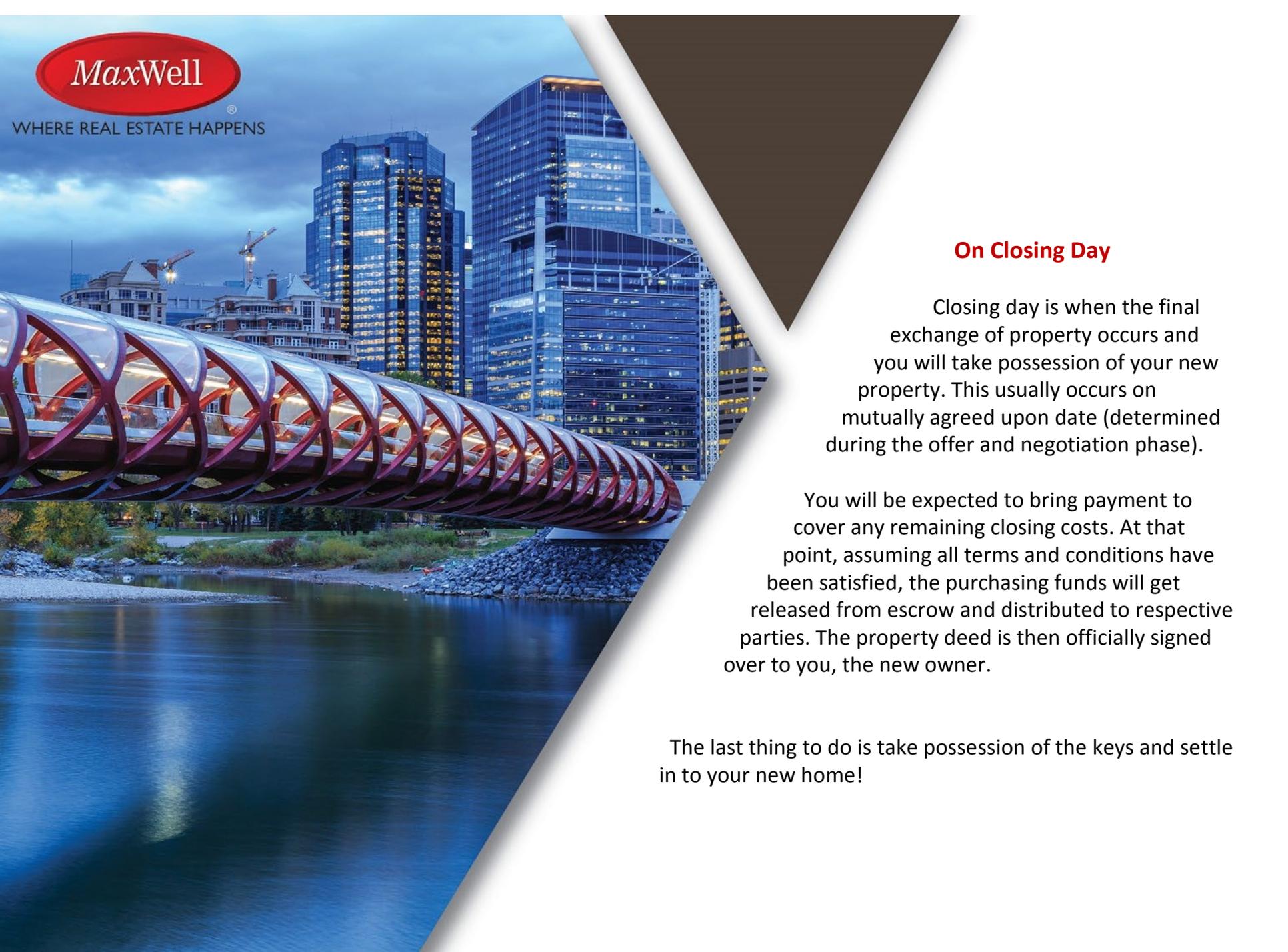
I will inform you of what your deadlines will be and ensure all paperwork and documentation is completed and filed. I'll keep you informed of any other actions you need to take in advance of the closing date.



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## On Closing Day

Closing day is when the final exchange of property occurs and you will take possession of your new property. This usually occurs on mutually agreed upon date (determined during the offer and negotiation phase).

You will be expected to bring payment to cover any remaining closing costs. At that point, assuming all terms and conditions have been satisfied, the purchasing funds will get released from escrow and distributed to respective parties. The property deed is then officially signed over to you, the new owner.

The last thing to do is take possession of the keys and settle in to your new home!



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