STOP PAYING RENT

And Own Your Own Home

First-Time

HOME BUYER'S GUIDE

What to know before you start looking – and the questions worth asking before you buy.

Buying your first home can feel complicated because there are a lot of moving parts. The purpose of this guide is simple: give you a clearer picture of what to think about before you buy – without overwhelming you.

The right preparation can help you avoid expensive surprises and make a more confident decision.

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1. KNOW YOUR NUMBERS BEFORE YOU SHOP

Before you start falling in love with properties, get clear on the financial framework you are working within.

The problem that some renters face isn't their ability to meet a monthly payment. The problem is accumulating enough capital to make a down payment on something more permanent.

But saving for this lump sum doesn't have to be as difficult as you might think. Consider the following important points:

DOWN PAYMENT

- Understand how much you will need for the type and price of home you are considering.

You may be able to buy a home with much less down than you think. There are government programs that may help eligible buyers get into the housing market. Check with the appropriate real estate and financial professionals to determine which current programs or incentives may apply to you.

You may be able to find a seller to help you buy and finance your home. In some situations, a seller may be willing to provide financing, such as a seller take-back mortgage. Whether this is available or appropriate depends on the property, seller, lender and your circumstances. Review any such arrangement with the appropriate qualified professionals.

You may be able to create a cash down payment without actually going into debt. Depending on your circumstances, funds from investments or other assets may be available for a down payment. The tax, lending and financial implications can vary, so check with a financial or tax professional and your mortgage professional before acting. Depending on the circumstances, you may be able to use this as part or all of the down payment.

You may be able to buy a home even if you have problems with your credit rating. Financing options depend on your individual circumstances. A qualified mortgage professional can explain what may be available and what steps could improve your position.

MORTGAGE PRE-APPROVAL

Know what monthly dollar amount you feel comfortable committing to. When you discuss mortgage preapproval with your financial professional, find out what level you qualify for, but also pre-assess for yourself what monthly dollar amount you feel comfortable committing to. Your situation may give you a preapproval amount that is higher (or lower) than the amount of money you would want to pay out each month. By working back and forth with your financial professional to determine what this monthly amount is, and what value of home this translates into at today's rates, you don't waste time looking at homes that are not in your price range.

- Ask your mortgage professional what could affect your approval between the time you start looking and the day you close.

You can, and should, get preapproved for a home loan before you go looking for a home. A written preapproval can help you understand the financing framework you are working within, but it is not a final mortgage approval or guarantee of funding.

Consider dealing with a mortgage professional who specializes in mortgages. They can help you understand available financing options and the requirements that apply to your circumstances.

COSTS BEYOND THE PURCHASE PRICE

- Plan for closing and moving-related expenses in addition to your down payment.
- Understand the ongoing costs of the property you are considering - such as property taxes, utilities, maintenance and condominium fees where applicable.

2. DECIDE WHAT ACTUALLY MATTERS

A productive home search starts with a clear picture of what you need, what you want and where you are prepared to compromise.

- Choose the areas and neighbourhoods that realistically work for your lifestyle.
- Separate your true must-haves from features that would simply be nice to have.
- Consider the different property types that may fit your budget and lifestyle.
- Think beyond today. Your commute, family plans, neighbourhood, maintenance needs and future resale can all matter.

3. DON'T JUST SEARCH - WATCH FOR OPPORTUNITY

If you're like most homebuyers, you have two primary considerations in mind when you start looking for a home. First, you want to find a home that perfectly meets your needs and desires, and secondly, you want to purchase this home for the lowest possible price.

Make sure you know what you want... Some homebuyers don't have a firm idea of their wants and needs in a home before they go out searching. Get clear on your priorities before emotion takes over.

When you're looking at homes, you may fall in love with one for reasons that have little to do with your original needs. A beautiful kitchen, backyard or other feature can be exciting, but it is important to keep coming back to what actually works for your life.

Don't shop with stars in your eyes. Know what you need, know what you would like, and understand the difference before you get caught up in the excitement of looking.

SOMETIMES THE BEST OPPORTUNITY ISN'T THE ONE EVERYONE ELSE IS LOOKING AT

Not every home is publicly available for sale online. Looking beyond publicly listed homes can open up an entirely different set of possibilities.

Off-market and unlisted homes may never appear online. Where available, these may include power-of-sale properties, distress sales, builder opportunities and other special situations.

There may be fewer buyers aware of these properties, which may mean less competition and may create an opportunity to negotiate price, conditions, closing date or other terms.

You don't have to spend your nights searching, refreshing and checking the same websites. Ask about opportunities that may not be obvious from a basic public search.

Find out if your agent offers a Buyer Profile System or 'Househunting Service' that takes the guesswork out of finding the right home that matches your needs. This type of program may cross-match your criteria with available homes and help identify suitable opportunities as they arise.

What do I absolutely NEED in my next home:

1. ____________________
2. ____________________
3. ____________________
4. ____________________
5. ____________________

What would I absolutely LIKE in my next home:

1. ____________________
2. ____________________
3. ____________________
4. ____________________
5. ____________________

The best opportunity is not always the newest or prettiest listing. Sometimes it is a property other buyers are overlooking, a meaningful price reduction or a situation where the terms create negotiating room.

- Pay attention to properties that have been sitting on the market.
- Remember that price is only one part of an offer - conditions, timing and other terms can matter too.

4. WHEN YOU FIND 'THE ONE'...

Finding a home you love is when emotion can start outrunning judgment. This is the point to ask more questions - not fewer.

- Look carefully at the condition of the home and its major systems. Consider having a qualified professional home inspector complete a detailed inspection.
- Ask about renovations, additions or changes that may warrant further investigation.
- Understand what is included and excluded in the purchase.
- Consider property-specific issues that could affect how you use or enjoy the home.
- Understand every condition or protection you are giving up before you remove it.

HOW SELLERS SET THEIR ASKING PRICE

For you to understand how much to offer for a home you're interested in, it's important for you to understand how some sellers price their homes. Here are four common strategies you'll start to recognize when you begin to view homes:

1. Clearly Overpriced: Some sellers may price above what recent comparable sales support. A home that is meaningfully overpriced can sit longer on the market and may eventually require a price adjustment.

2. Somewhat Overpriced: Some homes may be priced modestly above market value. This can reflect a seller's expectations or an attempt to leave room for negotiating.

3. Priced Correctly at Market Value: Some sellers carefully and realistically price their homes based on a thorough analysis of other homes on the market and recent comparable sales. These competitively priced homes may sell within a reasonable time-frame and sometimes close to asking price - conditions and sales price vary.

4. Priced Below the Fair Market Value: Some sellers may be motivated by a quick sale or may intentionally price to attract multiple offers. Depending on the market, the property may ultimately sell below, at or above the asking price.

5. DON'T CREATE A PROBLEM BEFORE CLOSING

An accepted offer does not mean the process is finished. Your circumstances still matter until the transaction closes.

- Avoid major financial changes without first checking with your mortgage professional.
- Complete the required financing, legal, insurance and property-related steps on time.
- Do your final walkthrough and make sure the property is in the expected condition before possession.

QUESTIONS WORTH ASKING

- What can I comfortably afford once I include the real cost of owning the home?
- What should I have in place before I begin viewing properties?
- Are there first-time buyer opportunities or programs I should investigate?
- What am I not noticing about this property?
- What should be investigated before I make my offer firm?
- What could affect my financing before closing?
- What opportunities might I be missing if I only watch the obvious listings?

YOU DON'T NEED TO KNOW EVERYTHING BEFORE YOU BUY.
IT'S HELPFUL TO KNOW WHAT TO ASK.

A first home is a major decision. The goal is not to make the process more complicated. It is to help you recognize the decisions that deserve a closer look before you commit.

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