

HOME BUYERS **GUIDE**



A GUIDE TO THE HOME BUYING PROCESS





Welcome

Most buyers who begin the process of looking for a home begin the journey filled with excitement and a bit of trepidation.

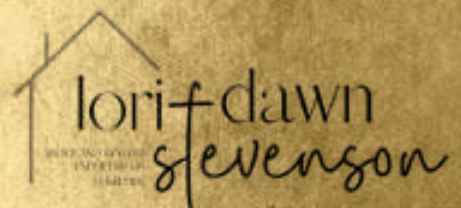
This is understandable when you consider that purchasing a home is one of the biggest financial decisions you will make during your lifetime.

Not only do I understand this, but I believe that home ownership is something you can be proud of. I believe, it's an honor and privilege to ensure that the home buying process is the most pleasurable experience possible.

Whether this is your first home or your tenth, this guide is intended to help you navigate the home buying process.

Let's get started on the journey of getting you the home you want!

Lori-Dawn Stevenson
Century 21 Accord Realty
306.741.2999



nice to meet you



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LET'S CONNECT



306.741.2999



lori.dawn@live.ca



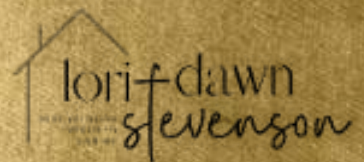
loridawn.ca



Lori-Dawn Stevenson Swift Current Real Estate



@loridawn.stevenson



TOP 10 REASONS TO BUY A HOME

Quality of Life - Home ownership is part of a better quality of life for most buyers. The quality of our living situation directly impacts how we feel.

Tax Deductions - Buying a home helps you avoid the tax man with tax deductions for both mortgage interest and property taxes. Property taxes and qualified interest are deductible on an individual's federal income tax return in many cases.

Spend Money to Make Money - With the right real estate consultant, home ownership and the potential for appreciation means that ultimately you have the opportunity to get a return on your investment.

Deferred Gain and Capital Gain Treatment - Generally when selling your home years down the road you have accumulated equity in the home.

Principal Accumulation - As a homeowner, a portion of each amortized mortgage payment typically goes to principal, which in the long run is an investment.

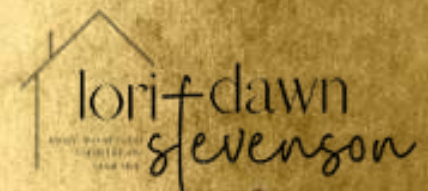
It's The Dream - Owning a home is THE Dream. I work with many first-time home-buyers; and it truly is a dream come true for them.

Independence - For many homeowners, one of the greatest freedoms is acquired through home ownership. They can get rid of their landlord and are no longer surrounded by neighbors in an apartment with thin walls. The freedom to do whatever they wish with their homes is a big incentive for many new homeowners.

Leverage - At the current interest rates, you can put your money to work somewhere else. These days you can still purchase a home for as little as 5% down, sometimes even without a down payment!.

Why rent when you can own? The real cost of renting at \$700 per month with 6% rental increase per year means you will pay \$110,719 over 10 years. Just think, you could almost pay off a home for that amount!

Because you get to work with me!



Vip buyer program

Buyer Perks

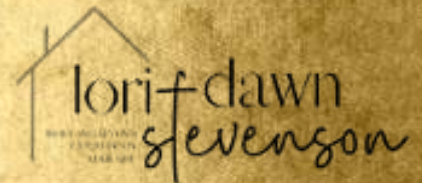
Personalized Free Buyer Consult
Help find the perfect properties to look at
Tour properties with clients
Guide buyers on their purchase
Advise on offer and negotiation strategies
Advise on appropriate inspections and conditions
Help negotiate
Set up and attend inspections
Get inspection reports to buyer
Set up personal meeting to go over inspection reports with inspector.
Attend meeting with home inspector and clients.
Renegotiate if needed, based on home inspection results.
Buyer Gift Upon Completion Of Sale
Exclusive Invites to Client Appreciation events

Behind the Scenes

Set up all showing appointments
Coordinate and maintain deadlines of the offer

Research appropriate pricing on homes of interest
Get all paperwork to Bank to assist in financing

Work with the bank to ensure they all necessary paperwork
Deliver Conveyancing instructions to lawyer



5 TIPS WHEN BUYING A HOME

Pre-Qualified

Before you can seriously consider purchasing a home, it's important to know exactly how much you can afford. This can be the scariest part of the buying process for some. It's perfectly natural to be nervous, but I can put you in touch with someone you can trust to help get you pre-qualified.

Always. think resale

In the Canada, due to the mobility of our economy, the length of ownership is about 5 to 7 years. This is important to keep in mind when looking for your next home. For instance, homes backing up to a busy street or railroad sell for less and take longer to sell than other homes in the neighborhood.

Compare sales

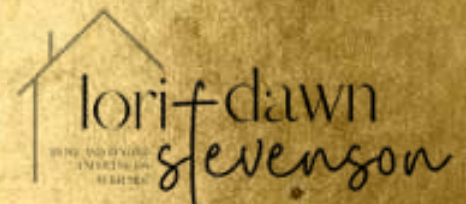
To determine the best price to offer, or to know if the asking price is correct, look at the recent sales of similar homes, called "comparable sales." Comparable sales are recent sales of homes that compare closely to the one you are looking to purchase, usually sold in the past few months. Specifically, you want to compare prices of homes that are similar in square footage, garage spaces, number of bedrooms and baths, lot size, etc. Let me help you with a Buyer's Market Analysis.

DON'T wait

Too often, we have seen home buyers fall in love with a property, wait a few days to make a decision because they are nervous, and the home that they fell in love with SOLD! If you love the home, don't wait for someone else to live in YOUR home – be prepared to write an offer!

Aesthetics can be changed

flooring, light fixtures, plumbing, paint colors and wallpaper can all be changed. Don't let the lime green wallpaper turn you off of your potential dream home. Think of how much fun it will be to make a home yours!



10

steps to buying a home

- Get pre-qualified with a lending specialist
- Shop for your dream home with an accomplished real estate professional
- Choose a top 2 list
- Place an offer on #1-
- Be prepared for a counter offer
- Sign and date the effective contract
- Take note of condition removal dates
- Order inspections
- Terminate or proceed with the contract
- After final approval, go to lawyers to sign and own your new home

In addition to the 10 steps to buying a home you will need to consider the following upfront costs in order to determine if you have the appropriate cash reserves to get started:

- Deposit – typically 5000\$-10000\$
- Inspection fee - \$500 - \$650
- Lawyer 1500\$+

Now that you know the upfront costs, let's explore what you will need in order to determine your buying power and how to get pre-qualified for financing.

The Home Buying Process

- Your Home Buying Journey Begins
- Analyze your needs in a consultation & pre-approval
- Obtain financial pre-qualification
- Find a REALTOR® you can trust
- Select Properties
- View Properties
- Write an offer to purchase
- Accept the contract
- Complete the mortgage application
- Credit Report
- Deposit money
- Inspections
- Remove Conditions
- Set up Home Insurance
- Set Up Utilities and Taxes
- Sign paperwork at Lawyer
- Take possession of your new home

The Pre-Qualification & Pre-Approval Processes & Differences

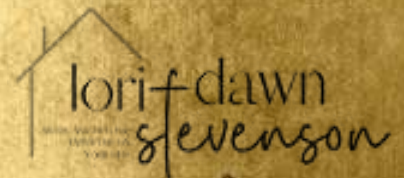
NOW THAT YOU KNOW YOU WANT TO BUY A HOUSE, HOW DO YOU KNOW HOW MUCH YOU CAN AFFORD AND IF YOU CAN QUALIFY FOR A LOAN? THE WAY TO GET STARTED IS TO GO THROUGH THE PRE-QUALIFICATION AND PRE-APPROVAL PROCESS WITH A LENDING SPECIALIST.

Pre-Qualification versus Pre-Approval

Pre-Qualification is how much money a bank will lend you based on your income, assets, and debts. Pre-Qualification is typically done over the phone with a lending specialist. This is the first step to get started in the buying process.

The lending specialist will do a minimal credit review over the phone which means discussing your credit background.

When you begin the Pre-Approval process the lending specialist will actually check your credit but during Pre- Qualification they will simply gather basic information regarding your financial and credit situation.



Loan Application Checklist

Most lenders will meet you at the office or start the pre-approval over the phone. Here are some items a lender may require:

General

- Non-expired Government ID and Social Insurance Number with Name and complete address for past 2 years of residence

Income

- Employment history, including names, addresses, phone numbers for the past 2 years.
- Copies of your most recent pay stubs and T4 forms (past 2 years).
- Verification of other income (social security, child support, retirement).
- Copies of signed tax returns including all schedules (past 2 years).
- If you have rental property income: Copies of all signed lease agreements.

Assets

- Copies of all bank statements from checking/savings accounts (past 2 months).
- Gift funds will need gift letter of proof of gift.

Creditors

- Credit cards (current balances and monthly payments).
- Installment loans (car, student, etc.).
- Mortgage loans (property address, lender with address, account numbers, monthly payment and balance owed on all properties presently owned).

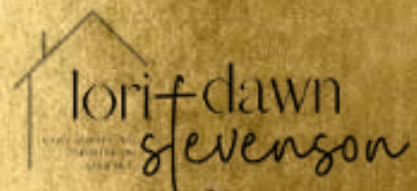
Other

- Bankruptcy – bring discharge and schedule of creditors.
- Adverse credit – bring letters of explanation.
- Divorce – bring your Divorce Decrees, property settlements, quitclaim deeds, modifications, etc.
- Retires – bring retirement and/or Social Security Award Letter.

10 COMMANDMENTS WHEN APPLYING FOR A REAL ESTATE LOAN

Last but not least, these are important rules to follow to ensure a smooth loan process.

- *Thou shalt not change jobs, become self-employed or quit your job.
- *Thou shalt not buy a car, truck or van (or you may be living in it)!
- *Thou shalt not use charge cards excessively or let your accounts fall behind.
- *Thou shalt not spend money you have set aside for closing.
- *Thou shalt not omit debts or liabilities from your loan application.
- *Thou shalt not buy furniture.
- *Thou shalt not originate any inquiries into your credit.
- *Thou shalt not make large deposits without first checking with your lender.
- *Thou shalt not change bank accounts or close any credit cards unless requested by the lender.
- *Thou shalt not co-sign a loan for anyone or miss any payments.



What Factors Affect What I Can Afford?

There are three factors that affect how much you can afford when you decide you would like to buy a home.

The down payment - do you have enough liquid cash to make a down payment?

Your ability to qualify for a loan - as mentioned earlier this is determined during the Pre- Qualification & Pre-Approval Process
The associated closing costs on your home.

How Much is My Down Payment?

Most loans today require a down payment between 5% to 20%. Contrary to what many people think, there are still loans that have lower down payment requirements, including no down payment depending on the type and terms of the loan. Keep in mind, if you are able to come up with 20% down you will eliminate mortgage insurance.

The Pre-Qualification & Pre-Approval Processes

How Much are Closing Costs?

This means your legal costs. The lawyer will register any mortgages and transfer the title into your name. Generally legal costs are 1500\$ and up, but it all depends on the purchase price of the home.

What Does my Monthly Mortgage Payment Include?

Most lenders require that your monthly payment range between 40-45% of your gross monthly income. Your mortgage payment to the lender includes the following:

The principal on the loan

The interest on the loan

ACCEPTED OFFER



Congratulations you have an accepted offer!

While we await the financing there are many things you can do to prepare for the upcoming purchase of your new home! The first thing you will want to do is make sure i have the full contact information for your mortgage broker or lender!

Don't have one? I am happy to set you up with some great options! I will take care of getting them any documents on my end. The next step will be ensuring they receive all requested documents as soon as possible.

Most likely they will request recent paystubs, perhaps a copy of your T4 or recent tax returns and a letter of employment. Each bank or credit union is different though and they will provide you with a list of what they need. The financing can take a week or two to complete.

During this time items that you can work on are:

- Choosing a home inspector. I will provide you with options. You simply need to chose one and i will set up and attend the inspection.
- Choose a furnace inspector. I will provide you with options. You simply need to chose one and i will set up and attend the inspection.

Next, should you choose, you can start looking for a lawyer. I recommend calling a few offices and asking for quotes based on your purchase price. We will need the name of a lawyer once all conditions are removed. I will also take care of getting them all the required documents once you have purchased your new home!

DON'Ts:

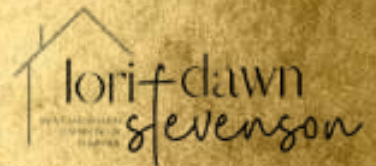
A few things to avoid during this time:

- you want to make sure you are making all your payments as required. One missed payment can cause your credit score to drop and make you unable to obtain a mortgage.
- Don't go finance anything. Including the couches for your new home as they can cause your debt to be too high and you could be declined for a mortgage.
- Don't give your notice if you are renting quite yet, things can still come up and we want to make sure you have somewhere to live!

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SOLD



Now, you need to get a few things completed before you can enjoy moving! First off, we need to **find a lawyer**, if you haven't already. I would recommend calling a few law offices and getting quotes (including taxes) for what each lawyer will charge you to complete the transaction.

Next, we need to set up utilities. You will need to set up your natural gas (for your furnace and hot water) at saskenergy.

Set up utilities- Call the city of Swift Current and saskenergy.

Setting up internet and cable- Do not set up for first thing in the morning possession day- Just in case possession is not completed until later in the day, we want to make sure you don't have to reschedule.

Movers- Make sure you set the movers up for later in the day on possession day or for the next day or 2. Just to make sure we don't have to reschedule this also.

Home Insurance- Call around to a few companies to see what kind of pricing they can get you. A few important things to discuss with your home insurance provider are: Sewer backup insurance and systems insurance. System insurance is quite inexpensive, but can save you thousands if your furnace were to quit.

With your lawyer: You should discuss title insurance. This can be an important add on that can protect you down the road.

With your bank: Talk about their insurance options. They do provide life insurance as an option. It's important to weight the benefits of having life insurance through the bank (only covers what is owing on the mortgage) or getting private life insurance (Covers the same amount regardless of what your mortgage is at).

Lastly it is important to prepare yourself for the condition the home will be left in. Most homes need some cleaning before you move in. However, it is important to note that the home will likely be left in similar condition to what it was during showings. If a home was particularly dirty during showings, it will probably be left in a similar manner.

Important Contact Info:

Saskenergy- 1-800-567-8899

CITY OF SWIFT CURRENT 306-778-2777



