

Alberta Buyers GUIDE



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real

About Me

Aaron is a skilled Real Estate professional that's helped numerous buyers and sellers alike navigate real estate transactions.

With exceptional partners and years as a skilled Realtor Aaron strives to make the process of buying your home seamless and stress-free. With trusted partners and fostered relationships in the real estate community finding a vendor, contractor, lender, lawyer, inspector, appraiser has never been easier.

Aaron's goal and focus always remains finding your home and using the right strategy to achieve the lowest possible purchase price for your home.

With years of experience in Sales and customer service driven roles Aaron works to put your needs and goals first.

Aaron's passion for Alberta and Calgary and it's neighbourhoods helps you familiarize yourself with communities and find the home that's the right fit for you.



Buying a home

Buying a Home is much more than a transaction and for most people is an emotional process.

Whilst doing all the above there are numerous other aspects of the process that although simple might seem overwhelming. This guide aims to ease you into the process and identify and familiarize you with exactly that.



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Mortgage

fundamentals

1. MORTGAGE FUNDAMENTALS

Where to Get a Mortgage:

- Bank/Lender Representative: Offers products only from their institution
- Licensed Mortgage Broker: Shops multiple lenders to find best terms

Brokers must disclose if they represent:

- You (the borrower)
- The lender
- Act as an intermediary

2. MORTGAGE TYPES & INSURANCE

Conventional Mortgage (20%+ down payment): No mortgage insurance required

High-Ratio Mortgage: Less than 20% down payment: Requires mortgage insurance from CMHC, Sagen, or Canada Guaranty

Premium is added to mortgage:

5% down → ~4% premium

10% down → ~3.1% premium

15% down → ~2.8% premium

*Must be your primary residence (not a rental)

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Quicksheet

Downpayments

Down Payment Quick Sheet

Your minimum down payment depends on the purchase price of the property. Here's a simple breakdown to help you plan:

Purchase Price	Percentage	Minimum Down	Mortgage
\$100,000	(5%)	\$5,000	High-Ratio Mortgage
\$250,000	(5%)	\$12,500	High-Ratio Mortgage
\$500,000	(5%)	\$25,000	High-Ratio Mortgage
\$600,000	(5% of \$500k = \$25k + 10% of \$100k = \$10k)	\$35,000	Blended Tiered
\$800,000		\$55,000	Blended Tiered
\$999,999		\$74,999	Blended Tiered
\$1,000,000+	20% minimum	\$200,000	Conventional Required

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Mortgage

Key Rules:

Up to \$500,000 → 5% down

\$500,001 – \$999,999 → 5% on first \$500K, 10% on remainder

\$1M+ → 20% minimum down, no mortgage insurance available

You can use personal savings, RRSP via Home Buyer's Plan, or gifted funds (with a signed letter).

Note on Mortgage Insurance

Down Payment %	Insurance Required?	Notes
< 20%	✓ Yes	CMHC/Sagen/Canada Guaranty premiums
20% or more	✗ No	Considered a "conventional" mortgage
Gifted funds	✓ Allowed	Must include signed gift letter from relative

✓ Sample Calculation (Example: \$650,000 home)

5% on first \$500K = \$25,000

10% on remaining \$150K = \$15,000

Total down = \$40,000

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Qualifying

3. QUALIFYING FOR A MORTGAGE

Lenders Will Look At:

- Your credit score
- Your income & job history
- Your debt levels

Your down payment source (must be provable)


Two Key Ratios:

GDS (Gross Debt Service)

Mortgage + Taxes + Heat + $\frac{1}{2}$ Condo Fees \leq 35% of income

TDS (Total Debt Service)

GDS + other debts (car, loans, credit cards) \leq 42%

 Pre-qualification: A quick estimate

 Pre-approval: Includes credit check & documents

Closing Costs

4. CLOSING COSTS (REALISTIC ESTIMATES) 1.5–3% of the purchase price

Cost Item	Estimated Range (CAD)
Lawyer Fees	\$1,000–\$1,800
Title Insurance	\$250–\$500
Property Tax	Adjustments Varies (ask lawyer)
Home Insurance (annually)	\$500–\$1,500
Home Inspection	\$350–\$600
Appraisal (may be lender required)	\$300–\$500
Condo Document Review (if needed)	\$300–\$500
Moving Costs	\$500–\$2,000+
Hookups (utilities, internet, etc.)	\$200–\$400
GST on New Builds (if applicable)	5% (ask about rebates)
Land Transfer / Registration Fee ~	\$100–\$400 (Alberta is low!)

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Property Types

5. CONDO vs. DETACHED: WHAT TO EXPECT

Feature	Condo	Detached Home
Ownership	Interior unit + share of common property	Structure + land
Monthly Fees	Yes (condo fees for upkeep)	No fees, but your maintenance
Maintenance	Shared (e.g. roof, grounds)	Your responsibility
Bylaws/Rules	Must follow condo bylaws	Freedom to renovate (within bylaws)
Purchase Docs	Needs condo doc review	RPR required
Insurance	Owner's + Condo Corporation's coverage	Owner's insurance

Process

Step by Step

6. STEP-BY-STEP PURCHASE PROCESS

Stable job, low debt, emergency savings, Check Financial Readiness

Pre-Qualify or Pre-Approve for Mortgage/ Show proof of funds

Know your maximum + what fits your lifestyle

Find a REALTOR® & Mortgage Broker

Ask if they're exclusive or designated agents

Start Property Search

Use a "needs vs. wants" checklist

Consider location, layout, future growth

Make an Offer

Include deposit, conditions (e.g. financing, inspection, condo docs)

Set realistic possession date

List inclusions (appliances, fixtures)

Negotiate Terms

Price, closing date, holdbacks if needed

Satisfy Conditions

Confirm mortgage, review docs, inspections

Finalize with Lawyer

Sign mortgage docs

Confirm closing costs

Provide photo ID + proof of insurance

Possession Day

Do a pre-possession walkthrough

Get keys + move in 🏡

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Bonus

BONUS BUYER TIPS

- Don't change jobs or take new loans after pre-approval
- Always verify condo docs through a professional reviewer
- Ask about flood zones, liens, or stigmas
- Get legal advice for unusual seller terms or conflicts
- Consider "gap coverage" via title insurance

Helpful?

**Did you find value in this extensive guide?
Want a peek at more resources?**

**Shoot me a text 825-994-3619 or
email realaaronasantos@gmail.com**