

An Informed Home Buyer's Guide

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COLDWELL BANKER
ONTRACK REALTY



8 Steps to Finding the Right Home

Steps

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- 08** Move in – Congratulations!



STEP | Deciding Where and 01 | What to Buy

Congratulations on taking this first step toward buying a home. Pride of home ownership is indeed one of life's greatest joys and biggest accomplishments. It is an exciting time and my hope is that this guide will bring clarity and peace of mind during your home buying journey.

Let's get started! The first step is deciding where you want to live, what type of home you are looking for and what features are "must have's" or "nice to have's" in a home.

Invariably, there will be tradeoffs, but rest assured I am here to help sort through the options to find you the best home, at the best price and with as many of your wants and needs as possible.

Questions to Help You Get Started

The Essentials

What type of home are you looking for? (*Single family, semi-detached, condo, etc.*)

What style of home is best for you? (*Bungalow, split level, two story, duplex, townhouse, apartment, etc.*)

What about the age of the home?

How many bedrooms and bathrooms do you need?

What are you looking for in a kitchen, family room? Do you want a separate dining room? What is your preferred layout?

Features

What are your high priority features? (*Appliances, ensuite, fireplace, etc.*)

What other types of rooms do you need? (*Main floor laundry room, home office, etc.*)

Questions Continued...

Exterior

What size of yard are you looking for? Is the backyard important? Or is a side yard okay?

What about the front yard?

What other landscaping features are important? (*A fenced yard, play areas, pool, garden, etc.*)

Is it important what direction the home faces?

Goals

Who are you sharing this home with and what are their needs? (*For example, pets might need a fenced yard or extended family needs a separate entrance.*)

If you can't find all the features you want, how much do you want to invest beyond the purchase price of the home in terms of financial or sweat equity?

How long do you plan to live here? (*This can impact the type of home, the location and how much you will spend.*)

Questions Continued...

Features Continued

What about storage space?

Basement?

Do you need a garage or extra parking spaces?

Is energy efficiency important? Newer windows or a high-efficiency furnace?

Location

How is your daily commute? How easy is it to get to the places you need to go?

How close do you need to be to transit, shopping, schools, hospitals?

Are there any important location factors? (*Backing on to parks, road traffic, etc.*)

STEP | Getting Pre-Approved 02 | for a Mortgage

The mortgage industry is a highly competitive one and it is important to understand interest rates can change at any time. Partnering with a mortgage advisor and/or financial institution to help you find the right mortgage product at the best rate is key to your home buying process.

5 Easy Steps to Get You Pre-Approved For a Mortgage

1. Talk with a mortgage advisor

Ideally, select someone who comes highly recommended. There are hundreds of options to choose from when it comes to lenders. Independent mortgage brokers tend to offer the most options because they do not just work with one bank. However, if you have a good relationship with your financial institution, contact them or *I'd be happy to recommend someone as well.*

2. Complete and submit your application with the mortgage advisor

They will collect your financial and personal information to find out how much mortgage you can carry.

3. Gather all the necessary documents

The mortgage advisor will give you a list of documents the banks/lenders need to finalize your mortgage application. These are things like identification, proof of employment, proof you can pay for the down payment and closing costs, information about your other assets, such as a car, cottage or boat, information about your debts or financial obligations and more.

4. Verification of your details

They will do their checks and balances to make sure you are not getting in over your head.

5. Obtain a copy of your pre-approval

At the end of this process, the mortgage advisor will provide you with a pre-approval in writing for the mortgage amount you qualify for. This is a powerful negotiating tool, especially in multiple offer situations. The seller of your dream home will feel more confident you are the right person if you can support the finance condition going through without issues.

Having Pre-Approval Documentation Can Offer Other Benefits:

- Saves you time by only looking at properties you can afford.
- Rate guarantees and mortgage term maximums are locked-in for typically 90 days, giving you a “safe” window of time to shop in knowing you’re covered financially.
- Less stress throughout the process. You will know you are ready and capable of buying.
- Get a better deal on the home you want. Sellers like to know buyers already have financing in place.



STEP | Choosing The Right 03 | REALTOR®

First, it's important you understand whose interests REALTORS® are legally bound to serve in a real estate transaction.

Listing Agent

The Listing Agent is under contract with the seller to market and sell their property for the best possible price. Working with a listing agent means they can:

- Arrange a showing of the property.
- Assist with financing the property.
- Provide details about the property.
- Explain all the forms and agreements related to buying the property.

Buyer Agent or Your Personal REALTOR®

When you engage the services of your own personal agent—someone who is under contract to *work solely in your best interest*—you get all the same services listed above **plus** your personal REALTOR® provides:

- Confidential assistance that addresses your needs first.
- Honest, loyal and diligent care, free from any conflicts of interest.
- Access to all listings including MLS, bank-owned properties, distress and estate sales, and homes that were on the market where the seller might still be interested in selling.
- Expert advice on useful clauses such as home inspections and financing to protect you fully.
- Expert negotiation of the offer to purchase so you achieve the best possible price and terms.
- Expert advice on market value, inclusions, location, as well as help you decide when you should walk away.
- Discovery and disclosure of all information about the property including liens, warranties, disclosures, seller's purchase price, and market and planning activity in the area.

As your Personal REALTOR®, my job is to ensure you are an educated buyer in all aspects of your home buying process.

About Me



Susan Cramer

REALTOR® | Coldwell Banker OnTrack Realty

An Albertan all my life and REALTOR® since April of 2021, I bring 30+ years of IT project management experience to all my real estate transactions. My husband, Dave, and I sold our Calgary family home and renovation company early in 2019, moving permanently to our lake residence on Gleniffer Lake. No strangers to the area, we've weekendened and vacationed here since 1994. We love Central Alberta and are proud to call it home.

My career and business owner experiences help me excel at recognizing when things in a home will require work so they meet your needs or decrease the value in your future investment. I love numbers and crunching them in a comparative market analysis to help you make the best purchase offer excites me. And I'm an expert at making sure all the I's and T's are dotted and crossed throughout the buying and selling processes.

My passion for service and your success to close support my branding: *happy place finder!*

Let me help you find your next happy place today.



STEP 04 | Become an Educated Buyer

The Susan Cramer Home Buyer Service Program

Educated buyers make informed decisions creating a stress free and enjoyable home buying process. With that in mind, my exclusive Home Buyer Service Program will empower you with key market information and every possible advantage to ensure you become an educated buyer.

Here's what you can expect from me when you enroll in my program:

- ❑ ***Absolutely no fees or costs to you as my buyer.***
- ❑ Access to property listings based on a variety of search parameters, only available on the REALTOR® MLS.
- ❑ Proactive prospecting in your desired area to locate potential sellers with homes matching your criteria. This includes homes that are not actively for sale on the market now but may be considering selling.
- ❑ Access to For Sale By Owner homes matching your criteria.
- ❑ Up-to-the-minute access to the best deals on the market, including brand new MLS listings, newly price reduced properties, current bank power of sales, new home options, private sales and deals under contract that have fallen through.
- ❑ The most current real estate market information that may impact your buying decision, including mortgage changes, statistical sales data on median home prices, sales and months of inventory, local area market changes, trends and more.



Education Process: Be Informed Every Step of the Way

1. After our initial fact gathering meeting, I enter a detailed summary of your wants and needs for a home into my database and create a personalized portal for your use. This portal will provide active listings meeting your search criteria in one convenient location. You can sort them in any order you like, comment about your thoughts on any of the properties and even mark your favorites for our joint follow up.
2. I won't bombard your email with information not relevant to you. You choose how frequently you want to see updates on homes new to the market or that have had a recent price change – as they occur, daily at a specific time or weekly.
3. Should I acquire a hot new listing matching your criteria, I will contact you prior to posting that property on the MLS.
4. You get all the information about every property – that, as a REALTOR®, only I have access to.
5. When you find a home that peaks your interest, simply contact me and I will arrange a convenient time to view.

Remember, when selecting what homes to view...

- Choose different styles and types of home that meet your needs.
- Drive by the home and area for your first impression before we see it together.
- Select a maximum of 5 homes to visit in one day (3 to 4 is best).
- Schedule time after the showings to review and discuss the homes' merits.



STEP | Making an 05 | Educated Offer

The ongoing communication and education you will receive with me will empower you to get the best possible deal on the home you desire.

You've found the one. Fantastic! Here's what happens next:

- 1.I will conduct a detailed Comprehensive Market Analysis (CMA) complete with comparable active and expired listings, recent solds and historical data relevant to determining the market value of the home. *This will empower you to make an informed decision about what to offer the seller for the home.*
- 2.I will prepare an offer that protects you, follows your instructions and matches your schedule and needs.
- 3.I will explain the details of the offer, the conditions and terms, and suggest options for specialty clauses ensuring you know exactly what you are agreeing to.
- 4.I will present and negotiate the offer on your behalf to get you the home you want at the price and terms you want.

What happens after this:

- The seller may accept your offer – congratulations!
- The seller may reject your offer – not common, but it can happen and I will endeavor to find out why.
- The seller may counter the offer – changing the terms of the offer and presenting the offer back to you.
- Our negotiations continue until we reach agreeable terms between you and the seller or until I know an agreement cannot be reached and it is time to walk away.

Negotiation FAQs:

1. How long will the negotiations take?

This is perhaps the most shocking part of things for many people. Commonly, negotiations are wrapped up within 24-48 hours. In other words, if we were to write an offer at noon, it would not be unusual to receive a response (typically a counter-offer) by that evening. If we didn't get it to an acceptance that evening, it would not be unusual to have an accepted offer by the next evening.

2. If the seller accepts my first offer, am I forced to buy? (and shouldn't we have then offered lower?)

No (and no). Unless we are writing an offer without conditions (which is REALLY unusual and we'll have talked about this a lot beforehand in that case), you will have a period of time (typically 7-10 days) to investigate whether or not this home is acceptable to you (this is the home inspection). If you don't like something you find out about this home during this time, we will be able to walk away and the contract will collapse.

3. How low should we offer?

This is a strategy question and the answer is -- it depends on too many factors for there to only be one answer. There are times when an offer at 5% below the list price is perfectly acceptable/appropriate. Similarly, there are times when an offer above list price is appropriate. When we sit down to prepare an offer, we will discuss this topic at length.

4. What if there are other offers? Will I know what they are offering?

When an offer is received, the listing agent has a duty to have the offer presented "without delay." Furthermore, offers have an expiry clause -- meaning that if the seller does not respond before a certain time, the offer ceases to exist. Despite this, there are occasions when homes attract multiple offers. We'll talk through detailed strategy should this happen, but here are some basic things to know. When you submit an offer knowing there is another offer, you will likely only get one chance to offer. In other words, it is rare to see counter offers made at this point -- it is assumed buyers are offering their best and final terms and the seller will typically just choose an offer from the offers received. To make your offer as competitive as possible, we will want to ensure that we have as few contract conditions as are necessary to properly protect you, we are offering as high a price as you are comfortable with, and we are offering the completion/possession dates most closely matching what the seller is looking for. From this perspective, the experience of multiple offers is very similar to making blind bids at an auction. The terms of an offer are almost always confidential until the conditions are removed. The seller will typically not disclose the price they have accepted (for fear it will jeopardize future negotiations should this offer collapse).

5. How many counteroffers can we make?

As many as you'd like! However, our experience has proven that once we get past 3 counteroffers from either side (i.e., 5 - 6 total counteroffers), our chances of reaching mutually acceptable terms start to diminish. Remember, the goal of a negotiation is to find mutually acceptable terms. Our goal is to find the bottom end of their acceptable price range and we will never do so if they feel like we are trying to take advantage of them.

Glossary:

When buying a home, there are certain documents and information common across all types of property be it a single-family home, condo or townhouse.

Title

This document is registered at the land title office at the time of completion and it is proof of ownership. Charges to the title such as mortgages, easements, covenants, etc. will show up on this document.

Real Property Report (RPR)

This is a legal document completed by a land surveyor. An RPR is used by a municipality, buyer, seller, and lender as an accurate representation of the improvements on a plot of land. It includes all structures permanently affixed to the ground, easements and property lines.

Title Insurance

Title insurance protects against future discoveries about a property and covers the loss of an interest in a property due to discovered legal defects. Some policies also protect against title fraud. Do not assume that because your mortgage lender obtains lender title insurance the lender will expect you to pay for that you are covered under this policy. It is intended to protect the lender only. It is highly recommended you obtain an Owners' Title Insurance Policy to protect yourself too. Your lawyer can help you purchase an owners' policy.

Fixtures

These are items that are affixed to the wall/ceiling that should be included with purchase. These are usually items screwed in (i.e., chandelier, ceiling fan).

Chattels

Are items easily removed and are usually taken from the home by the seller – pictures on the wall, furniture, draperies, etc. The exception is when we ask for some of the chattel to be included in our offer. These items must remain for your future enjoyment – fridge, stove, dishwasher, BBQ, lawn furniture, etc.

Condition of The Home

The condition of the home at the time of possession should be the same condition as when the buyer last viewed the home. The challenge some of our clients have experienced is their opinion of condition and the sellers' has been different. Rest assured, if this becomes a problem, we will work with you and the seller to get a resolution.

Completion

Completion is the day the money and title of the property exchanges hands. This is handled by the lawyers. A few days before completion you will need to go to your lawyer's office to review and sign the documents and make your final payment for closing costs and the property.

Possession / Closing Date

Possession is the day you get physical possession of the property and occurs typically at noon. Once we hear from the sellers' lawyer that we can "release keys" (because they have the remainder of your purchase price funds in their trust account), the home is officially yours and you get the keys. However, for the purposes of planning your move, if you plan to use a mover, I highly recommend arranging their arrival for the day after you obtain possession. Delays in releasing keys do occur from time to time and it gets expensive to pay movers to wait while we wait for the release of keys.



STEP 06 | Conditions, Home Inspections and Waivers

The offer has been accepted. Now we need to satisfy the conditions.

This usually involves performing a home inspection, getting the rest of your personal information and the property information to your mortgage broker or bank and arranging for the other information that might be necessary, like surveys, water tests and condominium documents. I will help you make the necessary arrangements to ensure the entire process runs smoothly before the completion deadline.

Next, you will need to add some people to your team.

Finding a Home Inspector

Home inspections allow you to scrutinize the details of the home and save you from some unpleasant surprises. When the time comes, I can provide you with a list of recommended professionals, if you do not have a favorite already. Things to remember:

- Ensure the home inspector is a qualified professional and you can be present during the last 30 minutes of the inspection.
- Ensure the home inspector checks for visible issues with plumbing, electrical systems, the roof, insulation, walls, ceilings, floors and windows, and the condition of the foundation. They can also check included chattels, like furnaces, air conditioners, and major appliances are working.
- Ensure your home inspector gives you an up close and personal look at your new home during that last 30 minutes of the inspection. If there are any problems, you will see them with your own eyes. The inspector will also give you maintenance tips and easy fix-ups, if necessary.
- Ensure your inspector includes a detailed, written report with photographs summarizing the condition of your new home when they are done.



Choosing a Lawyer

Your lawyer is an invaluable member of your team whose job is to ensure you get what you are paying for and in accordance with the conditions and terms of your agreement to purchase.

Your lawyer will ensure:

- there is nothing on title that is not supposed to be there.
- the property taxes, utilities and condo fees, if applicable, are up to date.
- you have all the information you need about your new home.
- your mortgage lender is satisfied and your mortgage is secured on property title as required by your mortgage agreement.
- you are presented with an opportunity to purchase Owners' Title Insurance.
- you know exactly how much money you will need to complete the transaction.
- the seller gets paid the purchase price.
- title is legally transferred to you.

If you do not have a lawyer of your own, I can recommend a few so you can choose one.



STEP 07 | Preparing to Move

Usually, you will have anywhere from 30 to 90 days to get everything ready for the move to your new home. It could be shorter or longer, depending on what you need and have agreed to with the seller in the purchase offer. The closing date is usually the same as your possession date. It is a good idea to get things organized well in advance of the closing date to reduce the stress of your move. Whenever possible, try to arrange for your departure from your old home to be later than the move to your new home so you give yourself some wiggle room for getting your old home ready for its next owner.

Lawyers: My brokerage will send your lawyer the information about your purchase (this is called conveyancing.) You will need to provide the lawyer with some additional information like insurance, down payment information, fee payments, adjustment payments and possibly other signed documents they require. You will meet with the lawyer 3-5 days before the closing to finalize everything. This is when your final payment is due.

Down Payment and Closing Costs: Make the necessary arrangements to have the funds available when the lawyer asks for it. Liquidating some assets can require additional time.

Movers: Whether you are using professional movers, renting a truck or getting a bunch of friends together, plan and organize it early. It's also best to plan the moving activity itself for the day after possession if you're paying for professional movers just in case there's an issue getting keys. There's nothing worse than paying by the hour just to wait!

Insurance: The lawyers will need a copy of your home insurance before closing so the financial institution will release the money to them. Call your insurance broker with the listing information. They may want to know the age of the home, condition of the roof, furnace, electrical system, and other general information, some of which is available in your home inspection report.

Change of Address: It's time to start giving out your new address to everyone and arrange for mail-forwarding from the old address to the new.

Utilities: It is important you call the local utilities to get the services changed into your name. These include phone, internet, television, gas, electricity, water, and any rental agreements. Remember too, to cancel the services at your old address.



STEP | Move in 08 | Congratulations!

As your personal REALTOR®, I know my role doesn't end just because I've handed you the keys.

You can call on me any time. Whether it's:

- Recommendations on contractors or other professional services to hire
- Any issues with your home after moving in
- Questions for the listing agent or previous owner
- Evaluation of your home value over time
- Questions about the local real estate market
- Advice on purchasing an investment property
- Referrals to friends and family
- When you're thinking about selling
- Or any other real estate related matter you need

As always, my advice is fast, free and confidential.

I'm here for you, through your move date and beyond.



Common Closing Costs For Buyers

Funds to cover your down payment and closing costs will most likely have to be in the form of a bank draft or wire transfer to your lawyer's trust account. Your lawyer will detail the exact amounts required for:

- Initial deposit to show you are earnest about your offer.
- Balance of down payment less initial deposit presented with offer.
- Mortgage loan administration and/or appraisal fees, if applicable.
- Points, or loan discount fees, you pay to receive a lower interest rate, if applicable.
- Credit report fees.
- Mortgage insurance premiums if applicable (CMHC).
- Title registration fees.
- Title insurance policy premiums if applicable (Lender and Owners').
- Survey expense if applicable.
- Legal fees and associated disbursements (couriers, copies etc.).
- Pro-rated amounts for your share of any prepaid costs, such as utility bills, property taxes and – if applicable – condominium fees.



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