

HOME BUYER'S GUIDE



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VANESSARAMREALESTATE



Dear Buyer,

Congratulations on making the decision to buy a home! The process is an exciting, but complex one. Don't worry. I am committed to providing you with expert guidance along the way.

My job as your real estate agent is to help you narrow your search criteria and show you potential properties that meet your requirements. I write the offer and negotiate on your behalf. My service follows through to your possession of the property, and I can recommend service providers to assist you along the way.

This Home Buyer's Guide will give you an overview of what to expect over the next several weeks. It may not cover everything so please don't hesitate to ask any questions you might have.

I look forward to working with you.

Sincerely,

A handwritten signature in cursive script that reads "Vanessa Ram".

Real Estate Specialist
Remax Heights Realty

ABOUT ME

Vanessa was born and raised in Vancouver. She spent most of her youth years living in North Burnaby while attending school in East Van and Kits. Her knowledge of the Greater Vancouver and lower mainland markets stems from the long commutes and exposure to these areas throughout her life. She currently lives in Vancouver and can be found in Mount Pleasant, Cambie Village and Downtown majority of the time.

Her experience in both finance and fitness has enabled her to portray the skills that she contributes to her Real Estate career. With years of personal training, retail banking and mortgage broker experience, she has been able to properly pinpoint the needs of her clients and execute exceptional service to them. She loves making personal connections that will turn into lifelong friendships. One of her favorite things about her career is having the ability to help and guide others. Her involvement in community outreach has influenced her drive to go over and above for her clients, all while providing them with the support and advice they need to achieve their real estate dreams /goals.

During her free time, Vanessa is a health and fitness advocate. In her spare time she can be found at the gym, going for runs, or hiking. She strongly believes that a good sweat and a great playlist can impact your whole day's perspective. Vanessa also comes from a multilingual family and can therefore speak English, Cantonese and Hindi.



**Master Medallion - Top 10% of all Realtors
in Greater Vancouver**

MORTGAGE PRE-APPROVAL

Determine exactly how much you can afford before we start looking.
Your dream home could arrive on day one of your search.
Let's get prepared.

ADVANTAGES OF MORTGAGE PRE-APPROVAL

- Narrow your search and save time seeing only homes you can afford.
- Lock in a mortgage rate for up to 120 days with your pre-approval to protect against potential mortgage rate increases.

Your pre-approved status may be a valuable asset when making an offer to purchase or negotiating with a seller. It shows you are serious and have your finances in place.

Knowing your down payment and monthly payment amounts can help you manage cash flow and expenses leading up to your move.

Pre-approval comes at no cost to you and you're not obligated to accept the mortgage.

Sit down with a mortgage specialist to discuss your financial strategy and needs including; mortgage amount, down payment, and purchase price. They'll explain your mortgage options (fixed vs. variable rate, interest terms, payment options, and amortization) and discuss which of them best suit your needs. At that point you would proceed with the pre-approval paperwork.

Ask me for my list of recommended mortgage brokers



BUILD YOUR TOP 10 WISH LIST

What are the 10 most important features or qualities of the home you want to purchase?

Consider wants vs needs and list in order of importance.

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

HOME BUYING PROCESS



ENTER INTO AGENCY RELATIONSHIP

- Buyer Agent Acknowledgement Form
- Buyer's Exclusive Agency Agreement
- Disclosure of Representation in Trading Services

MEET WITH YOUR MACDONALD REALTY AGENT

ANALYZE YOUR WISH-LIST AND DEAL-BREAKERS WITH YOUR AGENT

DETERMINE YOUR PURCHASING POWER WITH MORTGAGE PRE- APPROVAL

TOUR PROPERTIES TOGETHER

YES, WE FOUND YOUR DREAM HOME...WHAT'S NEXT?

CONDUCT DUE DILIGENCE

- Inspection Title search
- Property Disclosure
- Statement Environmental
- Home and Fire Insurance to ensure Financing

AGENT PRESENTS & NEGOTIATES YOUR OFFER

HAVE YOUR AGENT PREPARE YOUR OFFER (Legal Contract of Purchase and Sale)

Review Strata documents (for condos & townhomes)

1. Form B
2. Strata Minutes & By-laws
3. Financial Statements
4. Engineers' Reports
5. Registered Strata Plan
6. Depreciation Report

ARRANGE FOR INSURANCE ON YOUR NEW HOME

MAKE MOVING ARRANGEMENTS

**EXCITING DAY!
REMOVE SUBJECT
CLAUSES & SUBMIT
DEPOSIT CHEQUE**

**SELECT A LAWYER OR
NOTARY TO COMPLETE
CLOSING DOCUMENTS**

**POSSESSION DATE
CONGRATULATIONS
ON YOUR NEW HOME!**

HOME BUYING PROCESS (PRE SALE)



ENTER INTO AGENCY RELATIONSHIP

-Buyer Agent
Acknowledgement Form

-Buyer's Exclusive
Agency Agreement

- Disclosure of
Representation in
Trading Services

MEET WITH YOUR MACDONALD REALTY AGENT

ANALYZE YOUR WISH-LIST AND DEAL-BREAKERS WITH YOUR AGENT

DETERMINE YOUR PURCHASING POWER WITH DOWNPAYMENT AND EST MORTGAGE

VISIT PRESENTATION CENTERS TOGETHER

YES, WE FOUND YOUR DREAM HOME...WHAT'S NEXT?

CONDUCT DUE DILIGENCE

- Go over disclosure statement
 - Check for financing
 - Deposit security
 - Construction financing / company
 - Projected budget

AGENT PRESENTS & NEGOTIATES YOUR OFFER TO DEVELOPER

HAVE YOUR AGENT PREPARE YOUR OFFER (Legal Contract of Purchase and Sale)

UNIT COMPLETES

- WAIT FOR OCCUPANCY
- DEFECIENCY WALKTHROUGH
- MAKE MOVING ARRANGEMENTS

TITLE TRANSFER • VISIT NOTARY/LAWYER ENSURE UTILITIES ARE IN PLACE

- HYDRO, FORTIS,
WIFI,CABLE

EXCITING DAY!
PASS 7 DAY RESCISSION, THE
HOME IS YOURS

WAIT FOR COMPLETION

- CONTINUE WITH SAVING
PLAN
- PREPARE FOR NEXT
DEPOSITS

POSSESSION DATE
CONGRATULATIONS
ON YOUR NEW HOME!

BUYER AGENCY

By choosing to work exclusively with myself, you are entitled to unparalleled customer service and legal protection.

Buying and selling real estate is often one of the largest transactions that most of us will make. The experience can be thrilling, financially rewarding, and stressful. A professional buyer's agent will assist you through this process, and guide you through some of the pitfalls that greet potential property owners.

Understanding client needs and motivations are integral to producing positive results and building long-term relationships. Macdonald Realty agents are licensed real estate professionals who work within a legal framework called Agency. Agency provides the real estate agents the authority to represent your interests when dealing with other parties. In the province of British Columbia, an agent owes fiduciary duties to clients whom they represent through agency relationships.

These duties include:

- **Loyalty**
- **Avoiding conflicts of interest**
- **Acting in the best interest of the client**
- **Fully disclose relevant information**
- **Protect your confidentiality**

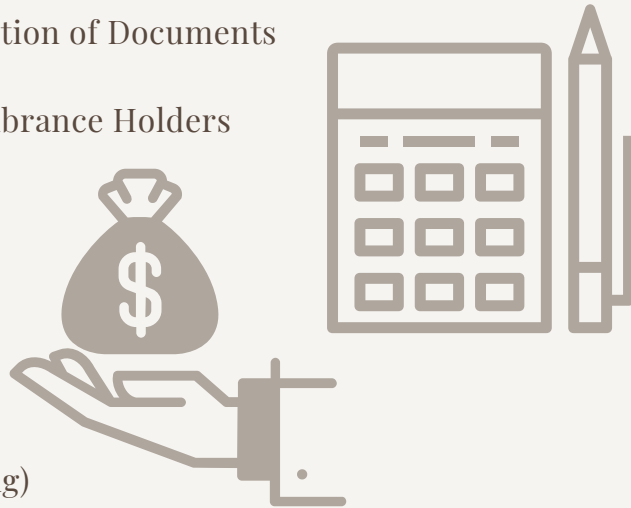
Engaging an agent is an exclusive arrangement between agent and client, and ensures that your best interests are always protected. Macdonald Realty agents pride themselves on being industry leaders and possess an array of professional skills not commonly found in today's real estate industry.



TRADITIONAL TRANSACTION COSTS

Seller's costs

- Lawyer's Fees: Attending to Execution of Documents
- Costs of Clearing Title including:
- Discharge Fees charged by Encumbrance Holders
- Mortgage Prepayment Penalties
- Real Estate Commission



Buyer's Costs

- Home Inspection
- Appraisal (if required for Financing)
- Lawyer or Notary fees and expenses:
- Searching Title
- Investigating Title
- Survey Certificate (if required)
- Drafting Documents
- Land Title Registration Fees
- GST on legal fees (5%)
- Insurance



GST on new construction

5% GST Applies to all newly built construction purchased. There are currently no exemptions for this tax unless discussed with the developer or compensated for such an amount through negotiation.

HOME INSPECTION

Provided that an inspection was one of the subject conditions of your offer, you will schedule a home inspection **after the offer has been accepted by the seller(s)**. Often, particularly in multiple offer situations, a pre-inspection will be conducted before you make your offer.

Depending on the size of the property, the home inspection will usually take between two and four hours. As the buyer, you are responsible for paying for the home inspection. Costs vary depending on the inspector but generally range between \$400 and \$800. Home inspectors usually require payment upon completion of the inspection so it is recommended that you confirm method of payment prior to meeting the inspector on site.

Upon the completion of the home inspection, the inspector will provide you with an oral report. The inspector will follow up with a written report identifying potential areas of concern related to plumbing, electrical, heating, roofing, foundation or structure.

If significant issues are discovered through the home inspection you have the option to withdraw your offer, request that the seller(s) make the necessary repairs or have your agent negotiate a price abatement to offset the cost of the expected repairs.

Home inspections are not intended to be used as a renegotiating tool and cannot be used to get you out of a contract because you have a change of heart.
recommended home inspectors

Ask me for my list of approved inspectors



PROPERTY TRANSFER TAX (PTT)

Property Transfer Tax (PTT) applies to the sale of all properties.

It is calculated as:

- 1% on the first \$200,000,
- 2% on the portion of the fair market value greater than \$200,000 and up to and including \$2,000,000, and
- 3% on the portion of the fair market value greater than \$2,000,000, and if the property is residential, a further 2% on the portion of the fair market value greater than \$3,000,000

For example, if the fair market value of a property is \$650,000, the tax paid is \$11,000. Foreign nationals and foreign corporation are required to pay an additional 20% property transfer tax on residential property located in the Greater Vancouver Regional District, Fraser Valley Regional District, Capital Regional District, Regional District of Nanaimo and Regional District of Central Okanagan.

FIRST TIME BUYERS AND PTT EXEMPTION

First time home buyers are eligible for a Property Transfer Tax Exemption provided they meet the following criteria:

- The home must be claimed and used as a principal residence;
- The buyer must never have previously owned property anywhere else in the world;
- The buyer must be a Canadian citizen or a resident of Canada and have resided in BC for at least one year prior to the purchase of the property.

The full PTT exemption applies to properties priced at \$500,000 and below and must be 0.5 hectares or smaller. You may qualify for a partial exemption from the tax if the property has a fair market value less than \$860,000 and is larger than 0.5 hectares,

On the purchase of a new construction (presale) the exemption is set at \$1,100,000 and below for a full exemption or \$1,150,000 for a partial exemption,

COMMON SUBJECT CLAUSES

Detached Homes

The purpose of 'subject clauses' is to allow a particular party (buyer or seller) a specific period of time to confirm and clarify specific types of information integral to the purchase and sale of property.

While there are hundreds of potential subject clauses, typically, when buying a detached single family home, there are at minimum five subject clauses that are placed within the contract.

They are:

- Subject to being approved for mortgage financing
- Subject to satisfactory inspection
- Subject to receiving and approving the title search
- Subject to approving the Property Disclosure Statement
- Subject to arranging fire and property insurance.
- Subject conditions must benefit a particular party to the contract (either buyer or seller) and must be removed by a specified date.

Upon successful removal of all subject clauses, the contract becomes subject free. If subject conditions cannot be removed on or before the date specified in the contract, the parties may mutually agree to either extend the subject removal date or collapse the offer. Your agent will be able to explain the process and potential implications.

COMMON SUBJECT CLAUSES CONT.

CONDOS AND TOWNHOMES

Offers on “Strata Title Properties” can be more complex by nature than those on detached properties. Although a buyer and their agent may be looking to purchase one strata lot within a building of strata apartments, they rely on receiving specific types of information relating to the strata lot, the building and the strata corporation. Often, this information comes from the listing agent, the property management company (if applicable), and/or the strata corporation itself.

When buying an apartment or townhome, typically the same five common subject clauses are used as with detached homes plus subjects related to the review and approval of documents containing information about the strata corporation and the strata lot.

These include:

Form B

Minutes

Financial Statement

Strata Plan

Consultants Reports

Depreciation Report

As with detached homes, subject conditions on attached homes must benefit a particular party to the contract (either buyer or seller) and must be removed by a specified date. Upon successful removal of all subject clauses, the contract becomes subject free. If subject conditions cannot be removed on or before the date specified in the contract, the parties may mutually agree to either extend the subject removal date or collapse the offer. Your agent will be able to explain the process and potential implications.

This is by no means an exhaustive list, but it will give you an idea of some of the additional costs associated with a real estate transaction.

ASSIGNMENT OF CONTRACTS

A contract assignment occurs when a buyer transfers the contract to buy property to someone else before the completion date.

For assignments of pre-sale contract The Real Estate Development Marketing Act allows an assignment to occur. The developer’s contract of purchase and sale will outline if the developer’s approval is required and any costs they may charge for the Assignor (original Buyer on the contract).

For assignments of non pre-sale contracts new rules came into effect in The Real Estate Services Act on May 16, 2016. They require the licensed agent to alter a clause in the contract of purchase and sale, add a clause regarding assignments and use the required Notice to Seller Regarding Assignment Forms to produce an offer that allows the buyer to possibly assign the contract to another party at a future date. As a buyer, it is important to discuss possible assignment scenarios with your agent when writing your contract of purchase and sale.

Assignment of Contract Cont.

The amendments further provide that licensees (original buyers agent) must take certain steps if they are involved in a potential real estate transaction where an offer to be presented to the seller does not include the Standard Assignment Terms. These requirements are further discussed below.

For Real Estate Services Act regulated assignments the Real Estate Council's form entitled Notice to the Seller Regarding Assignment Terms must be used if that offer does not include one or both of the following terms (Paragraphs 20A & B of the standard Contract of purchase and Sale):
A term that provides that the contract must not be assigned without your written consent;
A term that provides that you are entitled to any profit resulting from an assignment of the contract by the buyer or any subsequent assignee.

A Buyer (Assignee) is advised to obtain legal advice before entering into an assignment of a contract. Should the Assignee not complete the purchase then the Assignor is responsible to complete the purchase under the terms of the original contract of purchase and sale.

UNDERSTANDING MARKET CONDITIONS

It is important to know what the current market conditions are in the area you are looking. Here are some terms to help get you acquainted.

Seller's Market

A Seller's Market is considered a "hot" market. This type of market is created when demand is greater than supply—that is, when the number of buyers exceeds the number of homes on the market. As a result, these homes usually sell very quickly, and there are often multiple offers. Many homes will sell above the asking price.

Buyer's Market

A Buyer's Market is a slower market. This type of market occurs when supply is greater than demand, when the number of homes exceeds the number of buyers. Properties are more likely to stay on the market for a longer period of time. Fewer offers will come in, and with less frequency. Prices may even decline during this period. Buyers will have more selection and flexibility in terms of negotiating toward a lower price.
balanced market

A **Balanced Market** is one where supply equals demand, the number of homes on the market is roughly equal to the number of buyers. Buyers will have a decent number of homes to choose from, so sellers may encounter some competition for offers on their home, or none at all. Remember, an agent is trained to provide clients with this information about their local market, helping you make the most informed decision during the buying or selling process





OVERVIEW OF THE CLOSING PROCESS

WHAT HAPPENS AT THE LAWYER OR NOTARY OFFICE?

Several days before the completion date you will meet with your Lawyer or Notary to sign the documents for the purchase of your property. You will need to bring two types of identification with you such as a driver's licence and passport. Once your identity has been verified your legal representative will review all of the documents and have you sign them.

One of the documents they will provide you is the Statement of Adjustments showing all the costs relating to the transaction.

THESE ARE THE THINGS THAT HAPPEN ON CLOSING DAY:

- Your lender will give the mortgage money to your lawyer/notary.
- You must give the down payment (minus the deposit) to your lawyer/notary. You must also give the remaining closing costs.
- Your lawyer/notary pays the Seller and registers the property in your name
- Under the Torrens System of Land Transfer your legal representative will ensure only non-financial charges transfer with the property such as:
 - covenants
 - zoning designation
 - rights-of-way
 - easements

When the property is registered in your name you will have indefeasible title in fee simple, i.e. land ownership.

This will have been registered at the Land Title Office by your lawyer/notary.

WHEN DO YOU TAKE POSSESSION AND GET KEYS?

The contract of purchase and sale will have a possession date which will allow you access to your property. This usually occurs at noon, or at 1pm for tenanted properties, or as otherwise stated in the contract of purchase and sale.

Once your property is registered at Land Title Office you are the new owner!
Your agent's brokerage will notify your agent that the property has registered and they will be able to hand over the keys to you on possession.

On possession day do a walk-through of your property with your agent to make sure it is in the condition that you originally viewed it in. Also check all the systems such as plumbing, electrical, HVAC, appliances, etc. to ensure they are in proper working order.

Now you can enjoy your new home!

USEFUL REAL ESTATE TERMS

Adjustment Date

The date agreed to by both parties for the allocation and adjustment of property taxes, interest, utilities, rents and other appropriate items. This date is usually the same as the possession date.

Agreement For Sale

The Seller agrees to sell the property to a Buyer on credit terms. Normally the Seller carries the financing himself and the Buyer arranges a payment with the Seller. The Seller remains on the title as registered owner. Very similar to a first mortgage. The agreement for sale is the registered contract.

Amortization

The paying off of debt with a fixed repayment schedule in regular installments over a period of time. Consumers are most likely to encounter amortization with a mortgage or car loan.

Appraised Value

A report made by a qualified person giving an estimate of value, based on experience, comparable sales and pertinent data relating to the property.

Assessed Value

Used for the purpose of assessing property tax by a local municipality, this property value is assessed by the B.C. Assessment Authority.

Chattels

Personal property not attached or affixed to the land or property. Also refers to appliances, etc. in a rental property.

Co-Op Suite

A co-op is a company formed to create and operate defined living spaces within a building. A Buyer purchases shares in the company that normally owns the building. The purchase of these shares usually entitles the owner to the sole use of a suite in a co-op building through a long term lease or shareholder's agreement.

Completion Date

The date on which the Seller is entitled to the net proceeds of the sale and the Buyer is entitled to the transfer of the title. Real Estate commissions and legal fees are paid out at this time.

Deposit

Money taken at the time of acceptance or upon final subject removal as a sign of good faith. This money is held in a real estate company's trust account pending the completion of the purchase and are credited towards the purchase price.

Fixtures

All things attached to the property or growing on it. To avoid this dispute, specify in writing any items that will not be included in the sale of the property. Better yet, remove them prior to offering the property for sale

FSR

Floor Space Ratio. A City zoning term that defines the maximum allowable square footage to be built or occupied in a building in relation to its lot size.

Gross Taxes

The total amount of taxes owing as per your B.C. Assessment and municipal property tax bill before any deductions are made.

High Ratio Mortgage

A situation where the loan exceeds 80% of the appraised value (or the selling price – whichever is lower). This loan must be insured by C.M.H.C. (Canadian Mortgage and Housing Corporation), G.E. Capital (Mortgage Insurance Canada) or other insuring agencies for a fee.

Market Value

The highest price paid for a piece of property which has been exposed 'for sale' in the open market allowing a reasonable time to find a Buyer.

Net Taxes

The amount owing after allowable deductions made such as homeowners' grant and senior citizen's deductions.

Offer

Offer to Purchase. A promise made by one party, the offeror, to another party, the offeree. A legal agreement which offers a certain price for a specified piece of real estate.

Possession Date

The date the Buyer is entitled to possession of the property at twelve noon that day, subject to existing tenancies.

Property Disclosure Statement (P.C.D.S. or P.D.S.)

The Property Disclosure Statement is designed to protect all persons involved in real estate transactions. It provides a written record of representations made and, as importantly, not made, allowing the Buyer the opportunity to review the condition of your property so you're less likely to overlook a defect. Disclosure can make the property more attractive to potential Buyers who often require completion of this form to reduce any risk of misunderstanding.

TESTIMONIALS

Vanessa did an excellent job at finding us our first home. Since this was our first time as home buyers, we were a little nervous and unsure of where to start and what to look out for. Her calm and caring demeanor enabled us to easily purchase the home of our dreams with minimal stress and within our comfortable budget. She is a master at negotiation and dedicates so much time to her clients.

-D.P. & G.P.

I am extremely satisfied with our home selling experience with Vanessa. She never failed to follow up, communicate and keep us informed. She always explains things with patience and different perspectives which is something that our previous agents did not do. We are grateful for having her by our side during this journey. You can see how passionate she is about her work. We will be recommending her to anyone we know.

-N.M. & R.M.

Vanessa helped me purchase my first investment property. She was very informative, professional and organized. Whenever I had questions she was available to help and never left me without an answer. During our communications with a developer she also negotiated some added bonuses to our deal which I didn't even know were possible. She stands by her clients all the time and really abides by her word. I will be working with her again in the future.

-T.R.



Thank you, for the opportunity in having me assist you in purchasing a home. I am committed to every client that I work with and aim to provide exceptional service, stress free transactions and results. I believe that every real estate transaction consists of a relationship between an agent and client.

Being informed and knowledgeable going into the purchase process will allow you to feel more comfortable, communicate freely with me and make this an enjoyable experience.

This Buyer's Guide is designed to give you an overview of what to expect over the next several weeks to months for when you're ready to purchase your home. It may not cover every question you have, so please don't hesitate to reach out to me if any questions do pop up!

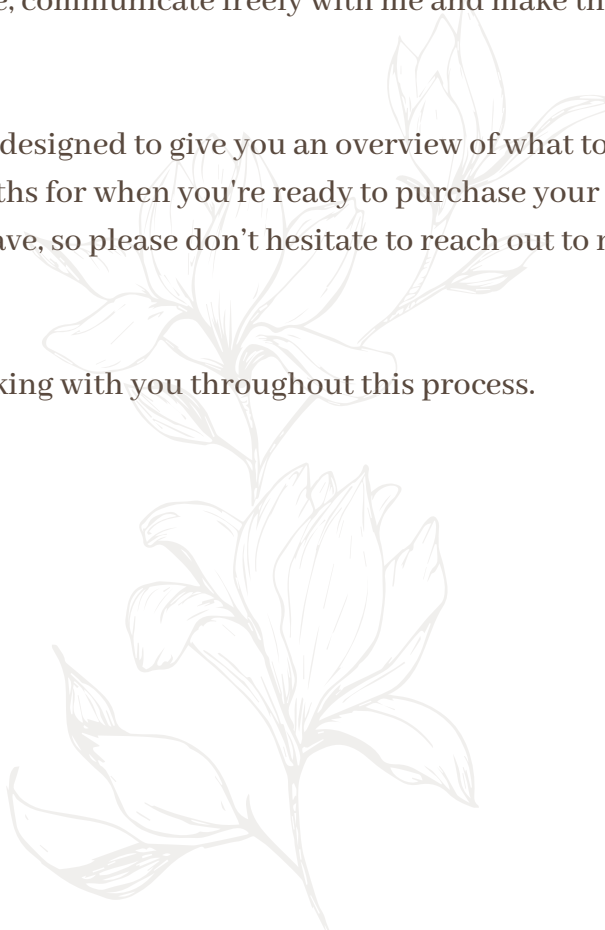
I look forward to working with you throughout this process.

Sincerely,




Vanessa Ram

Vanessa Ram
Real Estate Agent
Remax Heights Realty





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 VRAM@MACREALTY.COM

 VANESSARAMREALESTATE