

Your key to success!



HOMEBUYER'S KIT



compliments of
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ordinary name; extraordinary service
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Congratulations on your decision to purchase a home!

There is not much that compares to the purchase of a new home - it is as exciting as it can be overwhelming. This guide is intended to help you plan for what is one of the largest and most personal purchases that you will make.

Not only is buying a home a large purchase but it involves many legal details that can be overlooked. Many people try to purchase a home by themselves and most of these people realize too late that their dream home purchase results in a lot of work that tarnishes the excitement.

With my access to the Toronto Real Estate Board, I can see what is on the market before the general public and before the homes are advertised or reach the Multiple Listing Service (MLS). **Huge benefits for you; You will be the first to know about the homes that suit your needs and desires!**

Smart homebuyers don't leave anything to chance and this includes representation during one of the most significant purchases and legal transactions that will impact your life.

Call me today and I will be pleased to speak to you and help you start the search for your dream home.

Sincerely,

Sheri Smith

Sales Representative



Your tools...

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Charting your Needs and Wants (property & location)

To help you zero in on your new home, I've listed some of the major features most buyers think about when purchasing a home. Identify the features that are "needs" and those that are "wants" by

circling "N" or "W" by each feature that appeals to you, and be sure to add any additional items of importance. Where I've suggested options circle your first choice.

Property			Location Preferences		
Large lot and yard	N	W	Quiet street	N	W
Single family detached home	N	W	Shopping within short drive or walking distance	N	W
Semi-detached home	N	W	Parks	N	W
Town home	N	W	Playgrounds	N	W
Condominium	N	W	Golf courses	N	W
One or two stories	N	W	Skating rinks	N	W
Fenced backyard	N	W	Restaurants	N	W
Deck or patio area	N	W	Theatres	N	W
Mature trees, landscaping	N	W	Community centre	N	W
Low-maintenance landscaping	N	W	Public swimming pool	N	W
Swimming pool	N	W	Tennis courts	N	W
In ground			Public library	N	W
Above ground			Church	N	W
Attached garage	N	W	Police	N	W
Garage	N	W	Fire department	N	W
1 Car			Day care	N	W
2 Car			Schools		
Private driveway	N	W	Elementary	N	W
Enclosed front porch	N	W	High school	N	W
Eaves troughs and downspouts	N	W	Public	N	W
Siding			Catholic	N	W
Brick			Hospital	N	W
Aluminium			Medical (doctor, dentist)	N	W
Wood			Transportation	N	W
Recently painted woodwork	N	W	Close to work	N	W
			Near major highways	N	W
			Near public transportation	N	W

Other needs and wants:

Charting your Needs and Wants (interior & systems)

Interior

Number of bedrooms		_____
Number of bathrooms		_____
Closet in entranceway	N	W
Separate dining room	N	W
Fireplace in living room	N	W
Separate family room	N	W
Fireplace in family/rec. room	N	W
Eat-in kitchen	N	W
Island kitchen	N	W
Kitchen appliances with purchase	N	W
Kitchen pantry /cupboard space	N	W
Garage access	N	W
Utility room	N	W
En-suite bathroom off master bedroom	N	W
Main floor bathroom	N	W
Room for den or office	N	W
Wall to wall carpeting	N	W
Hardwood floors	N	W
Plenty of closets and storage space	N	W
Large windows	N	W
Basement for storage or workshop	N	W
Finished basement for additional living area	N	W
Apartment in basement for rental income	N	W

Systems

Efficient heating system		
Oil	N	W
Gas	N	W
Electric	N	W
Wood	N	W
Air conditioning	N	W
Central	N	W
Window	N	W
Modern plumbing (copper) and fixtures	N	W
City water	N	W
Well Water	N	W
High-amperage electrical system	N	W
Circuit breakers or fuses	N	W
Gas or electric hot water heater	N	W
Cable or satellite	N	W
Sewer or septic system	N	W
Additional systems:		

Monthly Budget (Basics)

PROJECTED Monthly Income	\$
Income 1	
Extra Income	
Total Monthly Income	

ACTUAL Monthly Income	\$
Income 1	
Extra Income	
Total Monthly Income	

HOUSING	Projected	Actual	Difference
Mortgage/ Rent			
Phone			
Electricity			
Gas			
Water			
Cable			
Water			
Waste Removal			
Maintenance			
Supplies			
Other			
Subtotals			

TAXES	Projected	Actual	Difference
Federal			
Provincial			
Municipal			
Other			
Subtotals			

FOOD	Projected	Actual	Difference
Groceries			
Dining Out			
Other			
Subtotals			

TRANSPOR- TATION	Projected	Actual	Difference
Vehicle Payment			
Bus/Taxi			
Insurance			
Licensing			
Fuel			
Maintenance			
Subtotals			

INSURANCE	Projected	Actual	Difference
Home			
Health			
Life			
Other			
Subtotals			

PERSONAL CARE	Projected	Actual	Difference
Medical			
Hair/Nails			
Clothing			
Memberships			
Other			
Subtotals			

Total Projected Costs (Basics)	
Total Actual Costs (Basics)	
Total Difference	

Monthly Budget (Extended)

ENTER-TAINMENT	Projected	Actual	Difference
Video/DVD			
CD's			
Movies			
Concerts			
Sporting Events			
Live Theatre			
Pay per View			
Other			
Other			
Other			
Other			
Subtotals			

LOANS	Projected	Actual	Difference
Personal			
Student			
Credit Card			
Credit Card			
Credit Card			
Other			
Other			
Subtotals			

SAVINGS	Projected	Actual	Difference
Savings Account			
Retirement Account			
Other			
Subtotals			

GIFTS/ DONATIONS	Projected	Actual	Difference
Charity # 1			
Charity # 2			
Charity # 3			
Other			
Subtotals			

PETS	Projected	Actual	Difference
Food			
Medical			
Grooming			
Other			
Subtotals			

Total Projected Costs (Extended)	
Total Actual Costs (Extended)	
Total Difference	

Total Projected Costs (ALL)	
Total Actual Costs (ALL)	
Total Difference	

PROJECTED BALANCE (projected income - expenses)	
ACTUAL BALANCE (actual income - expenses)	
DIFFERENCE (Actual - Projected)	

Mortgage Loan Interview Documents you need

The following checklist covers most of the types of information you and any co-borrower will need to supply. Some lenders have slightly different information requirements, so you should ask your

lender or mortgage broker, what to bring to your initial loan interview. Please do not bring any personal information until you have chosen your mortgage professional.

Social Insurance Number and Birth Date

Pay Stub

Your most recent pay stub showing year to date earnings.

Tax Assessment

Your tax assessments for the past two years

Employers

The names, addresses and telephone numbers of your employers for the past two years as well as a letter verifying employment.

Accounts

You will need the bank account number and current balance of your checking account, savings account and any other accounts you have. If you are not going to your primary banking institute you will also need the bank address(s) and name of the Manager.

Current Assets

Current assets are RRSP's, certificates of deposit, stocks and bonds. If you own securities, you may be required to show a current brokerage account with the name of the stock(s), amount per share and number of shares owned.

Personal Property

Value of personal property includes life insurance face value, employee retirement accounts, furniture, cars, collections and other valuable property.

Liabilities

For each loan, provide the lender with the name

and address of each creditor and include the credit limit, monthly payment and total loan amount due. Liabilities would include auto loans, student loans, credit cards and other installment debt.

Current and Previous Addresses

If you now own a home you will need the property address, current market value, mortgage lenders name, account number, current monthly mortgage payment, and outstanding mortgage due and renewal date. If you rent, you will need the property address, name and address of the landlord, the current monthly rent, and previous addresses/landlords. You will need to provide information about your former addresses if you've lived in your current address for less than three years.

Agreement to Purchase

When you have accepted an agreement of purchase and sale on a home, bring a signed copy of that agreement and any amendments to it, a copy of the listing form for the property you wish to purchase, the legal description of the property and receipts for earnest money or down payment deposits toward that property.

Credit Score

Pulling your own credit and insuring that you have a good score and no errors are crucial if you want to get the best rate.

Taking the steps to pre-qualify for a mortgage will put you in the best possible position to get the home of your dreams!

Mortgage Loan Interview Special Situations

Lenders will require some applicants to supply additional information. Check the list below to see if any of these situations will apply to you.

Q. Are you self employed or work on a commissioned basis?

A. You will need to bring your Notice of Assessments for the past two years and you may need to bring copy of your Income Tax Return (T1) Line 150. Be prepared to show 12 months of banking history.

Q. Are you separated or divorced?

A. You'll have to bring a copy of your divorce decree and separation agreement, plus documentation on any alimony or child support payments you are required to make. If you are receiving alimony or child support payment and want it to be considered an income, you'll need proof of this income such as a court clerk's history of payments or cancelled checks for the past twelve months.

Q. Are you including pension, disability, social assistance or any other form of public assistance benefits with your income?

A. Bring a copy of an award certificate or check from the issuing agency.

Q. Do you have a bankruptcy, a foreclosure, or any judgements against you over the past seven years?

A. Bring information from the proceedings. Information on bankruptcies should include a copy of the bankruptcy discharge and schedule of both debts and assets. Judgements against you should include an attorney's letter that discusses the outcome of the proceedings.

Finding a neighbourhood for YOU

With so many homes on the market, you'll never get anywhere unless you narrow your choices down. You can begin this process by first identifying one or a few neighbourhoods that are right for you.

When evaluating a neighbourhood, you should investigate local conditions. This should also include driving in the areas you are interested in during the day, evening and night to see what the community activities are. Depending on your own particular needs and tastes, some of the following factors may be more important than others:

Quality of Schools:

Base your evaluation on school performance. This can be determined reviewing the average of test scores, college bound percentages, student awards and achievements, and spending per student. Schools in our area are either a part of the Upper Grand School Board (<http://www.ugdsb.on.ca/>) or the Dufferin Peel Catholic School Board (<http://www.dpcdsb.org/pr/>).

Cultural Amenities:

The number of and the proximity to post secondary education, seasonal entertainment, galleries, movies, theatres, and museums help determine the cultural "life" of a neighbourhood.

Households with Children:

The presence of children in a neighbourhood is desirable to some buyers and not so desirable to others. By comparing the percentage of households with children under 18 to the national average, you will get an idea of the concentration of children in the area. This information will help you gauge whether the community offers, or will offer, youth programs.

Further Research and the help of an Accredited Home Buyer can help you understand other

important considerations such as:

- Proximity to: schools, employment, health care, shops, public transportation, special interest shopping, recreation facilities and outdoor recreation.
- Property Values
- Future development
- Traffic
- Local economic forecasts

Neighbourhood Search Strategies

If you're a first time buyer with limited financial resources, it is wise purchasing strategy to buy a home that meets your primary needs in the best neighbourhood that fits within your purchase price. You can maximize your home purchase location by incorporating some of the following strategies into your neighbourhood search:

- Look for communities that are likely to become hot neighbourhoods in the coming years. They can often be discovered on the outskirts of the most continuously desirable areas.
- Look for a home in a good neighbourhood that is a bit farther out of the city. In most cases you get more house for your money and can enjoy the small town charm while being close to city amenities.
- Look at the neighbourhood demand by asking whether multiple offers are being made, whether the gap between the list price and sale price is decreasing, and whether there is active community involvement. You can also drive around neighbourhoods and see how many for sale and sold signs there are in a particular area.

Whether you are moving from across the country or across town, working together we can determine the best move for you based on your immediate and future needs.

Neighbourhood Evaluation

Neighbourhood	House # 1	House # 2	House # 3
Street Traffic			
Quality of Schools			
Commute Time			
Community Events			
Proximity to:			
Schools			
Hospitals			
Shopping			
Public Transportation			
Cultural Activities			
Recreational Facilities			
Churches			

Comparing Homes

It's easy to lose track of all the features of each house - Keep track of all the features you see in the different houses and this along with the feature

sheets. This along with pictures you take will help you in determining which one you want to make an offer of purchase and sale on.

Features	House # 1	House # 2	House #3
Address			
Closest Intersection			
Square Feet			
Number of Rooms			
Number of Bathrooms			
Number of Baths			
Number of Cars in Garage/Driveway			
Family Room			
Formal Dining Room			
Kitchen			
Storage Space			
Finished Basement			
Central Air Conditioning			
Central Vacuum			
Floor Plan			
Lot Size			
Landscaping			
Curb Appeal			
Windows			
Shingles			
Eaves			
Soffit			
Renovations			
Exterior Condition			
House Age			
Other			

Making an Offer

What to expect

Oral promises are not legally enforceable when it comes to the sale of real estate. Therefore, you need to enter into a written contract, which starts with an Agreement of Purchase and Sale and not only specifies price, but all the terms and conditions of the purchase.

When you are ready to purchase a home, it will be my responsibility to prepare the proper paperwork for your offer and any counter offers that adhere to the changing real estate laws, and to present these offers to the sellers. In addition having a representative with an ABR designation will be more beneficial to you. With this designation, I will work on your behalf preparing an offer that is favourable towards you.

What the offer contains:

The purchase offer you submit, if accepted as it stands, will become a binding sales contract. It's important, therefore, that it contains all the items that will serve as a blueprint for the final sale. These purchase offer items include such things as:

- Address and legal description of the property;
- Purchase price you are offering;
- Deposit money to be held in trust account by the listing company;
- List of inclusions (ie central vacuum system, all window coverings including blinds, sheers and drapes, all electrical light fixtures and ceiling fans, built in dishwasher, etc);
- List of all exclusions (ie master bedroom curtains, shelf in laundry room, etc);
- Rental items (ie hot water tank);
- Irrevocable time or the length of time from when the offer is given until it expires;

- Completion Date; and
- Conditions that can include financing, inspection, water, right to revisit, etc.

Conditions

If your offer says "this offer is conditional upon (or subject to) a certain event," you're saying that you will only go through with the purchase if that event occurs. The following are some fairly standard conditions in the Agreement of Purchase and Sale:

- The buyer obtaining specific financing from a lending institute. If the loan can't be paid the buyer will not be bound by the contract.
- The buyer obtaining a satisfactory report by a home inspector within a specified time period. If the report reveals deficiencies that the buyer is unwilling to accept, the buyer will not be bound by the contract.

Again, we will make sure all the conditions that you need are written in the Agreement to Purchase and Sale and no oversights occur during your purchase.

Negotiating

You're in a strong bargaining position (meaning you look particularly good to a seller) if:

- You're an all cash buyer; or
- You're already pre-approved for a loan; and
- You don't have a present house that needs to be sold before you can afford to buy.

In those circumstances, you may be able to negotiate some discount from the listed price. On the other hand in a "hot" seller's market, if the perfect house comes on the market, you may want

Making an Offer

What to expect continued

to offer the list price (or more) to beat out other earlier offers.

Deposit or Earnest Money

This is a deposit that you give when making an offer on a house. A seller is understandable suspicious of a written offer that is not accompanied by a deposit to show "good faith." The Listing Brokerage normally holds the deposit in their trust account to be applied towards the purchase price on the day of the closing.

The Seller's Response to Your Offer

You will have a binding contract if the seller, upon receiving your written offer, signs an acceptance just as it stands, unconditionally. The offer becomes a firm contract as soon as you are notified of acceptance. If the offer is rejected, that's that, and the seller cannot later change their minds and hold you to it.

If the seller likes everything except the sale price or the proposed closing date, or the basement pool

table you want left with the property, you may receive a written counter offer with the changes the seller prefers. You are then free to accept or reject it or even make your own counter offer.

Each time either party makes any change in the terms, the other side is free to accept or reject it, or counter again. The document becomes a binding contract only when one party finally signs an unconditional acceptance of the other side's proposal.

Withdrawing an Offer

Can you take back an offer? In most cases the answer is yes. Right up until the moment it is accepted, or even, in some cases, if you haven't been notified of acceptance.

If you do want to revoke your offer, be sure to do so only after consulting a lawyer who is experienced in real estate matters. You don't want to lose your deposit, or to find yourself being sued for damages the seller may have suffered by relying on your actions.

What is included in the Purchase Price ?

Don't take it for granted that an item that just "fits" with the house is included. Keep track of the items that come with the house and ones that you would like included in your purchase price.

Address: _____ Date: _____
Asking Price: _____ Offer Price: _____

Item	Included	Not Included
Draperies, curtains, blinds and shutters		
Fridge / Freezer		
Stove		
Portable Dishwasher		
Microwave Oven		
Washer / Dryer		
Ceiling Fans		
Chandeliers and other light fixtures		
Brass, gold or wood bathroom items		
Free standing bars, counters and room dividers		
Woodburning stove, tools, accessories and firewood		
Central vacuum system and accessories		
Mirrors not permanently attached to doors and walls		
Rental equipment (hot water heater, furnace and conversion burner)		
Custom fit furniture (built in bookshelves or window seats)		
Water softener		
Window air conditioner		
Garage door opener and remote controls		
Pool equipment and accessories		
Above ground pool		
Storage shed and outbuildings not mounted on permanent foundations		
Satellite dish		
Electric Fireplace		
Decorative Shelving		
Other		
Other		
Other		

Estimating your Closing Costs

Don't forget about those additional costs to purchase your home! This worksheet was designed to help you anticipate the costs involved in buying your home. I can help you estimate these costs.

MORTGAGE NEEDED	\$
Purchase Price	
Less Downpayment	
Mortgage Required	
Plus Mortgage Insurance (applicable to high ratio mortgages)	
TOTAL MORTGAGE	

TOTAL COST TO ARRANGE A MORTGAGE	\$
Application Fee (if applicable)	
Appraisal Fee / Inspection Fee (if applicable)	
Legal Fees	
Land Transfer Tax	
CLOSING COSTS	

ADDITIONAL COSTS	\$
Mortgage Life Insurance	
Homeowner's Insurance	
Other	
Other	
TOTAL ADDITIONAL COSTS	

Do it Yourself Moving or Professional Movers?

Who will handle your move? Here are some general guidelines to help you make the decision to do it yourself or hire professional movers.

Move Date: _____

Tip: You may save time and money by moving mid-week or mid-month, which are off peak times for movers and truck rental companies.

Do it Yourself: Questions to Ask

Size of truck needed?

Insurance?

Rental terms and conditions?

Furniture pads and hand-truck?

Source of boxes & other packing materials?

How many people do you need to help?

Do you need a ramp and dollies?

Professional Movers: Questions to Ask

Hourly Rate or fixed fees

Number of movers included in rate/fee? (Usually 2 or 3)

What's included in their fixed fee? (packing materials,ramps, dollies, etc.)

Experience?

References?

Insurance to protect your possessions?

Are you indemnified (protected) against liability?

How will your furniture and other valuables be wrapped and protected?

Do you want them to pack your possessions into boxes, too?

Another Tip: Know the local take out restaurants and their closing times for your moving day!

Moving Checklist

8 weeks before

- Remove unnecessary items from your attic, basement, storage shed, etc.
- Use things you can't move such as frozen foods and cleaning supplies
- Secure a floor plan of your new home and decide what household items you want to keep
- Start a possessions inventory
- Solicit estimates from at least 3 moving companies
- Call your insurance agent to find out to what degree your move is covered
- Create a file for documenting all moving papers and receipts
- Arrange to transfer your children's school records

6 weeks before

- Evaluate your possessions inventory – can you donate some items?
- Begin any off site storage
- Clean your closets
- Hold a moving / garage sale
- Choose a mover or assemble friends to help
- Inform all your friends, business contacts and personal contacts of your move

4 weeks before

- Send furniture, drapes and carpets for cleaning as needed
- Gather all legal documents – auto licensing and registration, medical, dental and school records, birth certificates, wills, deeds and any other financial documents
- Contact gas, electric, oil, water, telephone, cable/satellite companies and arrange for service disconnection and connection at your new home
- Notify your snow removal service, lawn service and pool service of your move
- Contact your insurance company to arrange coverage of your new home

3 weeks before

- Arrange for childcare and petcare on moving day
- Make special arrangements for plants and delicate items
- Service your car

2 weeks before

- Contact your moving company and review the arrangements
- Ensure all boxes are properly labelled

Packing Tips

- Start packing boxes as soon as you can to spread the job over several days/weeks
- Use blank newsprint to protect glasses, etc.
- A tape gun (available at most hardware stores) is a real time saver
- Label and Make inventory of each box as you pack
- Note destination of each box on outside to help you/movers on move day
- Don't overpack and make boxes too heavy
- Dinner plates travel better if stacked vertically on their edges
- Put extra paper inside glasses, teapots, etc., for internal strength
- Use tape to secure lids of any containers holding liquid or dry goods
- Mark boxes containing fragile items
- Drain washing machine, humidifier, steam iron, etc., if moving overnight in the winter
- It's illegal to pack flammable liquid and matches
- Remove legs from tables, desks, etc. to use truck space better
- Carry lampshades yourself, or pack inside large trunks
- Use original boxes (if you have them) for TV, stereo, equipment, computers
- Wrap and tape pictures in towelling
- Keep lightweight items in dresser drawers
- Remove all loose shelves from cabinets
- Pack "First day Survival Kit" of essentials you'll need during your first day in your new home

Notify these people of your move!

In all the excitement of moving to your new home, don't forget to notify these important people once you know your new address.

School
Doctor
Dentist
Health Canada (Health Cards)
MTO (Drivers License)
Insurance Broker
Pharmacy
Hair dresser
Chiropractor
Library
Bank
Gas
Hydro
Phone
Cable
Internet Provider
Employer
Relatives and Friends
Subscriptions