

# step by step guide

the smarter way to  
learning everything  
you need to know about  
buying and selling  
your next home



## step 1- are you ready?

Owning a home can be a source of great pride but it also means making a long-term financial commitment. In order for you to know if you are ready, it makes sense to determine your finances. As part of this, you should have some money put aside for a down payment, closing costs and moving expenses. Not sure how much is needed?

Talk to Valma and she can help you.

## step 2 - what is your credit rating?

Your credit reports are an ongoing look at how you manage your finances. These reports play an important role in the mortgage approval process and in determining the interest rate and other loan terms that a lender offers you.

If you have not looked at your credit reports, you can use this Government of Canada link that provides information about credits histories and recommended source choices to find your rating:

<http://www.ic.gc.ca/eic/site/oca-bc.nsf/eng/ca02179.html>

## step 3 - get pre-approved for a mortgage

Do you know how much house you can afford? Probably not, unless you've talked with a lender.

Pre-approval helps you in other ways. Consider this scenario. A home seller gets two similar offers. One is accompanied by a letter from the buyer's bank that states she is pre-approved for a mortgage in the amount of the offer. The other has no supporting documents. Which offer do you think the seller will consider first?

Valma has a trusted network of service providers that include mortgage specialists. If you need help or advice on who to talk to, we can help. To view our list of service partners, please [click here](#).

## step 4 - determine your wants and needs

Buying a home is not as difficult as you might think, but the process will go a lot smoother if you get familiar with your real estate market and narrow down your wants and needs before you start looking at houses. We can help you with this search. We know this market well and as a result we can provide you with solid guidance and advice.

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## step 4 - determine your wants and needs (continued)

Sample considerations when deciding on a new home include:

- Urban, suburban, rural location
- Number of bedrooms, Number of baths
- Safe, quiet neighbourhood
- Garden
- Ability to add on
- No major repairs needed
- Near close friends or family members
- Close to downtown
- Craftsman-style detached home
- Lots of natural daylight
- Parking
- Good investment with excellent resale potential
- Affordable property taxes
- Laundry facilities
- Walk-in closet in master bedroom
- Storage space for sports equipment
- Back deck or patio
- Close to work
- Finished basement for office or guest room
- No threat of commercial encroachment
- Within 1/2 hour of the airport
- Hardwood floors
- French doors leading to backyard
- Close to public transportation

Now, how would the list change if you had to settle for only 10 of your wishes in your price range? If you had to narrow it to five, would your top priorities be different? When you start looking at houses, this information will be invaluable since it will help us match your requirements to available houses.

We can also consult with you on what your current and future needs entail (e.g. you may be wanting to start a family so proximity to schools will be important). Our experience with first time home buyers means we can help you see the big picture and avoid the common pitfalls of the novice buyer.

## step 5 - start house hunting

**This is where we are particularly beneficial.** We are well versed in the optimal approach to house hunting in this marketplace. We will help you determine and compare prices, discuss the down payment requirements and types of closing costs specific to the properties you are interested in. We can provide you with advice based on your needs and financial capabilities.

## step 6 - making an offer

Most home buyers say they know the moment they have found the right house for them. In addition to all the home's features and specifications, a home needs to speak to you on an emotional level. We help you find such a house and when that happens, it comes time to make a formal offer.

An offer is a legal proposal to purchase a home. If the offer is accepted by the seller, it is legally binding. We will consult with you so you are aware and prepared to live with everything that is included in your offer before it is put in writing. Offers to purchase a home can be made conditional. This means that the offer is conditional on something else, such as you being approved for a mortgage or having a home inspection done on the house. If any of the conditions are not met, you can change or cancel the offer, even if the seller has already accepted it.

In most cases, an offer to purchase a home will include the following information: your name, the name of the person selling the home and the address of the home; the price you are offering, which may be lower than the price the seller is asking for; any items in the home that you want to have included in the purchase price, such as the drapes, carpets, appliances or light fixtures; financial details, such as the amount of the deposit you are including, any interest that is to be paid on the deposit and details of your mortgage financing; the closing date for the sale and the date you want to

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take possession of the home (usually 30 to 90 days from the date of the agreement); a request to the seller for a copy of a current land survey; the expiry date (the date the offer ends), which is usually 48 to 72 hours from the time the offer is made; and any conditions you want to make on the offer, such as making sure the house passes a home inspection or making the offer conditional on approval for mortgage financing.

## step 7 - covering closing costs

You will need to pay some costs at the beginning of the home-buying process and others, known as closing costs or disbursements, when your home purchase is finalized. Rule of thumb: 1% of the purchase price will often cover the closing costs. So for a \$350,000 home, you will likely encounter a \$3,500 charge. Remember this does not include your down payment and moving expenses.

## step 8 - moving in

Moving into your new home can be a hectic yet a highly enjoyable and rewarding experience. It is one of the more exciting moments of your life. We are proud to have been part of helping clients to experience the pride of owning their very first home.

Let us help you on your journey to finding that perfect first home.

Contact Valma today. 709 330 6770 or [valmabudgell@smarterway.ca](mailto:valmabudgell@smarterway.ca)



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