



Buying your first home

Your home is your castle



HOME /hōm/ *noun*

the place where one lives permanently, especially as a member of a family or household.

Buying your first home can be stressful, but it doesn't have to be.

Alright, so you have decided to take the step into home ownership.
CONGRATULATIONS!

It is thought of being the single largest purchase in one's lifetime. It is where you hang your hat, where you celebrate with friends and family. A place to call your own. So you want to be sure that you have done your homework and made the right, informed decision.

That is why I am here, to help you and be your partner all the way through the exciting process. From the first viewing, to handing over the keys so you can turn that lock.

Choosing to work with a realtor is very advantageous, there are many things that I can aid you with in this journey.

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As your realtor, these are some of the things that I can do:

- Help you determine the type of home you need and can afford
- Help find available properties that suit your needs
- Arrange appointments to view the homes you are interested in
- Set you up on an automated listing system, so you are notified of any new properties available
- Advise you about market condition and provide information about the community
- Explain the forms used in a real estate transaction and help you prepare an offer to purchase
- Present your offer and negotiate on your behalf
- Recommend other professionals, such as mortgage brokers, home inspectors, lawyers, notaries and so on
- Help you understand 'Agency' relationships in real estate

Identify your needs, wants and must haves.

It is important to know what you are looking for.

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How many bedrooms

How many bathrooms

Nearby amenities

Features of the home

Price range

Neighborhood

House

Condominium

Townhouse

Turn key ready

View

**Also know your do not wants and no
ways!**

It is ok to not feel the house is a right fit...

There are more.

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No garage?

No pool?

Kitchen is outdated?

Renovations?

Bathroom is the wrong layout?



Typical closing costs.

It isn't just a down payment you need.

Property transfer tax

Property transfer tax is a one time tax paid to the Provincial government by purchasers of real estate.

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1% on the first \$200,000 and 2% on the remainder up to \$2,000,000. This amount is paid on closing. But as a first time home buyer, this can be waived if you fit the criteria. Here are a few of the criterias

- *Canadian citizen, or permanent resident*
- *Lived in BC for 12 consecutive months immediately before the date you register the property*
 - *Have never owned an interest in a principal residence anywhere or any time*

Appraisal fee

Some lending institutions require an appraiser report confirming the purchase price reflects fair market value. Costs range from \$150-\$500 depending the value and geographical location of the property.

Property site survey

This determines layout of the structural dwelling in relation to the property lines. Prices start at \$1000. In some cases this can be obtained from the seller. Sometimes the lender will allow title insurance to be placed instead of a survey.. This is approximately \$350.

Tax adjustments

Annual property taxes may have been prepaid by the seller and will have to be reimbursed. This is adjusted on from the completion date.

Insurance

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Lending institutions will request adequate fire insurance to be purchased to insure their security.

Rule of thumb

The amount needed to close typically works out to 1.5% of the purchase price.

Goods & Service Tax Rebate.

As of April 1, 2013, the HST at the rate of 12% no longer applies in British Columbia. The HST at the rate of 12% has been replaced by the GST at the rate of 5% and a provincial sales tax.

An individual is entitled to claim both a BC new housing rebate and a GST new housing rebate where all of the conditions for claiming each rebate are met. The conditions for claiming the BC new housing rebate are the same as the conditions for claiming a GST new housing rebate, with the exception of the \$450,000 or \$472,500 (depending on the situation) maximum threshold amount.

The BC new housing rebate is available for the same types of housing for which a GST new housing rebate is available. Qualifying housing includes owner-built housing, co-operative housing, mobile homes, and housing on leased land. To apply for this rebate, use Form RC7190-BC, GST190 British Columbia Rebate Schedule.

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Your Guide to Buying: Avoid 9 Critical Mistakes That Could Cost You Thousands of Dollars When Buying Your Home!

- When the house is priced right, avoid "low-balling" your initial offer, as vendors tend to give less of a counter offer (closer to list price), if they feel insulted. Understand the current market value of the home, and comparable sold listings.
 - A pre-approved mortgage can be done for 120 days for FREE. As well, you can negotiate your mortgage rate usually between 0.5 - 1.0% off the posted rates with your lender. Call Greg Peace at Mortgage Alliance (250) 571-6678 or email gpeace@mortgagealliance.com
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- Have your realtor arrange a home inspection with a certified house inspection service of your choice. The costs will be approximately \$350.00 to \$500.00 plus HST depending on the size of the property. This could be your best money spent.
 - Avoid buying the most expensive home on the street. The most advantageous situation is to purchase the worst home in a good area, rather than the best house in the worst area. "Location, location, location" is true!
 - When you have a down payment that is almost 20% it is usually less expensive to arrange a first and second mortgage and save on CMHC insurance fees.
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- On your mortgage, you will save the most money if you opt for an accelerated bi-weekly payment plan, or if you double up one payment per year. This will shorten your amortization periods by over 6 years! Use your tax credits to the best advantage by placing up to \$20,000.00 per person of your down payment in a short term RRSP to be held for at least 90 days, or until closing.
 - Try and stretch to the maximum you can afford, therefore you will not have to move as soon. You will save money on: Property Transfer Tax Legal Fees, Mortgage & Discharge Fees, Real Estate Fees
 - Be sure to check into your lawyer's fees (which are separate from disbursements), I will be able to refer you to reliable professionals.
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I look forward to hearing from you.
