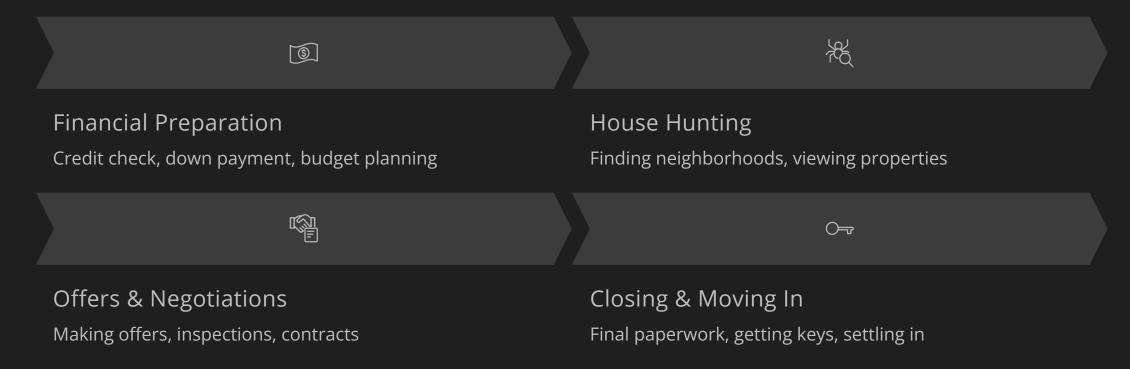


# The First-Time Home Buyers Guide

Whether you're considering a resale property or a new build, this guide will walk you through every stage of the home buying journey in Canada.

# Your Journey to Home Ownership

Buying your first home is one of life's most exciting milestones but it can also feel overwhelming without proper guidance.



This guide breaks down **every critical step**, empowering you with the knowledge to make confident decisions throughout your home buying journey.

# Step 1: Financial Preparation

## Check your credit score

Aim for 620+ (conventional) or 580+ (FHA loans). Higher scores mean better rates.

## Build your down payment

Save 3-20% of purchase price plus 2-5% for closing costs. Consider automated savings plans.

#### Research assistance programs

First- Time Home Buyer Incentive(Canada), FHA loans (US), VA loans for veterans, down payment assistance programs.

## Create a realistic monthly budget

Include mortgage, taxes, insurance, utilities, HOA fees, and maintenance costs (1-3% of home value annually).



**Pro Tip:** Use the 28/36 rule4housing costs shouldn't exceed 28% of gross income, and total debt shouldn't exceed 36%.

# Step 2: Mortgage Pre-Approval

Getting pre-approved gives you a clear budget and shows sellers you're a serious buyer.

#### Your Lender

Compare at least 3 different lenders (banks, credit unions, mortgage brokers) to find the best rates and terms.

#### Submit application

Your lender will review your finances, credit history, and determine how much they're willing to lend you.

#### Gather documentation

You'll need: ID, proof of income (pay stubs, T4s/W-2s, tax returns), bank statements, employment verification, debt information.

## Receive pre-approval letter

Valid for 60-90 days. Consider rate-lock options if available to protect against rate increases.

(8) **Important:** Being pre-approved for \$500,000 doesn't mean you should spend that much. Consider your comfort level with monthly payments, not just the maximum amount.

# Step 3: Find Your Real Estate Agent

A skilled agent is your most valuable asset in the home buying process.

## What to look for:

- Experience with first-time buyers in your target neighborhoods
- Strong negotiation skills and market knowledge
- Responsive communication style that matches yours
- Positive reviews and references from past clients

# How they'll help:

- Access to listings (including those not yet on public websites)
- Neighborhood insights beyond what you'll find online
- Guidance on competitive offers based on market conditions
- Navigation through complex paperwork and timelines

**Pro Tip:** Interview 2-3 agents before choosing. The right partnership can save you thousands.



# Step 4: The House Hunt

# **Create Your Priority Lists**

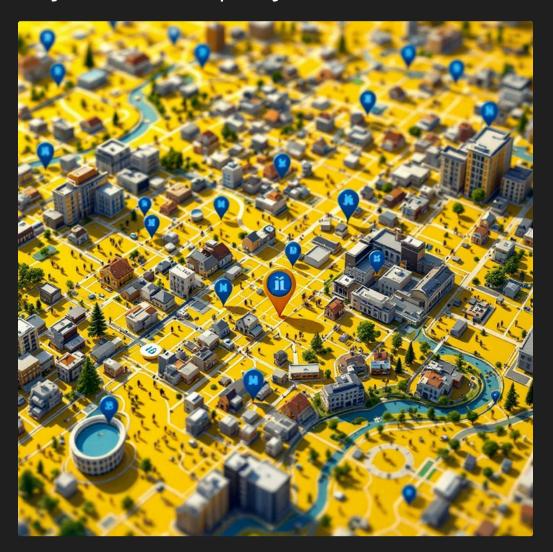
#### Must-Haves

- Minimum bedrooms/bathrooms
- School district
- Maximum commute time
- Specific accessibility features

#### Nice-to-Haves

- Updated kitchen
- Home office space
- Finished basement
- Specific architectural style

# Beyond the Property



- Research **property taxes** and utility costs
- Check **internet service providers** and speeds
- Visit at different **times of day** to assess noise and traffic
- Review **HOA rules** and fees if applicable
- Consider **future development plans** in the area

**Time-Saving Tip:** Use the "Three-Strike Rule" 4 if you've seen 3 homes you like better than this one, move on.

# **Step 5:** New Build Considerations

Buildinganewhomeofferscustomizationbutrequiresadditional considerations.

#### **Builder Selection**

- Research builder reputation and financial stability
- Tour completed homes and speak with current homeowners Check BBB ratings and online
- reviews
  Verify warranty coverage
- (typically 1-year comprehensive, 2-10 years structural)

### Design & Options

- Differentiate between standard features and upgrades
- Prioritize structural upgrades that can't be added later Budget 10-20% for design center
- selections

  Get all upgrade pricing in writing
- before committing

## Timeline Management

- Expect 6-12 months from contract to completion
- Plan for potential delays (weather, supply chain, inspections)
- Schedule regular site visits during construction
- Consider temporary housing if selling current home



⚠ **Remember:** Builder's contracts heavily favor the builder. Have an attorney review before signing, and never waive your right to inspections.

# Step 6: Making an Offer & Due Diligence

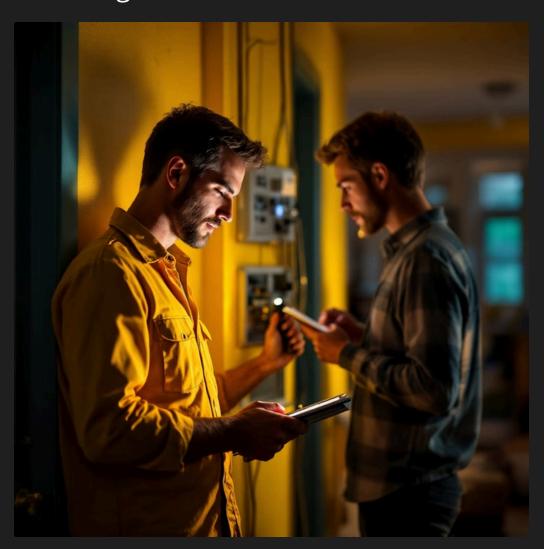
## The Offer Process

- 1. Review comparable sales with your agent
- 2.Determine your offer price and contingencies
- 3. Submit offer with earnest money deposit (1-3%)
- 4. Negotiate terms if seller counters
- 5.Execute purchase agreement when terms are accepted

### Key Contingencies to Include:

- Financing contingency: Protects if mortgage falls through
- **Inspection contingency:** Allows for professional evaluation
- Appraisal contingency: Ensures property is worth purchase price
- **Title contingency:** Verifies clean ownership history

## Due Diligence Period



## Professional Inspections:

- General home inspection: \$300-600
- **Specialized inspections** if needed: Radon, mold, foundation, sewer scope (\$150-500 each)

#### For New Builds:

- Schedule inspections at pre-drywall and final stages
- Hire your own inspector (not the builder's)
- Document all issues with photos and written reports

**Remember:** You're not being difficult by requesting repairs 4 you're being a responsible buyer.

# Step 7: Finalizing Your Mortgage & Pre-Closing

1 Complete Mortgage Application

Once your offer is accepted, formally apply with your chosen lender. Submit purchase agreement and any updated financial documents.

2 Property Appraisal

Lender orders appraisal to verify home's value. If it comes in low, you may need to renegotiate or cover the difference in cash.

3 Loan Processing

Under writer reviews all documentation. Respond promptly to any requests for additional information to avoid delays.

4 Clear to Close

Lender issues final approval. Receive Closing Disclosure with final costs at least 3 days before closing.

5 Final Walk-Through

For resale: Verify property condition and that agreed-upon repairs are complete. For new builds: Conduct pre-delivery inspection with builder.

# Pre-Closing Checklist:

- Secure homeowner's insurance policy
- Schedule utilities transfer (electric, gas, water)
- Arrange internet/cable installation

- Prepare certified funds for closing costs
- Gather photo ID for closing appointment
- Coordinate closing time with all parties
- Avoid These Pre-Closing Mistakes: Don't make large purchases, apply for new credit, change jobs, or move large sums of money between accounts without consulting your lender first.

# Step 8: Closing Day & Moving In

# Closing Day

- 1.Meetat title company or attorney's office
- 2.Review and sign approximately 50-100 pages of documents
- 3. Pay closing costs via certified check or wire transfer
- 4. Receive keys to your new home!

**Typical Closing Costs:** Land transfer tax (varies by location), attorney/notary fees (\$500-1,500), title insurance, mortgage fees, property tax adjustments, and escrow deposits.

#### YourFirstWeeks as a Homeowner

- Change locks andgarage doorcodes
- Locate water main, circuit breaker, and gas shutoffs
- Set up mail forwarding and update address for:
  - o Driver's license and vehicle registration
  - Voter registration
  - Banking and credit card accounts
  - Insurance policies
- Create home maintenance calendar

  For pow builds: Note warrants deadlines
- For new builds: Note warranty deadlines

**Congratulations!** You've successfully navigated the home buying process. Remember that homeownership is a journey, enjoy making this space truly yours.