



“FORTUNE FAVOURS THE PREPARED MIND”
Louis Pasteur



TAVARES & RAJASINGAM

BUYERS GUIDE

ULTIMATE GUIDE TO BUYING A HOME IN ONTARIO



DRIVING REMARKABLE RESULTS

TAVARES & RAJASINGAM



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REALTOR® • MARKETING STRATEGIST
EXP REALTY, BROKERAGE

IT'S SIMPLE: PLANNING + STRATEGY = RESULTS

T&R (TAVARES & RAJASINGAM) is a real estate group based in Toronto. We believe in conducting research, performing thorough due diligence and delivering goals-driven strategies. We are marketing strategists; supporting our clients through high converting tactics, bringing added exposure to listings. We provide clients with investment strategies to build, grow and protect their cash flowing portfolios.





AGENT RESPONSIBILITIES

GENERAL OBLIGATIONS OWED TO CLIENTS

1. **Exercise care and skill:** have the requisite knowledge and skills; provide complete and accurate information; recommend relevant experts, where applicable
2. **Negotiate favourable terms:** advance the client's interests by assisting in negotiations; draft favourable terms and conditions for agreements arising from the negotiations
3. **Maintain confidentiality:** maintain confidentiality regarding all matters (e.g., client's personal information, client's motivation for buying/selling, the amount to be paid or accepted during negotiations)
4. **Disclose information:** disclose information pertinent to the client (e.g., actual or potential conflicts of interest); disclose matters relating to the transaction
5. **Ensure honesty:** demonstrate honesty of intent in all dealing
6. **Act in person:** perform duties personally, unless otherwise instructed
7. **Obey instructions:** obey the client's instruction, unless it's not lawful (e.g., the client asks you to create a misleading advertisement regarding the property)
8. **Perform mandate:** perform the mandate as set out in the representation agreement; act only within specified authorities; seek clarification if you are uncertain about said authorities



AGENT RESPONSIBILITIES

FIDUCIARY OBLIGATIONS OWED TO CLIENTS

1. **Maintain utmost loyalty:** the client's interests come first, best achieved in single representation (i.e., you represent the interest of only one party to a transaction)
2. **Avoid conflicts of interest:** be aware of situations that may lead to conflicts of interest, such as:
 - ◆ representing two or more clients at the same time (multiple representation)
 - ◆ acquiring the client's property
 - ◆ selling your own property to the client
3. **Disclose conflicts:** disclose any personal or third-party interests that do or might conflict with the client's interests; disclose the exact nature and extent of the conflict(s), in writing and signed by the client
4. **Not make secret profit:** do not make a profit at the client's expense (e.g., providing improper advice, accepting payment from another party without the client's knowledge and written consent)
5. **Not misuse confidential information:** do not use confidential information (e.g., confidential details about the client, the property, and/or the transaction) for your own interests, to harm the client, or to interfere with the client's endeavours



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“BEGIN WITH THE END IN MIND”
Stephen Covey



COSTS ASSOCIATED

WITH PURCHASING A HOME

There are some costs we would like you to be aware of up front from it comes to purchasing a home & home ownership.

→ **Costs of Purchasing a Home**

- ◆ Down payment
- ◆ Due diligence (home inspection, appraisal, condo document review, etc.)
- ◆ Legal fees
- ◆ Taxes

→ **Costs of Home Ownership**

- ◆ Mortgage
- ◆ Property taxes
- ◆ Condo fees
- ◆ Insurance
- ◆ Utilities
- ◆ Maintenance

Establish a budget: Remember that just because you're approved for a certain amount doesn't mean that you have to spend that amount. Work with your lender and agent to establish a price point and monthly payment that you will be comfortable with.



STEP 1: CHOOSING THE REALTOR

For most, a home is one of the most substantial financial investments that a person makes, which is why it is exceptionally important to choose a Realtor that is going to go above and beyond when working to ensure you choose the perfect home. What exactly do we mean by the perfect home? One that fits your lifestyle, budget, and both short and long term goals in life. While many think it doesn't matter whom you choose to work with when buying a home, that couldn't be more false. We take care of every step for you for identifying the best candidates, run thorough analysis on each home you take a liking to in order to determine the short and long term value of the property, leverage our industry leading negotiation skills to get the best deal and upon possession will top things off with an unforgettable experience that you'll take with you forever.

→ T&R Approach

- ◆ Understanding of local market
- ◆ Provide neighbourhood stats & analytics on geographic/demographic info
- ◆ Handling negotiations
- ◆ Perform thorough due diligence
- ◆ Drafts & negotiates agreements
- ◆ Presents, reviews & evaluates all offers
- ◆ Connected to wider networks of realtors via BrokerBay to attract potential pre-listings
- ◆ Access to relevant industry experts (assist with gathering your team; mortgage broker, appraiser, inspector, lawyer, insurance broker, etc.)



STEP 2: PRE-APPROVAL

DO YOU QUALIFY?

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This is undoubtedly one of the most important steps when purchasing a home. Knowing your budget is fundamental, but many have the wrong approach, which can lead to financial difficulties. The first step is to consult with a recommended Mortgage Broker and complete the required documentation to become pre-qualified.

What You Will Need

- Down payment
 - ◆ Minimum down payment for primary residence is 5% on first \$500,000 and 10% on any amount between \$500,000 up to \$1,000,000. Property purchases over \$1,000,000 must have 20% down
 - ◆ Minimum down payment for investment property is 20%
 - ◆ Account statements showing funds available, line of credit statements showing limit available, gift letter, if applicable
 - ◆ Funds must be in a Canadian Bank account for a minimum of 30 days
- Part-time/full-time employment
 - ◆ Salaried: Income used for the mortgage qualifier, supported via paystub + letter of employment
 - ◆ Hourly: Avg of last two T4's. Contract income requires special consideration by lender
 - ◆ Current dated letter of employment, current dated recent paystub, most recent last 2 year T4's
- Self-employed
 - ◆ Complete last 2 year T1 Generals inclusive of statement of business activities or statement of real estate activities as applicable
 - ◆ 6-12 months of bank statements showing business revenue deposits & further underwriting required (for less than 2 years self-employed)
- Commission based
 - ◆ Complete last 2 year T1 Generals inclusive of all t slips, statement of business activities or statement of real estate activities as applicable
 - ◆ 6-12 months of bank statements showing business revenue deposits & further underwriting required (for less than 2 years self-employed)
- Retired: Gross pension for previous year. Most recent 3 months of bank deposits confirming pension deposits if 1 year or less [ie. (CPP+CAS+Pensions+RIF) x 12 = income, which is used for mortgage qualifier]. Last 2 year T4a's for pension income
- Not working: Minimum down of 35% & further underwriting required
- Incorporated: Two recent years of company financial statements & Certificate of Incorporation + all self employed requirements



STEP 3: HOME SEARCH

When searching for a home, there are a number of crucial factors to take into consideration, but don't worry, we won't let you miss a single one!

- Lifestyle: Schools, shopping, transit, amenities, distance from work
- Unique criteria: Lake access, downtown or mountain views, golf course
- Short and long term goals: Blending your anticipated length of ownership with your future goals and plans

Once we identify your wish list, we begin identifying properties. We pride ourselves on getting to know our clients on a much deeper level than most, and therefore are able to diligently choose properties that we know will be a good fit. However, please be aware that sometimes you won't be able to get everything on your wishlist. Many aim to achieve 80% of their list, as we have to be cognizant of your budget as well!

- We will begin to send you properties that are the closest match to the majority of your criteria where you will be able to easily mark the ones you like and don't like, allowing us to get a further understanding of what will be the right fit. You'll also be notified in real time as new properties that match your criteria come on the market.
- It's now time to schedule showings! While buying a home is one of the biggest financial investments you will likely make, let's make sure you are truly ready, as the best homes will go quickly and we don't want you to miss out!

Advice For Home Buyers

- Location, Location, Location! Buy into a location that you predict will be equally attractive in the future when you may need to sell
- Energy efficient houses save money & saves the environment: If the house isn't energy efficient now, make certain it becomes so once it's yours
- Trial-run your commute: Drive, walk or use 'the better way' to get to work during peak periods to see if the commute is bearable
- Buy a fixer-upper to increase your equity: We can tell you which renovations reap the greatest returns
- Buy to expand: Buy a house that can expand along with your family's changing needs



STEP 4: MAKE AN OFFER

Once we've found the right home, it's time to make your first offer! While at times it can be difficult to pull the trigger, again beware that the good homes move quickly and we don't want you to miss out on the opportunity and end up becoming discouraged. Also, once the offer has been accepted, you will have some time during due diligence.

When writing a purchase contract, the following factors will require your input:

- Purchase price
- Possession date
- Goods included / excluded
- Condition dates for due diligence
- Due date and amount of deposit

How to Win

- Work with your agent to establish a strategy to get the most from your offer and have the best chance of it getting accepted
 - ◆ Knowing the market so that you are in a position to bid high without overpaying
 - ◆ Bidding high during the first round. You may not get an opportunity to improve
 - ◆ Offering a large deposit
 - ◆ Accommodating the seller's requested possession date or offering a seller-flexible possession date
 - ◆ Asking for minimal, if any, conditions
 - ◆ Proving your ability to close the transaction
 - ◆ Writing a note about why you want the house
 - ◆ Keeping yourself available when offers are being presented for last-minute negotiations



STEP 5: DUE DILIGENCE

Once both parties to the contract are satisfied with the negotiated factors noted above, the home is conditionally sold. However, before becoming firm sold, we need to do our due diligence, which typically takes 5 – 10 business days to fulfill the following:

Financing: While you were pre-approved prior to beginning the home search, it is now time to be formally approved for the mortgage based on the agreed purchase price of the home, hence why the Mortgage Broker will now require a copy of the purchase contract and MLS details.

Home inspection: We highly recommend professional home inspections for everyone. While homes may look beautiful on the surface, sometimes upon a more thorough assessment there can be concerns and issues that could be costly to you. With a pre-owned home, there will always be normal wear and tear, but home inspections will allow you to identify issues that won't be identified via a walk through. If anything surfaces, we will work with the sellers agent to find a solution.

- The inspection is also an excellent learning opportunity. If you decide to use one of our preferred professional inspectors, you will learn the ins-and-outs of your home and have a thorough understanding of how to properly maintain it.

Condo document review: When placing an offer on a Condominium, it is important to have a professional review the appropriate documents pertaining to the management and structure of the condo. This will ensure the budget is sufficient and there will be no expected costs following your possession.

Home insurance: Some lenders require proof of homeowner's insurance up front before approving a mortgage.



STEP 6: FINAL STAGE

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Once the conditions are met, you now have the opportunity to sign the Waiver of Conditions, where the home will then be considered Firm Sold. However, if at any point during the Due Diligence something presents itself and deters you from wanting the home, you reserve the right to submit a Non-Waiver of Conditions, and you can back out, if applicable.

Lawyer

The final step prior to taking possession is to choose a lawyer, which we will gladly recommend if you have not done so already. Please make sure you let us know whom you've decided to work with, as we will ensure they receive all of the necessary documentation. You will then schedule a meeting with the lawyer weeks prior to possession in order to finalize the required paperwork.

Possession

The time as finally arrived! Possession date is certainly one of, if not the best days throughout the buying process. We will receive a call from the Sellers Realtor, once the funds have been received and the keys have been released. However, we strongly advise not to book moving companies the same day, in the event of any unforeseen delays.

- Typically we will do a walk-through 24 – 48 hours prior to possession to ensure the Sellers have fulfilled their side of the contract and the house is in the same, or better, condition as when the sale became firm.

CELEBRATE!

- Congratulations! You are now home owners!!

HAVE ANY QUESTIONS?

We insist on the highest standards of integrity in everything we do. We understand the home buying process can be confusing and stressful. Ask us how we can help find the neighbourhood that suits you and your new dream home!

Let's Chat!



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MOVING CHECKLIST

[DOWNLOAD HERE](#)