

# Home Buyer's Overview

*An easy guide*

Compliments of . . .

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## Home Buyers Overview

Purchasing a home is an exciting experience but it can be a bit overwhelming, particularly if you are a first time buyer. Here's a brief summary of the major steps you will go through from start to finish.

### The First Step

It is wise to get pre-approved for your mortgage before you start shopping for a home. Not only will you then know exactly how much you can afford to spend, but can you also get a guaranteed interest rate locked in for 60 - 120 days. If interest rates go up, your rate is locked-in and if interest rates go down, you will still be able to take advantage of the lower rates. It's a win/win proposition. This is the time to make sure that the amount you are comfortable paying monthly, matches the amount of money you are hoping to spend on a home.

### Using a mortgage broker

We recommend using a mortgage broker as they provide expert, independent advice. A mortgage broker works for you, not the bank, and has access to every lender, including the Banks, Trusts, Credit Unions, and Life Insurance Companies. They can find you the right mortgage at the best rate.

Is there a cost for the services of a mortgage broker?

No - in most cases, the broker is paid a fee by the lender and there is no fee payable by you. There are instances where due to poor credit or lack of income the lender may not pay a finder's fee to the mortgage broker. In this situation, the mortgage broker may charge a fee. If this is the case, you will be apprised of the situation early in the mortgage approval process, and if a fee is payable, it will be agreed upon in writing.

### Getting Pre-Approved

To be pre-approved you must complete a mortgage application (stating assets and liabilities, income and other personal information). You will also need to decide how much of your savings you wish to use as downpayment. Once you have been pre-approved, you will have a clear picture of what you can afford and what your payments will be. You can now write an offer on the home of your dreams with confidence that your financing is secure.

### Finding a new home

The ideal place to start your search for a home is (as you undoubtedly already know) the Internet. As an [erealty.ca](http://erealty.ca) member you can link directly to view all [erealty.ca](http://erealty.ca) listings plus all of the MLS® listing that are posted on the Real Estate Boards' [RealtyLink®](http://RealtyLink.com) and [MLS.ca®](http://MLS.ca) sites. To make your search efficient be sure to take advantage of the [erealty.ca](http://erealty.ca) Buyer's Alert service.

As you refine your search for a home and feel comfortable that you have done sufficient research on the Internet, you will proceed by walking or driving the neighborhood you hope to find a home in, visiting open houses and viewing homes by appointment.

## Making an offer

So, you've finally found a home that suits your needs and budget, and you want to make an offer. What's next? If you are working with a realtor they will guide you through the offer process and negotiation. If you are an [erealty.ca](http://erealty.ca) member and working independently, refer to our Checklists section for information, checklists and guidelines that can help you through the entire process. We also recommend that you review your offer to purchase with a lawyer and/ or make your offer subject to your lawyer's approval of the contract. Investing in an hour or two of a lawyer's time to review the contract of purchase and sale is a very wise move.

## What else do I need to do?

Once you have negotiated with the seller and agreed on price and terms, your lawyer will need a copy of the contract in its entirety, including subject removals and information regarding your mortgage. Your mortgage broker or bank will also need copies of the contract.

Your lawyer will ensure that the title to the property is conveyed to you in good order. They will also look after drawing up any mortgage and making sure that it is registered properly at the Land Titles Office. You will need to bring the lawyer the balance of your downpayment plus any adjusted amounts made to the purchase price. They will in turn forward this money (plus the mortgage money) to the seller in return for title to the property. You should plan on visiting your lawyer to sign the necessary documents a few days before the completion date.

## House Insurance

When purchasing a home, you will need to arrange property fire insurance. The type of insurance you need will depend on whether the home you are purchasing is single family or a strata apartment or townhouse. Your insurance agent will provide you with a quote prior to you committing to the insurance. The institution that is granting you the mortgage will require you to have insurance in place at the time of completion.

## Home at Last

On the possession date, as stated in your contract of purchase and sale, you are given the keys and legal possession of your home. Possession generally occurs at noon on the possession date and is stated in the contract, so arrange the timing of your moving company accordingly.