



A BUYERS GUIDE



Table of Contents

About Me

What a buyers agent provides

My legal duty to you

Factors to consider when buying

Home Buying, Step by Step

Expected Costs

Financing and incentive options

Professionals to assist you

Document Flow

The home buying Checklist

The Easy Move Checklist

Your Real Estate Team

The Ten Home Buying Commandments

In closing

About Me

As a Vancouver native, and successful residential developer, David has extensive local and market knowledge. This has allowed him to cultivate a large network within the real estate industry. His previous professional experience includes a variety of positions with United Properties including Vice President, Manager of Marketing and Land Acquisition and Construction Manager.

David's strong motivation and focus has contributed to an intense passion for endurance sports. He has completed countless triathlons, Ironman's and marathons as well as other running and cycling events.

David enjoys travelling and has visited many countries throughout Central America, Europe, the Middle East, Asia and Africa. He is a fierce believer in creating a better community for all and that a community's strength is in its contributors. David initiated a community kitchen between Congregation Har El Synagogue and the North Shore Emergency Lookout Shelter. He has been happily married for several years and is the proud father of one.

What a Buyers Agent Provides aside from great service

1 *Your interests are professionally represented and protected.*

This is similar to having an accountant do your taxes or going to a doctor for health care. If we had time to learn how to be doctors or accountants, we all would. But who has the time? Working with an educated full time professional in the real estate field can save you time learning a new profession and money!

2 *You get a personal specialist who knows your needs.*

I work with you to help you attain your perfect space. Before we even look at one home, I will ask questions regarding what would be ideal. From this information, I do extensive searches in real estate data bases searching for a home that fits your criteria.

3 *You will quickly and conveniently get a great home*

Finding your new place on your own can be tiresome and stressful. Spending evenings and weekends searching half fast websites and driving through neighbourhoods is just the beginning. By the time you find your dream home, it could be sold due to stale information. Also, when it comes time to present the offer, draft contracts and negotiate, many buyers find themselves in an unknown territory. Having a specialist who helps others buy and sell homes everyday is a way to ensure you life is not overtaken with driving, surfing and stressing.

4 *A little advising can go a long way*

Having a professional in the real estate market who watches market conditions and the indicators working on your side can always help you with your home buying. I am here to help you be the most educated buyer in the market. Some people watch the market carefully on their own and others prefer to do other things. Its hard to know everything and having someone who knows the market inside and out can be very beneficial. I will help you uncover what may seem like the market secrets, financing options and valuations of properties you like by providing a comparative market analysis that will help you determine an offering price on a home you would like to buy.

5 *A great referral basis*

You may have a home inspector, Lawyer/Notary, Mortgage Broker and Conveyancer or you may not. If you look to page 15 you will find a list of people in all of the above fields who I have worked with in the past and are highly recommended.

My legal duty to you as the client

- 1** Competence, fair dealings and integrity
- 2** Duty to ascertain all the facts
- 3** Duty to advise fully, candidly and honestly
- 4** Duty to disclose all options
- 5** Duty to follow and carry out your instructions
- 6** Confidential communications – Duty of discretion
- 7** Duty of Loyalty
- 8** Duty to exercise skill and care
- 9** Duty to account for all monies held for the principal (You)

Factors to consider when buying a home

- 1** Transportation
- 2** Schools
- 3** Community Centers
- 4** Emergency Facilities
- 5** Churches
- 6** Safety of the area
- 7** Shopping centers and grocery stores
- 8** Traffic congestion
- 9** Land Values (Today and Tomorrow)
- 10** Tax Rates
- 11** Zoning
- 12** Closeness to family
- 13** Is the area improving/deteriorating
- 14** Is the area prone to floods, mudslides, etc

Home Buying A Step by Step

Determining what you desire

Is it a 1-2-3 bedroom, how many baths, square footage, neighbourhood Etc. You and I will sit down and determine what it is exactly you are Seeking.

Pre approval for a mortgage

A pre approval has many benefits and should always be a top priority when looking for a home. Why is it a good idea?

1. It allows you to lock into today's rates for 60-90 days, if the rate goes up during this period you can keep the lower rate, if the rate goes down you are automatically approved at the lower rate.
2. A pre approval creates a stronger offer when you find a home you want. Homeowners like to see that the person buying their home has the financial means to do so.
- 3 It gives us a better understanding of your flexibility when it comes to purchase price.

Search Process

This is when I put your criteria that you would like in a new home to work. I will use programs such as MLEExchange (Realtor software and internet service providers) to seek out all homes that fit within your parameters.

Viewing the homes of your choice from the search

At this point, I arrange appointments for us to view homes that fit your criteria that I have found in my search. Together we will view these properties. You may see something that you love on day one or else you may not. Both are important as it can narrow down what you like or dislike.

Re-Evaluate (If you found a home, move on to step 6)

This is done after the first day of viewing. After seeing a few properties, if any thing has changed with your needs or wants we will reassess at that time and make changes if necessary. Then we will continue to view until we find the home of your choice.

Presenting an offer

An offer is presented when you find a home you would like to purchase. Before an offer is presented, I will do a comparative market evaluation which looks at other homes on the market or recent sales in the area that are similar that will give you a good idea of a fair offering price. At this time we will also go over subjects that will be need to be removed before the sale can proceed such as financing and a home inspection. We will also decide on deposit amount. Usually, the higher the deposit, the more serious a buyer looks, especially if you are not the only person making an offer on the home when it's a multiple offer situation. The deposit will not be paid out to the seller until the home passes inspection and you have financing secured. Lastly, we look at move in dates. Perhaps you have already sold your home and have a certain date you must move or you are renting and must move in at the end of the month. Whatever the dates are, we will do our best to get you in on those dates.

Negotiation Time

This happens when we have discussed the offer that will be placed on the home. I will go to the seller's home, meet with the selling realtor and the sellers and present the offer. The sellers may accept or counter offer and the contract may go back and forth until the price and terms can be met on both sides.

Subject Removals

This involves us fulfilling the requirements we have set out in the contract. For example, you will need to get final approval from your financial institution, complete the home inspection, etc.

Deposit

Once we have satisfied your requirements within the contract, we turn the deposit into my office to be held in trust. This money is secure and can only be released with consent from all parties.

Lawyer/Notary

It will be necessary for you to hire a notary or a lawyer to complete the conveyancing of your new home. They will take care of the transfer of funds, your statement of adjustments and the transfer of title from the sellers name to your name.

Completion Day

This is the day that the money we have placed in trust and the balance of your funds are withdrawn and exchanged with the vendors so you will have full ownership of your new home. At this point you should have your homeowners insurance take place.

Possession day

This is the day!!! Its time to move into your new dream home. I will hand over the keys and its time to decorate as you please.

I am here for you through the whole process from beginning to end, every step of the way. With an expert working on your side, these 11 steps will be made easy and enjoyable (ESPECIALLY MOVE IN DAY).

Expected Costs

Fees typically incurred shortly after contract acceptance

Bank fees

\$75-\$200 for appraisal fee (Often waived)

Home Inspections

\$350 - \$500 done at the purchasers request to verify the condition of the home or building. His inspection would be executed by an independent inspector of the purchaser's choice.

Fees

Typically incurred on the completion date of the purchase
GST(Applies to new homes only)

* 5% of the purchase price. A rebate of 2.52% is given if you will reside on the purchased property as your principle residence and the purchase price is under \$350 000.

Partial rebates of GST may apply to purchase prices up to \$450 000.

Property Transfer Tax

Note: First time home buyers are exempt if less than \$425 000.

1% on the first \$200 000

2% on the balance

Municipal Tax

For the balance of the year you own the property.

Legal Fees

\$800 - \$1000 (+7% GST) for a notary public

\$1000 - \$1500 (+7% GST) for a lawyer

CMHC

Only applies on high ratio mortgages (under 25%)

\$165 Application Fee + Percentage loan

Percentage of loan/value ratio	Percentage of Loan
80% or less	1.25%
80 – 85%	2.00%
85-90%	2.50%
90-95%	3.75%

House Insurance

Will be required by the bank if a mortgage is taken

Site Survey

\$250 - \$300 for a survey certificate (only for non strata purchases) – This may be Waived if loan/value ratio of mortgage is low.

Financing and Incentive Options

How much can you afford?

Consider the following:

1. Down payment (at least 5%, options available to borrow this amount)
2. Your ability to qualify for a mortgage
3. The closing costs associated with closing

Mortgage Qualification

Each person wishing to take out a mortgage is eligible to use approximately 30% of their gross income towards monthly mortgage payments. This is referred to as your gross debt service ratio which includes the total expected payment which includes the principle amount plus interest plus taxes. If you are purchasing a strata (Condo), this may also include the monthly maintenance and heating costs.

A second ratio called the total debt service ratio must also be met and cannot exceed 40% of your income. This is when all debts (Car, Mortgage, etc) are calculated against your gross income.

But not to fear, your banker, broker or myself will do the calculating for you.

5% down Payment Program

Offered to all purchasers whether it's your first home or not. This program is offered by CMHC (The Canadian Mortgage and Housing Corporation) and is designed to allow purchasers to finance up to 95% of the purchase price. CMHC insures the mortgage and guarantees in case an owner defaults, that the bank will be covered for the amount of the mortgage. For this service, you will be required to pay a premium. This fee can be paid as a lump sum at the beginning of the mortgage, however it is more common for the fee to be built into the mortgage and spread over the amortization period. A larger down payment will decrease the fee payable over this period.

The premiums (Fees Payable) are:

Loan to Value Ratio	Percentage of Loan
Up to and Including 65%	.50%
Up to and Including 75%	.65%
Up to and Including 80%	1.00%
Up to and Including 85%	1.75%
Up to and Including 90%	2.00%
Up to and Including 95%	3.25%

15% Down Payment Program

This is available for buyers who wish to buy an investment property.

Purchasing with an RRSP

You may be eligible to withdraw a maximum of \$25 000 tax free from your RRSP for a down payment. If you are a couple, you could pull up to \$50 000. You must be a first time buyer, not have owned a home that has been used as a principle residence within the last five years and must intend to occupy the home as your principle residence. The funds being withdrawn must have been invested into an RRSP for a minimum of 90 days prior to withdrawal.

Property Transfer Tax

This is a tax that is payable at the time of purchase. The tax charged is 1% on the first \$200 000 and 2% on the balance.

To qualify you must:

Never have owned a principle residence anywhere

Lived in BC for at least 1 year

Reside in the home for 1 year following the sale

Buy a home less then \$425 000

Have a mortgage term of at least 1 year

Get a mortgage that equates to at least 70% of the fair market value of the property

Not borrow money from a related party

Buy a home on less than 1.24 Acres

If for any reason you have to sell or cannot live in the residence up to one year, the tax becomes payable immediately.

Professionals to Assist You

Following are a list of service providers who come highly recommended. These are only recommendations. You may have professionals that you deal with or you may want to ask friends or family who they prefer.

Mortgage Brokers

Debbie Cheang, Financial Services Manager
BMO Bank of Montreal
2601 Granville Street
Vancouver, BC, V6H 3H2
Tel: (604) 668-1040
Fax: (604) 665-3762
E-mail: Debbie Cheang
www.bmo.com/

Home Inspectors

John Schiffer, Registered Home Inspector
Quality Home Inspections Ltd.
Tel: (604) 271-7177
E-mail: info@QHI.ca
www.QHI.ca/

Notaries/Lawyers

Predrag Radovic, LL.B. Civil Law, Notary
Radovic & Associates Notary Co.
580-2608 Granville Street,
Vancouver, BC, V6H 3V3
Tel: (604) 733-0004
Fax: (604) 733-0019
E-mail: Predrag Radovic
www.notaryvancouver.ca/index.php

Document Flow

Working with a Real Estate Agent

Buyers and sellers are presented with this brochure at the earliest contact with a realtor. Industry regulations have made it mandatory that I explain my duty to you as my client and the type of relationship that is owed to you when working with an agent.

Property Condition Disclosure Statement

Every residential listing placed on MLS must be accompanied by this form which is filled out by the seller. The seller will fill this form out which asks questions regarding the condition of the property. This will be viewed by the buyer before the deal has completed. The disclosure must be filled out to the best of the seller's knowledge but it is highly advisable to have a home inspection in addition to this.

Limited Dual Agency Agreement

This form is used when an agent represents both the buyer and the seller in a single transaction. It is used when the situation involves either one salesperson who represents both the buyer and the seller or when two sales people from the same company are involved.

Contract of Purchase and Sale

The contract of purchase and sale is a contract signed by both the sellers and the buyers. It outlines every aspect of the transaction from price to dates to inclusions.

Addendum

This is a special form that accompanies the contract of purchase and sale and outlines subject clauses. These subjects may include financing, inspection and many other issues that must be adequately dealt with before the purchase can move forward.

Amendment to Contract of Purchase and Sale

This form is used to remove conditions (Subject Removal) when they have been satisfied by either party.

Home Buying Checklist

Take this with you when we view a property so it is top of mind at decision time

- What is the size of the lot?
- How many square feet are there?
- What is the zoning of the property?
- Are there restrictive covenants or easements?
- Jot down your impression of the exterior of the house?
- Which way does the house face (N,E,S,W)?
- Condition of the landscaping?
- Type of siding and condition it is in?
- Is it a detached home or half duplex?
- How many stories does it have?
- Detached or attached garage?
- How many cars can the garage accommodate?
- Is there a porch or veranda?
- Is the yard fenced?
- How private is the home?
- How does the roof look?
- How many rooms are in the house?
- Are the windows single or double paned?
- Is there enough cupboard space in the kitchen?
- Are there enough power outlets?
- Is there a fireplace?
- Are the closets in the bedroom large enough?
- What type of flooring is throughout the house?
- What condition are the faucets in?
- Are there signs of moisture throughout the house?
- What type of heating?

The Easy Move Checklist

Your Real Estate Team

The Easy Move Checklist

- Pre approval
- Inspection
- Notify landlord (If renting)
- Order Insurance policy
- Transfer Utilities
- Order telephone/Cable/Internet
- Schedule appointment with movers
- Make extra keys (Or change locks)
- Order new checks
- Change drivers license/Mail Address

The following is a place to write down professionals that you are dealing with in this transaction for your reference and records.

Agents name:

David Setton

TRG The Realty Group

604-808-9796

Mortgage Company:

Loan Officer:

Phone:

Insurance Company:

Agent:

Phone:

Home Inspectors:

Inspector:

Phone:

Lawyer/Notary:

Name:

Phone:

The Ten Commandments

When applying for a Mortgage

Thou shalt not change jobs, become self employed or quit job

Thou shalt not buy a truck, car or van (or you might end up living in it)

Thou shalt not use charge cards excessively or let accounts fall behind

Thou shalt not spend money you have set aside for closing

Thou shalt not omit debts or loans on a credit application

Thou shalt not buy furniture

Thou shalt not apply for any new credit

Thou shalt not make large deposits without first checking with your banker

Thou shalt not change bank accounts

Thou shalt not co-sign a loan for anyone



*Selling a home is about
building a relationship.*

*A relationship not only with
my clients, but with the people
who are making the purchase.*