

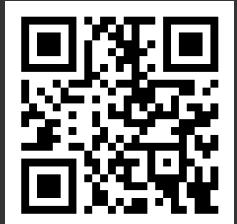


BUYER'S GUIDE

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MEET YOUR

agent

"SOMETIMES THE THINGS YOU OWN END UP OWNING YOU"

As part of my holistic approach, this has become one of my favorite sayings. While everyone cherishes the concept of a dream home, the expenses associated with homeownership can be overwhelming and may hinder your enjoyment of other aspects of life. Just because you're approved for a high mortgage doesn't mean you should always stretch your budget to the limit; concentrate on what truly matters.

I do not subscribe to instilling fear in the market to drive transactions merely for personal gain. My priority is the financial well-being of my clients; I aim for them to thrive, enjoy a comfortable retirement, and support their children's aspirations if that is important to them.



LET'S STAY CONNECTED!



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~~7 steps~~ TO BUYING A HOME

There are 7 key steps that are taken when it comes to buying a new home. I will help guide you through each of the stages and explain each of the processes we will take. Below are the steps we will cover in this home buyer guide.

- 1 PREPARE YOUR FINANCES
- 2 GET PRE-APPROVED
- 3 START HOME SHOPPING
- 4 MAKING AN OFFER
- 5 CONDITIONAL PERIOD
- 6 CLOSING DAY!
- 7 SCHEDULE YOUR MOVE





home buying
PROCESS

1 PREPARE YOUR *finances*

HOW MUCH CAN YOU AFFORD?

As a general guideline, lenders look at two ratios when determining how much mortgage you qualify for.

Gross Debt Service ratio (GDS)- total monthly housing costs shouldn't be more than 39% of your gross household income.

Total Debt Service ratio (TDS)- total debt load plus housing costs shouldn't be more than 44% of your gross household income.

Stress test- Ensure you ask your lender about the federal stress test. Your lender will evaluate your qualifications based on interest rates that are higher than your contract rate to ensure you can manage your mortgage payments under adverse economic conditions.



GRAB A CALCULATOR!

GDS=

Principal+Interest+Taxes+Heat+50% condo fee's



Gross household income

While you're at it there are numerous mortgage affordability calculators online you can utilize.

An Ontario Land Transfer tax calculator will help you understand the costs of moving, essential for budgeting your home purchase

HOW CAN I INCREASE MORTGAGE AFFORDABILITY?

There are some basic ways this can be achieved, although I advise my clients to steer clear of the mindset of spending excessively.

- Larger down payment (Help from family?)
- Increase your income (consider a side hustle)
- Pay off existing debts
- Improve your credit score!
- A longer amortization can lower your payments but you'll spend more on interest.

GET PRE-APPROVED

PRE QUALIFIED VS PRE-APPROVAL

Pre-qualification is a quick idea of what you **might** be approved for based on a few financial numbers. Being pre-approved means you've actually been approved by a lender for a **specific** loan amount with a conditional lender commitment. A pre-approval also allows you to hold a mortgage rate for 120 days, depending on the lender.

Conventional vs. High Ratio Mortgage

A conventional mortgage is defined as a loan that covers no more than 80% of the purchase price, requiring at least a 20% down payment. If you need to borrow more than 80% of the purchase price, you will be seeking a "high ratio" mortgage, which involves a down payment of less than 20%. High ratio mortgages must be insured to protect lenders against potential defaults, and the premiums for this insurance are paid by the borrower and added to their mortgage. If you've managed to save more than 20% for a down payment, don't expect a better rate from your lender; in fact, the opposite may occur. Banks often charge higher rates on conventional mortgages to compensate for their increased capital requirements and risk exposure.

EXPECT SURPRISES!

Lenders look at every detail of your finances when granting preapproval. You might be asked about a car loan payment you made with a credit card. Be prepared to answer lender questions as soon as they come up.



A modern interior scene featuring a dining table with chairs, a staircase, and a kitchen area. The text is overlaid on the image.

begin your
**HOME
SHOPPING**

3

START HOME *shopping*

START TOURING HOMES

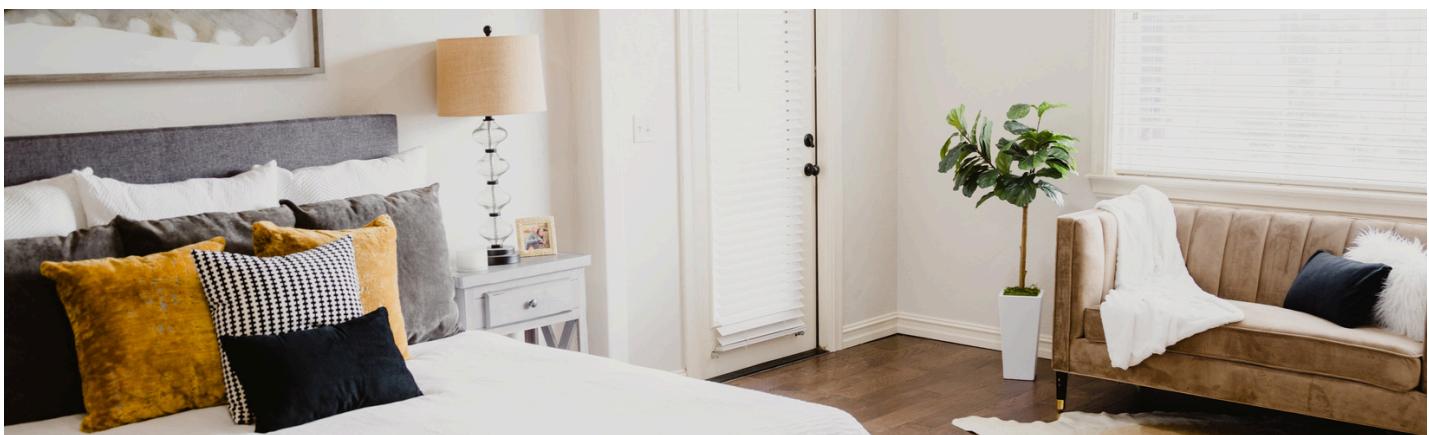
Time to start house shopping! We will take notes on all the homes we visit. It can be hard to remember all the details of each home, so review the notes you have written.



Once we have found the house for you, we will present an appropriate offer based on recent sales, economic landscape, home condition, and current buyer activity in the area.

WHEN SEARCHING ONLINE

Explore the online listings of homes to familiarize yourself with your local housing market. Remember, properties often appear more appealing in photographs than they do in reality. Having visited hundreds of homes, I can confirm this truth. If you plan to renovate a home, approach it with an open mind and pay attention to the exterior condition. If you're seeking a move-in-ready home, be aware that these properties typically come with a higher price tag, so ensure the design aligns with your preferences, as you'll be paying a premium for it.



HOUSE HUNTING *Tips*

TO FIND YOUR DREAM HOME



Planning

Write down all of the things you must have in your new home, things that would be nice to have and things that don't really matter.



Location

Consider any potential home's proximity to your work, neighborhoods charm, and how the home is situated on the lot.



Neighborhood

Drive around on weekdays & weekends, during the day and in the evening. Do the neighbors keep the yards clean and tidy? What's the traffic like?



Stay in Budget

Get pre-approved for a loan before looking at houses. It will make the buying process much easier and you will know which houses to look at.



Size & Floor Plan

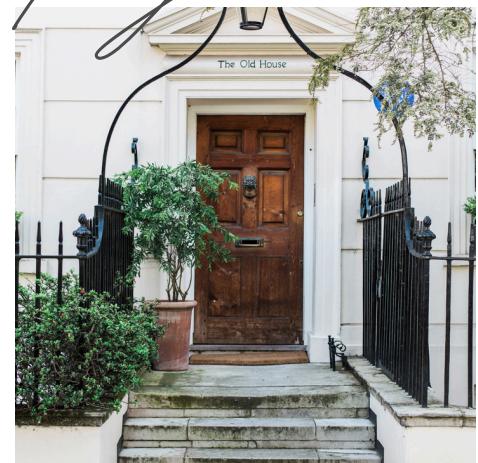
Think about how the new home space will be used and whether it will fit your lifestyle now and in the future.



Keep an Open Mind

The key is looking past the exterior cosmetic blemishes to the home's bones. Look for a well-built home with potential for changes.

happy house hunting!



your house WANTS VS. NEEDS

DETERMINE THE FEATURES

THAT YOU ARE LOOKING FOR IN YOUR IDEAL HOME AND PRIORITIZE

TYPE OF HOME

Single Family Home Townhouse Condo

CONDITION OF HOME

Move-In-Ready Some Work Needed is Ok Fixer Upper

DESIRED FEATURES

Small Yard Large Yard Car Garage

Bedrooms

Bathrooms

Ideal Square Footage

Desired Location / Neighborhood / School District:



KEEP TRACK OF HOMES TOURED

MAKING AN OFFER

So you've found your perfect house. Congrats! The next stage is making a competitive offer that protects your interests.

Competitive Offer

A good rule of thumb, specifically in a seller's market, is to start strong with your best offer. To do this, we will access the property's market value with a CMA and determine what it is worth in the current market. In a buyer's market, there is more room to negotiate and your chance of getting a home below market value are slightly higher.

Shorter Closing Timeline

An offer with a shorter timeline for closing is generally more attractive to sellers.

Larger Deposit

A larger earnest money deposit presents a more serious offer.

Conditions

There are numerous conditions you can include in an offer to safeguard your interests, with building inspection and financing being the most prevalent. However, while a variety of conditions can offer you protection, they may also diminish the competitiveness of your offer.



how much

TO OFFER

We will explore a wealth of data and the latest insights on buyer activity in the area, combined with the property's existing appeal. With this valuable information, we will determine the ideal price for you to consider!

THE PROCESS OF MAKING AN *offer!*

OFFERS PRESENTED

TO THE SELLER COULD

ACCEPT



COUNTER



DECLINE



Your offer is accepted! It's time to celebrate, now we will move ahead with any conditions laid out in the offer like home inspections.

The seller may come back with their own counter offer. In this case, we will review the terms with you and proceed to negotiate until we reach an agreement.

The seller may reject your offer. We will ask questions to discover why and if there is anything we can do to make the offer more appealing.

TIP!

You can negotiate back and forth as many times as needed until you reach an agreement or someone chooses to walk away.

YOUR OFFER IS ACCEPTED

congrats

You will now sign the purchase agreement, which means you are officially under contract! A home can be sold firm (with no conditions) or conditionally (where specific investigations and terms must be fulfilled to move forward). In most cases you have 24 hrs upon acceptance of offer to submit your deposit (typically 5% or higher). I'll walk you through deposit steps.

OFFER CONDITIONS



Any conditions held within an offer must either be waived or fulfilled within the conditional period (usually 1-2 weeks but can vary) in order for the transaction to proceed.

Under certain circumstances, buyers have the ability to withdraw from a transaction or renegotiate terms during the conditional period. I will guide you through this complex process should such situations arise.

CONDITIONAL TIME PERIOD

It is critical that we begin scheduling the inspections you choose to have done as soon as we are under contract on your potential new home. This will ensure that we do not run out of time or have any delays in the process.

WILL CONDITIONS WEAKEN MY OFFER?

Yes. While sellers often favor firm offers, this may not always be the best option for you. If you're worried that conditions could undermine your offer, I can sometimes ask the seller to warrant certain features of the home for your protection. Together, we will analyze market competitiveness and collaborate to identify the most effective strategy to enhance your offer's appeal and protect your interests.

HOME INSPECTIONS

Typically, problems emerge following the home inspection, leading to further negotiations. The inspection criteria can be adjusted to focus on specific areas of the home or specialized services, such as septic systems, WETT (wood burning), TSSA (oil), HVAC/plumbing, water well testing, mold inspection, energy audits, foundation assessments, and more.



HERE ARE YOUR OPTIONS AFTER A HOME INSPECTION REVEALS ANY PROBLEMS

1. Ask the seller to make the necessary repairs themselves.
2. Move forward with the deal and make the repairs yourself.
3. Ask the seller to reduce the sales price to make up for the repairs.
4. Back out of the transaction (if you have an inspection contingency in place).



CLOSING

day!



CLOSING

Once a deal is finalized, the closing process commences, which requires close collaboration with your lender and lawyer to gather necessary information and funds. In the crucial days leading up to possession, you'll need to sign various documents, submit a certified cheque, and collect your keys. The closing process transfers ownership from the seller to you once all obligations are fulfilled, necessitating a team effort with your lawyer and lender.

When purchasing a home, consider the following costs:

- Down payment (excluding any deposit)
- Land transfer taxes
- Lender fees (such as appraisal and application fees)
- Adjustments for any prepaid seller expenses
- Legal fees (plus applicable taxes)

Please note: In Toronto, a municipal land transfer tax is applied in addition to the Ontario tax.

RECEIVE YOUR KEYS!

congratulations!



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