

GEOFF SMITH
Sales Representative



HOME
BUYERS GUIDE

geoff@yourrealpro.com
905-689-0011



So You Are Thinking of Buying a Home?

Fantastic –but whether you are Buying your first home or fifth home one thing remains the same - It is a big job involving a great deal of time, effort and money.

Every Buyer has unique needs but the basic questions they ask are very similar:

1. How much can I really afford?
2. Do I need a Real Estate Agent or Can I Go It Alone?
3. What area best suits my needs and lifestyle?
4. How Do I Negotiate and Protect Myself?

You need to be need to be informed and prepared regarding your financial capabilities and then focus on what type of housing may best suit your needs at this time.

WWW.YOURREALPRO.COM

BURLINGTON, WATERDOWN, FLAMBOROUGH, HAMILTON, MILTON & OAKVILLE

905-689-0011

geoff@yourrealpro.com

Step 1: Get Pre-Approved For A Mortgage

If you are a first time home buyer or someone whose time has come to upsize their home, then the first step should be to find out exactly what your financial capabilities are at this time. There is no sense looking at \$800k homes if you only qualify for up to \$600k. Keep in mind future life changes and how this may affect your future cash flow. In a period of rising interest rates most Pre-Approvals lock in your rate for up to 90 days and this could put thousands of dollars in your pocket for years to come.

Step 2: Deciding What You Want – Agent or No Agent

Start looking at homes within your Budget and determine what you are looking for in a new home. This is where a great Realtor can of valuable assistance they know your local market and can listen to your wish list and get you out there looking at multiple homes to ensure you are on the right path for your home purchase.

Overpaying for a home and not doing proper due diligence could cost you thousands!

91%

of prospective Buyers and Sellers who were planning to BUY a home in the next two years would recommend using a Realtor to friends.

(2015 OREA Survey Results)

A Realtor is also very helpful in setting up real time searches that keep you current with new listings and changing market conditions and give you the best chances of finding and locking down that perfect new home for yourself. If you go without a Realtor then just know you are behind the 8 ball on new MLS listings (couple day delay in listings hitting the public system), and you won't have enough information about recent sales to ensure you are paying the right price for a home.

Top 6 Reasons Why Most Homebuyers Choose to Work With an Agent:

1. Most time's it is free. Commission has traditionally been paid by the Seller but be aware that a For Sale By Owner may require the Buyer to pay or in some situations the Buyer may have to make up a balance of commission if the commission paid is less than your agent charges.
2. Save You Time Looking for Active Listings that fit your criteria via automated searches.
3. Avoid Overpaying for a home by providing you market knowledge on the pricing of recently sold competitive properties and insight on the current state of the market.

Top 6 Reasons Why Most Homebuyers Choose to Work With an Agent:

4. Represent and Protect Your Interests as a Buyer – having a Buyer Agency Agreement in writing solidifies your agency relationship and the duties and benefits that a Fiduciary Agent provides to you. This agreement holds your Fiduciary Agent accountable to find you the best house at the best possible price including all the Fiduciary duties.

A Fiduciary Agent (FA) is a person required to act for the benefit of another (the principal) with the duties of good faith, trust, confidence, reasonable care and diligence, loyalty, disclosure, accounting, and candor. This duty obligates the FA to act in the best interest of the principal.

5. Negotiating the best price and terms of your most valuable asset
6. Manage All the Details and Paperwork – ensuring things go smoothly and help avoid hassles and complications

Step 3: Start Searching



Now the fun begins! Most searches begin online with over 95% of buyers starting their home search via the internet. The most comprehensive website for property searches is Realtor.ca which is a Canada wide database of all active properties for sale. There are countless other sights promoting active listings as well as For Sale By Owner websites and in your search for a new home all avenues of the search should be considered.

Now keep in mind that the internet is very helpful tool for you to get a sense of what's available but keep in mind it is not a complete picture of the market or all properties available. Here is what you cannot see online that a Realtor can help you with:

1. Hot new listings as soon as they hit the marketplace. In a hot market a hot home will be sold before it makes it to the public domains. Only by having a Realtor set up a real time search will you be on the pulse of the new listings meeting your criteria as soon as they hit the market.
2. Finding possible homes of interest from expired listings in your target area.
3. Better search parameters and functions vs the public sites to best refine your search and truly capture the properties that are of specific interest to you.

Your agent can book you through multiple homes and truly get you up to speed for what you can get in different neighborhoods for your budget ensuring you get on the right track right away for the right home in the right neighborhood based on your budget and lifestyle needs.

Step 4: Make a Smart Offer and Negotiate

The Power of Savvy Negotiation

Pay just 1% less for your
home, means
thousands in your pocket



You have found a house you love which is Fantastic! Now comes the time to put an offer together and how the process typically works:

1. Decide on your offer price, completion date and relevant conditions to be included for your protection such as a home/well/septic inspection, finance or conditional on sale of your current home etc.
2. Prepare the offer creating a legal document that will protect you, follows your instructions and matches your schedule and needs.
3. Review and Sign the offer making sure you have covered all the bases going into the presentation situation.
4. Present the Offer and Negotiation of Price, Close and Terms of the offer.

What happens next?

One of three things:

1. The Seller accepts your offer in its entirety.
2. The Seller rejects your offer in its entirety.
3. The Seller Counters your offer changing some of the terms such as price, conditions or completion date. You then will review the offer with your agent and see what kind of terms can be agreed upon or if you are too far apart then perhaps advise you to step back and give the process some space. A great Realtor will know just how hard to push and when to pull away if the Seller is being unreasonable in your opinion. Many a deal comes together with a bit of time and space and being on the Seller's radar with a fair offer is a huge step forward in getting an eventual deal together. Sometimes both parties need a little time to walk themselves to the Reality of the situation.

Step 5: Due Diligence and Condition Removal

Okay congrats are in order you have got a deal together and now comes the time to do your due diligence and make sure the property has no surprises and you will be able to secure a mortgage for your purchase.

One of the most important Buyer Conditions is that of the Home Inspection.

Some useful Home Inspection Tips:

1. Choose a qualified professional Home Inspector
2. Ensure the inspector checks for visible issues with Plumbing, Electrical, Roof, Insulation, Walls and Ceilings, Flooring, Doors and Windows, the condition of the foundation, Furnace and temperature permittable the Air Conditioner and grading around the home.
3. Ensure to be on sight so the Inspector can review the home and point out features and/or the deficiencies of the home to you first hand.
4. Ensure you get a detailed report including pictures documenting the state of the home at the time of the inspection summarizing the conditions of the home in its current state.

Other Common Conditions

Financing – your mortgage professional will require a copy of the deal and the MLS listing to get the property approved for financing.

Well/Septic Inspections – more detailed inspections of these facets for rural properties.

Status Certificate – required for the sale of a condo corporation unit. Cost is a \$100 and is ordered from the condo corporation and given to your lawyer for review.

Step 6: Preparing For Closing Day

Typically you will have anywhere from 60 to 90 days until you complete the purchase of your home. Be prepared and take care of the details and have monies put aside for closing costs such as the Balance of your Down Payment, Land Transfer Tax and Moving Expenses etc. Contact local utilities to have your name placed on the property as of the completion date. Inform your children's old and new schools about the move and arrange any necessary record transfers. Make sure you have insurance in place for the new home and you are able to provide the insurance company as much information as possible about the new home.

Make sure your lawyer and Mortgage companies have connected to make all the necessary arrangements for closing day.

You won't get the keys to your new home until your financial obligations are satisfied

Agency Considerations:

Buyer Agent Commission:

Typically in the past (For Sale by Owner's asides) the Sellers have paid the Buying agents commission out of the proceeds from the sale of the home. This is still most commonly the case unless the Seller has decided to offer less than the standard rate traditionally charged and your agent may ask you to make up some of the shortfall or all the commission if none is being paid. The industry standard in the Burlington/Hamilton area for years has been a 2.5% commission payable to the Buyer agent plus applicable taxes. Your agent will make a business decision weighing how much work they have done to the point of sale with the amount of a shortfall on their commission agreed in the Buyer Representation Agreement if any vs. the future costs associated with losing this purchase and starting to look for a home all over again for their clients. The agent should be very up front going into each offer situation with what they expect to receive or what they will chip in on their end to help facilitate the transaction. But you as the Buyer should be prepared for the eventuality of making up any shortfall in the Agent's commissions.

Signing a Buyer Representation Agreement:

A Buyer Representation Agreement is a contract between yourselves and your agents Brokerage contractually binding you together for a pre-determined amount of time. Once signed you cannot buy a property without owing a commission to that agent's brokerage unless you have excluded certain types of homes or geographic areas from the agreement. The benefit of this agreement to the Buyer is the agent then has a fiduciary responsibility to them to help them get the best home for the best price and work with them as an extension of themselves with all the agents' access to information, skill set, network of professionals and experience (Please see Fiduciary Agent above). Buyer's that hesitate signing such agreements send a mixed message to the agent as they want them to be there for them when they want them and want all the benefits but are telling the agent they have no commitment to them and don't care if they get paid or not. If you are working with a busy agent and do not have an agreement signed you may be relegated to the back seat if the agent has signed agreements with other Buyers whom their loyalties are set in writing and their needs come ahead of yours.



When is the Right Time to Sign a Buyer Agency Agreement?

That is not always the easiest question to answer. You may want some time to feel an agent out to make sure they are the right one for the job and if you are pushed into an agreement too quickly you may feel pressured and create some animosity towards the agent. So I try and take people out a couple of times and let them know that I want them to be comfortable with how I am working for them and with my professionalism before I ask them to sign an agreement. I do not want people saying they found me pushy and locked them into an agreement and then left them with poor service. If I have a very needy Buyer whom will demand a lot of my time over a short period then having one signed makes good business sense to both parties. If the timeframe and urgency is not so immediate then it may not make sense to sign the Agreement until a suitable house has been found and an offer is to be made. But your agent should review with you the Buyer Agency Agreement and explain how the agency relationship works and what fees are expected upon completion of finding the Buyer a suitable home. Every situation with every Buyer is unique so the Buyer and the Agent need to dialogue and agree to what is fair and agreeable to both parties to maintain a healthy relationship with everyone feeling they are being appreciated and committed to one another. Most of the time, when an agency relationship has been created, there's a meeting of the minds between consumer and real estate professional that they will be working together. The relationship is not accidental, but intended and explicit.





Congratulations!

I hope your new home promises years of enjoyment. Moving is a lot of hard work but it is worth it in the end. A house may be just a house but with time and love it is sure to become a home. All the best to you in your new home!

Best Regards,
Geoff Smith

What Are People Are Saying About Me?

“Working with Geoff Smith was a great experience for us. we have been looking for a home online for a year before we started viewing houses with Geoff. After all the knowledge we thought we had regarding the house we wanted, Geoff showed us a house that wasn’t even on our list of the houses we wanted to see. The house was exactly what we wanted in a home so we proceeded with the offer process.

Geoff worked with us to prepare a reasonable offer for the home based upon his analysis of market value for the home. Our initial offer was rejected, but a week later we ended up getting a call accepting our offer on the home for \$50,000 less than the original list price. Thanks to Geoff’s impressive negotiation skills and having a strategic plan, we got the home we wanted for the price we wanted.

We were impressed with Geoff every step of the way. His knowledge and expertise with houses as well as the housing market was beyond reproach. Geoff truly has your best interests in mind and will help you find the perfect home.”



Nathan and Adrienne Small

WWW.YOURREALPRO.COM

BURLINGTON, WATERDOWN, FLAMBOROUGH, HAMILTON, MILTON & OAKVILLE

905-689-0011

geoff@yourrealpro.com