



CENTURY 21 LOCAL HOME TEAM REALTY

AN INFORMED

BUYER'S GUIDE

CENTURY 21®

Local Home Team Realty Inc.

BROKERAGE



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SO, YOU'RE THINKING ABOUT BUYING A HOME?

CONGRATULATIONS! This is a very exciting time, but this can also become a somewhat stressful and emotional one. Our goal is to help make this experience fun and enjoyable – after all, homeownership is one of life's most prideful events!

Whether you are a first-time buyer or a repeat buyer, our objective is the same! We want to empower, support, educate, and position you for success!

The best approach to buying a home is to be informed! This is where we come in. We will provide you with all the tools necessary to make the best decision for you and your individual needs! Let's get started...

01

UNDERSTANDING YOUR LOCAL HOUSING MARKET

The housing market, like most markets, is cyclical. These cycles can be greatly influenced by many factors which creates either a housing shortage or surplus. When looking to buy a home, it is important to know what type of market environment you're entering into and understanding the common characteristics of each.

BUYER'S MARKET

This occurs when there is a surplus of housing or when there are more homes for sale than buyers available.

- Prices tend to be lower because of increased supply
- Homes are more likely to sit unsold (greater potential for price reductions)
- Buyers have increased choices and more leverage when negotiating offers

SELLER'S MARKET

This occurs when there is a shortage of housing or when there are more buyers than homes available for sale.

- Prices tend to be higher because of the increased demand
- Homes typically sell quickly (conditional offers have a greater chance of being rejected)
- More likely to be multiple offers on a home, which gives sellers negotiating power

BALANCED MARKET

This occurs when the market is in equilibrium – meaning that there is the same (or similar) number of homes for sale as there are buyers.



AVAILABLE LISTINGS



NUMBER OF SALES



MONTHS OF INVENTORY

Seller's Market

1-4 months of inventory

Balanced Market

5-6 months of inventory

Buyer's Market

7+ months of inventory

02

DETERMINING WHAT YOU WANT

The logical first step in any home search process is **determining what you are looking for**. There are many homes on the market at any given time and you can't possibly see them all. To make your search most efficient and to avoid becoming overwhelmed, you should ask yourself these 4 questions...

1) WHERE DO I WANT TO LIVE?

Figuring out what towns, communities or neighbourhoods you wish to live in is a good first step. Is it important for you and your family to live within a specific school district? Must you remain close to certain amenities, churches, hospitals, etc.? Do you require access to public transportation?

2) WHAT TYPE OF HOME DO I WANT TO LIVE IN?

Today there are many different housing styles and solutions available: detached, semi-detached, condominium, townhome, two-storey, raised ranch, split-level, bungalow, etc. The key is to determine what will best suit your individualized needs. Other key factors to consider are lot size and the age of the home.

3) WHAT ARE MY MUST-HAVES?

Before you start viewing homes it is good practice to reflect on any must-haves. Sometimes separating wants and needs can be tricky, but a must-have would be something critical to the functionality or enjoyment of your home. Do you work from home and require a designated office? Do you own a classic car that must be stored in a garage? Do you have a large dog that would require space to run?

4) WHAT ARE MY DEAL-BREAKERS?

Knowing what you want out of a home is very important but almost equally important is knowing what you don't want. Not a fan of neighbours? Feel a pool would be too much up-keep? These are all good things to consider beforehand, which may help narrow your search and ensure that you do not waste time or energy.



03

SEEKING MORTGAGE PRE-APPROVAL

When it comes to buying a home, getting pre-approved for a mortgage is a very important step. You may have a fairly good idea of what you think you can afford but it's critical to know for certain. Understanding exactly how much you can afford to spend on a new home offers a handful of benefits, most notably...

- Saves you time and really helps you focus the search, as price point is a key determinant.
- Provides reassurance and helps eliminate stress because you know that you are ready and capable of buying.
- Could help you get a 'better deal' on the home you want. Sellers find comfort and security knowing that buyers already have financing in place.



DID YOU KNOW?

There are special incentives available to Canadian home buyers to help make the process more affordable. There are various programs available to both repeat and first-time buyers, all with different benefits and eligibility requirements. Be sure to consult your Team of Experts, do your homework and see what special government programs, incentives or credits you may be eligible to receive when buying a new home.

HOME BUYERS' PLAN (HBP)

You may be eligible to use the Home Buyers' Plan (HBP), to make a tax-free withdrawal from your registered retirement savings account (RRSP) to buy or build a home. HBP allows each borrower to withdraw up to \$60,000.

FIRST HOME SAVINGS ACCOUNT (FHSA)

You may be eligible to save up to \$40,000 tax-free to buy your first home with an annual contribution limit of \$8,000.

LAND TRANSFER TAX INCENTIVE

You may be eligible for a rebate for all or some of the land transfer tax paid when buying your home, up to \$4,000.

GST/HST NEW HOUSING REBATES

You may be eligible for a rebate for some of the tax you pay when buying your home.

Please speak with your mortgage professional to determine eligibility of such programs. Home buying incentives are subject to change.

Source: <https://www.canada.ca/en/financial-consumer-agency/services/buying-home.html>

Another helpful resource is Canada Mortgage and Housing Corporation (CMHC): <https://www.cmhc-schl.gc.ca>

THE DOS & DON'T'S OF MORTGAGE PRE-APPROVAL

DO...

1. PREPARE YOUR FINANCES

This includes paying off as much debt as possible whilst not draining your savings. Be money-wise and remember you will require cash on hand for your home deposit, down-payment and closing costs.

2. SPEAK WITH YOUR BANK OR MORTGAGE ADVISOR

There is a big difference between a mortgage “pre-qualification” and a “pre-approval”. Educate yourself, speak to your trusted experts and understand what will be required on your end.

3. ASSEMBLE YOUR DOCUMENTS

This can be a time-consuming project, so it is best to start early. Ask your mortgage professional what documents will be required to finalize your mortgage and start gathering them in one, easy to access, place. Keeping them all together will also come in handy and save time come tax season.

4. READ THE FINE PRINT & ASK QUESTIONS

It may seem like you are reading a different language but it's important to carefully read the fine print. If something seems confusing or unclear, ask your mortgage professional or your legal counsel. They are there to help you and guide you throughout this process.

DON'T...

1. GET PRE-APPROVED OVER YOUR BUDGET

Do your own calculations and figure out how much your household can afford to pay monthly (don't forget about all the other costs associated with homeownership), and take into consideration all of your preexisting expenses.

2. APPLY FOR ANY OTHER OR ADDITIONAL LOANS

Your debt level and credit score both affect your eligibility for a successful mortgage pre-approval. This also includes deferred payment plans and/or co-signing on loans for others.

3. MAKE ANY LARGE PURCHASES

This applies to before and after you've been pre-approved. Taking out an additional loan, leasing a new car or buying a new couch on your credit card can all negatively impact your debt service ratios, which could impact your mortgage pre-approval amount.

4. QUIT OR CHANGE JOBS

Avoid making changes to your employment status prior to and/or during the mortgage process. Steady and predictable income is critical to most applications. If you have recently undergone major career changes, it may be worth delaying the home buying process until you regain financial and employment stability.

04

HIRING A REAL ESTATE AGENT

For the majority, your home is your most valuable asset so why wouldn't you hire a professional real estate agent to represent you and protect your interests?

Most properties on the market today are being sold using a listing agent. The listing agent's main responsibility is to protect the interests of their clients (the sellers) and to in turn, sell their home. So how does a buyer ensure that their best interests are being protected? The answer is pretty simple – Hire a professional real estate agent!

5 REASONS WHY MOST HOME BUYERS CHOOSE TO WORK WITH A REAL ESTATE AGENT

1) NO DIRECT COST TO YOU!

In most cases, commission is paid by the seller. So having a real estate agent of your own, is typically at no direct cost to you, as the buyer.

2) AVOID OVERPAYING!

Professional real estate agents have access to a lot of local data not available to the average individual. This information can be used to educate you and ensure that you are making a sound decision based on true market values.

3) REPRESENT & PROTECT YOUR INTERESTS!

When you are under contract with a real estate agent, they are legally obligated to put your interests first. This fiduciary duty owed to you as the client ensures confidentiality, loyalty, full disclosure and an avoidance of potential conflicts of interest, at all times.

4) NEGOTIATE ON YOUR BEHALF!

Having a professional negotiator will always pay-off, especially in hot markets where properties are receiving multiple offers. Real estate agents, although working for you, have no emotional stake in the outcome so having them represent you at the table can help you avoid making any rash decisions.

5) MANAGE THE DETAILS (& PAPERWORK)!

Since real estate contracts are legally binding you definitely want to ensure your i's are dotted and t's are crossed. Real estate agents know what forms are required and they can guide you effortlessly through any obstacles that may arise, thus alleviating a great deal of stress.

05

BEGINNING THE SEARCH

This is where the fun really begins!

Nowadays, most preliminary property searches begin online. The internet can be a very helpful tool to get a sense of what is currently available, but it is important to keep in mind that websites like Zillow or realtor.ca don't showcase all listed properties. Your real estate agent will have the inside scoop on properties that haven't made it online yet, as well as expired listings or private sales not found on MLS.

BEST PRACTICES FOR A SUCCESSFUL SHOWING

- ✓ Showings are typically best arranged and scheduled during regular business hours.
- ✓ Sellers typically prefer overnight notice to prepare their home for viewing (tidy, remove pets, etc.). Some sellers specify certain times/days for viewing that must be adhered to.
- ✓ Tenanted properties may take longer to confirm the showing as 24-hours' notice is required by law. Some tenants specify certain times/days for viewing that must be adhered to.
- ✓ It is ideal to view ~3-5 properties per tour. This allows us to maximize time and allows us to stay on schedule.
- ✓ Properties will typically be shown in geographic order to limit travel time, especially when viewing properties in the county.
- ✓ It is respectful to remove shoes upon entry of a seller's home. We also recommend wearing footwear that is easy to remove, as well as socks during all showings.
- ✓ If the seller or a member of their family is present during the showing, it is best to have your agent ask any questions on your behalf.
- ✓ If you have any mobility limitations or if you have a severe pet, food or environmental allergy please inform us prior to any showings.

06

MAKING AN EDUCATED OFFER & NEGOTIATIONS

You have found your dream home – this is wonderful news! All transactions are unique, but this is how the offer process typically unfolds...

1) DETERMINE YOUR OFFER PRICE, TERMS & CONDITIONS

Your agent will complete a CMA (Comparative Market Analysis) and compile other local data to help determine the market value of the home. This is a key component when it comes to negotiating a fair price. You will also select a closing date and discuss possible conditions (i.e. financing, home inspection, house to sell, etc.) to be included based on the specific property as well as your individual requirements.

2) DRAFT THE OFFER

Your agent will draft a legal document (Agreement of Purchase and Sale) which will outline the specifics of the transaction. This document protects you, clearly describes your instructions and matches your schedule and needs.

3) REVIEW THE OFFER

Your agent will review the offer, explain the details and run through the fine print so that you understand exactly what you are agreeing to. Your agent will also discuss certain clauses or conditions to be included or excluded from the agreement. You may also discuss potentially adding any chattels or fixtures (i.e. drapery, light fixtures, appliances, etc.) to the offer.

4) PRESENT THE OFFER

Your agent will present and negotiate the offer on your behalf. One of 3 scenarios will play out next...

1. THE SELLER ACCEPTS YOUR OFFER

Congratulations! You have a firm or conditional offer in place!

2. THE SELLER REJECTS YOUR OFFER

This is not common, but it can happen. If this occurs your agent will work with the seller's agent to find out why.

3. THE SELLER COUNTERS YOUR OFFER

The seller has changed the terms of the offer and presented the offer back to you to either accept, counter or reject. Your agent will guide you through the changes and negotiate on your behalf. If an agreement cannot be reached, then both parties typically walk away.

07

REMOVING CONDITIONS

At this point in the transaction you either have a firm or a conditional offer in place!

If you chose not to include conditions in your offer, then you are on to the next phase. If you did choose to include conditions, now is the point in time where you start the process of fulfilling them, as per the timeline stated in your signed Agreement of Purchase and Sale. Once these conditions are satisfied (or waived) your agent will prepare the necessary paperwork to be signed and submitted, and then the conditions will officially be removed. Doing so will then firm-up your deal.

Depending on what conditions you chose to include in your offer you will likely be required to add some additional experts to your Team! No need to fret - we only work with the industry's best so we will happily put you in touch with a qualified professional. Whether you require a home inspector, a surveyor, an insurance provider, an appraiser, or a mortgage specialist, we can easily recommend an expert to get the job done right.



08

PREPARING FOR CLOSING DAY

You are so close to getting the keys and moving into your dream home!

The typical possession period is anywhere from 30 – 90 days but can vary depending on individual needs. Closing day can be your move-in date, however, this is not always the case. Be sure to check with your lawyer to find out what time your keys will be available on closing day. (Note: It is fairly common that the exchange of funds, title and keys happen later in the day. There are also rare instances where closing is delayed. These situations are unusual but possible, and yet another reason why these sort of matters are best left to the pros).

COMMON COSTS FOR BUYERS

Purchasing a home can be costly but when done correctly, worth every cent. It is good practice to create a budget so that there are no surprise expenses due. Keep it updated and it can also be helpful at the end of the year when you file your income taxes. Yes, that is correct, some of your moving expenses will be tax-deductible! It is best to check with your accountant prior to filing and be sure to keep all your receipts.

COMMON CLOSING COSTS:

- Balance of down payment (less deposit)
- Mortgage insurance premiums
- Land transfer tax & title registration fees
- Title insurance policy premiums
- Survey
- Legal fees & related expenses (couriers, photocopies, etc.)
- Pro-rated amount for your share of prepaid costs (utilities, property taxes, etc.)

COMMON MOVING COSTS:

- Packing supplies (boxes, bubble wrap, etc.)
- Professional movers & vehicle rental
- Ancillary (food, hotels, etc.)

COMMON SETTLING IN COSTS:

- Changing locks
- Professional cleaners/cleaning products
- Painting, minor repairs & renovations
- New furniture & appliances
- Lawn care & landscaping

ORGANIZATION & COMMUNICATION ARE KEY TO A SMOOTH CLOSING

This is a very exciting time but it can also feel a little stressful. Being organized in advance and along the way can help make for a smoother closing experience. In fact, there are a number of things you can tackle leading up to closing that will make closing day a breeze...

MAKE CLOSING DAY A BREEZE

LEGAL DOCUMENTS & PAPERWORK

You and your agent will provide the completed purchase paperwork to your lawyer. Your lawyer may also request additional documents such as insurance, down payment information and other signed documents.

DOWN PAYMENT & CLOSING COSTS

Be in touch with your financial institution and make the necessary arrangements to have these funds available a week prior to closing or when the lawyer so requests.

MOVING ARRANGEMENTS

If you plan on renting a truck or hiring professional movers it is best to book well in advance to ensure availability. If you will be relying on family and friends send out a calendar invite, start collecting boxes, newspapers and bubble wrap.

CHANGE OF ADDRESS

Start notifying all government entities, professional services, financial institutions and utility providers that you will be moving and supply your new address. If you wish to put a mail forward in place, contact Canada Post.

PROPERTY INSURANCE

You will require proof of insurance to close on your new home and to finalize your mortgage. If you do not have an insurance broker start shopping around or ask family, friends or your real estate agent for a referral.

UTILITIES

Contact your local utility providers to cancel or reassign any existing services. Don't forget about any rental equipment as well.

SCHOOLS

Inform your children's schools about the upcoming move and make arrangements for record transfers, if required.

WHY CENTURY 21 LOCAL HOME TEAM REALTY?

We know you have a lot of options when it comes to choosing a real estate agent, but we believe the success of your sale is too important to leave to chance. You deserve a Team of experts qualified to do the heavy lifting, capable of getting you where you want to go, so you can focus on what matters most.

At CENTURY 21 Local Home Team Realty, we have the experience, resources, and proven process to get you there...

WHY CHOOSE US?

✓ MARKET LEADERSHIP

Benefit from our extensive market knowledge & ever-growing market share.

✓ INNOVATION & EDUCATION

Staying ahead in a rapidly changing industry is central to our everyday business and culture, as a result, we constantly invest in our Team, our clients and our partners.

✓ CULTURE OF COLLABORATION

We are passionate about what we do and take pride in our ability to deliver top-level service to our trusted clients.

✓ RELATIONSHIPS > EVERYTHING

Whether it is in business or everyday life, we value people and relationships above everything else.

✓ PROVEN SUCCESS

We have been proudly serving our communities across Windsor Essex & Chatham Kent for over 30 years.

PROVEN RESULTS

TEAM TESTIMONIALS

“

Exceptional service from the Team at Century 21 Local Home Team. They are professional, knowledgeable, and dedicated to finding their clients a perfect home. Their attention to detail and proactive communication makes the entire process smooth and stress-free. Highly recommend for anyone in need of expert assistance in the real estate market!

Tyler Tiessen

“

5 stars all the way! This Team is outstanding. They do more than buy and sell homes. They go above and beyond expectations for every client and with the utmost integrity. They also give back to their community. We have been working with C21 Local Home Team for a few years now and appreciate their level of professionalism and attention to detail so much. They are all really great people as well.

Mel & Jer Bartel

“

Thank you C21 Local Home Team for your hard work and professionalism. All our questions were answered clear but more important, honestly. Thank you for finding a family who will make this house a home. We will highly recommend your services to everyone we know.

Lucy Martinho

“

Sold my home and just recently purchased a new one. The C21 Local Home Team took me along this journey and worked tirelessly to ensure I got what I wanted.

Zoe O'Brien

“

Recently purchased a home with help from the Team at Leamington Century 21, I definitely recommend working with them, they are great at explaining in full detail what's going on and the process of purchasing a home. Very cheerful and happy people to work with!

Henry Thiessen

“

I was very pleased with both the way the sale of my home was handled and the assistance in looking for a new home. The staff were very professional and used every tool available to expedite the process of selling my home. The experience was stress-free and I had full confidence in every aspect of the transaction. I most definitely can recommend Century 21 Local Home Team!

Yvonne Beintema

“

Our house has sold ... it's time to celebrate! But we can't forget Local Home Team who helped make this all possible. It hasn't been the easiest of roads to travel down given the drastic and unexpected changes in the real estate market last year, but they made it much easier for us to travel down that road.

Lorrie Horvath

“

Highly recommend Local Home Team. They go above and beyond for their clients. So pleasant and easy to work with. Will definitely use them the next time I'm looking to buy and sell.

Victoria Tellier

Your recommendation is the ultimate compliment! If you have recently worked with our Team we would love to hear all about your experience. Please consider leaving us a review on Facebook or Google.





CENTURY 21[®]

Local Home Team Realty Inc.

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