FIRST TIME BUYER GUIDE

1. FIND YOUR REAL ESTATE AGENT AND MORTGAGE BROKER.

Your Mortgage Broker will let you know where you are at financially, your budget, how much to put towards a down payment, and what First Time Buyer Incentives you qualify for.

Your Real Estate Agent is working solely for you and their job is to act in your best interest above all else. Your agent will begin searching for homes that meet your budget and preferences as well as set you up with an MLS portal. When thinking of what you want in your first home, think of the type of home, size, location, features of the home, and what factors are wants versus needs.

Remember: not all agents/mortgage brokers are created equal - find someone that connects with you and understands your real estate and financial goals.

2. BROWSE LISTINGS.

Your agent will be sending you listings that come to the market each day via email/your MLS Portal. Search through listings everyday, browse virtual tours, and attend open houses to get a better idea on what value you can get in each area for your budget.

As soon as you see a listing you like, let your agent know so they can set up a showing.

"I Can't Afford a Real Estate Agent"
Remember: the SELLER pays the agent commission, so as a buyer, there is no cost to you to protect yourself and use an agent.

3. ATTEND SHOWINGS.

At showings, make sure to have a keen eye (look for cracks, water stains, general maintenance of the property, quality of appliances and finishings) and ask important questions (age of home, heating & sewage system, age of roof, parking, suite potential etc.)

If you're looking at new development, remember, you should still have your own agent as the Sales Rep/Real Estate Agent hired by the developer are working for the Development's best interest - not yours.

5. SUBMIT AN OFFER.

Once you find a home that meets your needs, let your agent know you'd like to submit an offer. You want to make sure your offer is attractive to the seller so there are multiple factors to keep in mind:

1. Purchase Price - what is the home worth to you? Be sure to think about resale and the state of the market at that current time.
2. Buyer Conditions - you and your agent will work together to decide which conditions you need on the offer. The standard 5 are: subject to financing, property inspection, obtaining homeowners insurance for that specific property, review of the property Title, and review of the Property Disclosure Statement. Your agent will provide you with both the Title and Property Disclosure Statement. If it is a strata unit (i.e. condo or townhouse) you want to be sure to include a subject to review of strata documents.
3. Conditional Period - ask your mortgage broker how long they will need for financing. Also think about how much time you need to have a home inspector in as well as to satisfy the remaining conditions. A standard conditional period is around 7 business days.
4. Closing/Possession Dates - think about what dates work best for you to close on the property as well as inquire what works best for the seller. Remember, you will need all funds in place for close. Your possession date will be on the same day or day after closing.
5. Deposit - a strong deposit shows financial strength. Ask your agent what they think is a suitable deposit for the offer.

6. GET AN ACCEPTED OFFER + REMOVE CONDITIONS.

Once you have an accepted offer, you can begin to satisfy your conditions (i.e. book & attend property inspection, prompt mortgage broker to begin approval process, go to insurance provider to get homeowners insurance, review strata, title, PDS and any other relevant documents. Once you have done so, and if everything is to your liking and you would like to proceed with the sale, let your agent know you would like to remove conditions. This must be on or before the conditional date that was set in the contract. Once you remove conditions, the deal is firm.

Costs to Watch for During Conditional Period:
Property Inspection - estimated $425-$500
Appraisal for Mortgage - estimated $325-$400

7. PREPARE FOR CLOSING/MOVE IN DAY.

Congrats! You now have a firm deal in place.

To prepare for the closing process:

1. Find a Real Estate Lawyer you would like to use and call to set up a closing appointment.
2. Let your agent & mortgage broker know who your Lawyer is - they will send over all the paperwork needed.
3. If strata - connect with property manager to book your move in.
4. Prepare for closing costs:
   - Down Payment (first time buyer- 5% on first 500k, 10% on 500K-1M)
   - Property Transfer Tax (1% on first 100k, 2% on remainder, however, as a first time buyer you will likely qualify to for a full or partial exemption - ask your mortgage broker or agent)
   - Legal Fees (estimated $1,100-$1,300)
   - Title Insurance (estimated $225-$300)
   - Property Tax Adjustment (done through Lawyer)

7. AFTER CLOSING/MOVE IN.

Once you're moved in, don't forget to:

1. Change locks as you do not know how many keys have been given to others.
2. Reset garage door codes.
3. Test smoke alarms and carbon monoxide detectors.
4. Check expiry date on fire extinguisher.
5. Set up internet/cable, BC Hydro account, Fortis BC Gas account (if applicable).
6. If strata - connect with property management about strata fees, door buzzer system, and strata meetings.

Questions or need an agent?

I'd love to help.

A Real Estate Agent who will understand your lifestyle, needs/wants, and position as first time buyer in the market with a low-pressure, friendly, and understanding approach paired with a new-age brokerage that has ditched the old-school ways of doing real estate.

Call, text, or email me anytime with questions.

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