

HOMEBUYING



THE GUIDE TO
SUCCESSFULLY
BUYING A HOME IN
TODAY'S MARKET

**COLDWELL
BANKER** 

WELCOME TO YOUR HOMEBUYING GUIDE!

We're going to talk about the most important aspects of buying a home and give you tips that will help make the process as painless and smooth as possible. And rest assured, you're getting advice from someone who has gone through this process many, many times.

If you think you're ready to buy a house, you're in the right place! But, before we dive into the specifics, we need to answer one very important question: Is it the right time to buy a home? And we're not just talking about the current marketing conditions, we also need to know if you're at the right place in life to make such an important purchase!!



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IS IT TIME TO BUY?

We all love scrolling through online listing websites and imagining what it would be like to move into a new home, but when it comes time to think about making this dream a reality, you have to ask yourself some hard questions.

Your total debt load should not be more than 44% of your gross income. This includes your total monthly housing costs plus all of your other debts. This percentage is also known as the total debt service (TDS) ratio. You may still qualify for a mortgage even if your TDS ratio is slightly higher. There are benefits to putting down 20%, but there are also options for those who would prefer to pay less up front. With knowledge of your particular situation, a mortgage professional can give you great advice!

Outside of your personal finances, it's important to take time to understand the current real estate market. Real estate is generally a great investment, but no investment is without risk. Your best bet is to speak with a real estate professional who has extensive knowledge of the local market. They will give you their expert opinion about whether you should begin your home search or if it might be wise to wait a bit.

**ASK ABOUT
CURRENT
MARKET
CONDITIONS!**

REACH OUT AT
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MORTGAGE PRE-APPROVAL

When you're ready to start seriously looking for your new home, you'll want to start the mortgage pre-approval process. This will not only give you an idea of what you can afford from a bank's standpoint, but it will also show sellers that your offers are serious. Applying for pre-approval will require having your entire financial life examined by a professional. We won't dive into all the documentation needed in this guide, but just know that this step of the process will take some preparation.

WHAT TO KNOW WHAT YOUR HOME'S WORTH?

[FIND OUT TODAY!](#)



SELECTING A REAL ESTATE AGENT

Since the seller generally covers the commission for the agent on the buyer's side, the overwhelming majority of buyers use a real estate pro to represent them. Not only is searching for a home a time consuming task, it also helps to have an experienced agent on your side when dealing with the more complicated parts of negotiating and purchasing a home. Plus, their community expertise will prove invaluable!

STARTING YOUR HOME SEARCH

Once you're ready to start your search, it may be helpful to create a list of "must-haves" and "nice-to-haves" in a new home. For example, perhaps a great school district is a must-have for your search, whereas a two car garage might be a nice-to-have. When you have a good idea of what you're looking for, you can begin a home search online to get a good idea of what's available in your price range. Your real estate agent will also let you know about listings that they think would be a potential fit.

You can attend open houses and/or have private showings arranged to get a better feel for listings. Keep an eye out for potential issues with the home, but don't forget that a professional inspector will thoroughly go through the home, if you end up making an accepted offer. Take note of non-structural things like traffic and street noise outside the home as well. Once you've found a great fit, it's time to make an offer!



MAKING AN OFFER

When you've found a home you'd like to purchase, it's time to make an official offer. Your real estate agent will help you land on a fair price for the property and discuss being strategic about potentially leaving room for negotiation. This will vary based on your market. Also, don't get too down if your first offer isn't accepted. 42% of buyers who submitted an offer ended up making multiple offers before having one accepted, according to a report by Zillow.



ALL ABOUT INSPECTIONS

When your offer is accepted, have a little dance party and then get ready for the last few steps of the transaction. First, it's recommended that you have the property inspected by a professional. Everything in the home looked great as you walked through it, but there are any number of potential unseen issues. Inspections should discover any of these issues and, if repairs are required, you may want to speak with the seller about how to move forward. Perhaps they will pay to have the issue fixed before moving out.

WHAT TO KNOW ABOUT APPRAISALS

The appraisal portion of the process doesn't require much from you, but it's good to understand it. An appraiser will take a look at the home you're purchasing and its place in the market to figure out its objective value. This value is then looked at by your lender to make sure you aren't borrowing more money than should be paid for the particular property.

THE FINISH LINE: CLOSING DAY

Many buyers will do one last walk-through right around the time of closing. This is simply to make sure the home generally looks the same as when you made your offer. If the seller agreed to make any repairs after inspection, you can confirm that those changes have been made as well. Be prepared to bring funds for closing costs, which are typically between 3% and 5% of the sale price. **That's it! Once all the paperwork is signed, the keys are handed over, and you're a homeowner!**



WANT TO GET IN TOUCH?

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If your property is listed with a real estate broker, please disregard. It is not our intention to solicit the offerings of other real estate professionals