

HOME BUYING GUIDE

ED TRACY
REALTOR®



705.796.6348



edtracyhomes.com



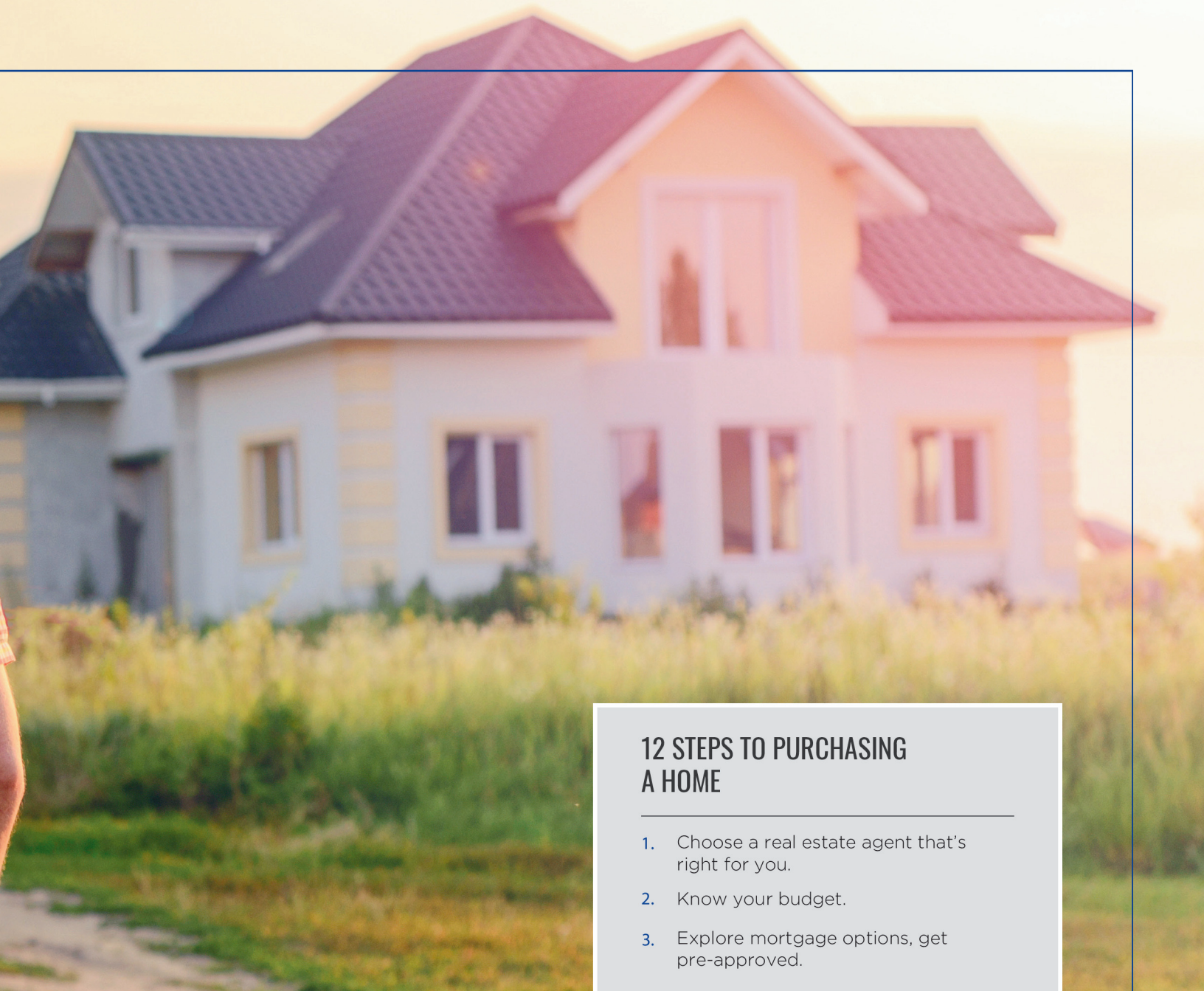
A resource to help guide you
through the home-buying
experience from start to finish

A photograph of a young man and woman from behind, embracing and looking out over a suburban neighborhood at sunset. The man is wearing a red, yellow, and blue plaid shirt, and the woman is wearing a floral dress. The title 'The Road Home' is overlaid in large white text on the left side of the image.

The Road Home

Buying a home may be the largest purchase you will ever make. Consider this: it can also be the best investment and most rewarding achievement for you and your family.

If you're ready to travel the road toward home ownership, take your first step with the Ed Tracy's Home Buyer's Guide. This guide is a resource to help familiarize you with the home-buying process, and present you with relevant information, including a list of terms, things to consider when choosing a home, and a checklist to help you make the right decisions for you.



WHY CHOOSE ED TRACY, RE/MAX HALLMARK?

For over 40 years, RE/MAX Hallmark has been building a global network of highly productive, full-time real estate professionals. RE/MAX Hallmark Agents average more sales and more years in the business than agents from other companies. What does this mean for you? It means that when you work with Ed Tracy you are getting a dedicated real estate professional with access to a vast knowledge base, and the tools and support needed to help you find, and purchase, the right home for you.

Ed has the history and vast knowledge of Barrie neighbourhoods to help you make the right location decisions.

12 STEPS TO PURCHASING A HOME

1. Choose a real estate agent that's right for you.
2. Know your budget.
3. Explore mortgage options, get pre-approved.
4. Create an account on edtracyhomes.com and browse homes online.
5. Create a wishlist of the non-negotiable features.
6. Make an offer with your conditions.
7. Get a home inspection.
8. Confirm financing approval in writing.
9. Close the deal.
10. Update utilities and transfer services.
11. Get packing.
12. Move into your new home!

ED BRINGS KNOWLEDGE AND EXPERIENCE That's Right for You

Whether you are moving across town or across the country the real estate market is a big place and Ed can help you navigate it. Ed has access to current market information and can help you make informed decisions about the areas and properties that interest you. As you move through the process, Ed can walk you through confusing paperwork and guide you through each step of the homebuying process.

For an agent to represent you in a transaction, a BRA (Buyer Representation Agreement) will need to be signed. Ed will take the time to explain the BRA benefits and obligations before entering into an agreement to purchase a property.

You will be provided with a copy of the RECO® GUIDE explaining Ed's role in representing you and his legal responsibility to you. Be assured you are in safe hands.

Ed's knowledge and experience is backed by these accreditations:



QUESTIONS TO ASK WHEN CHOOSING YOUR AGENT

1. How much experience do you have and can you provide references?
2. What services and resources do you offer?
3. How will the home-buying process work and what's expected of me?
4. Are you a full time agent? How much time can you devote to my needs and how often will you communicate with me?
5. Who will you represent. Will you only represent me in an offer?
6. Are you familiar with the neighbourhoods that interest me?
7. How many homes have you helped customers buy in an average year?

Visit edtracyhomes.com and start your search.

Get Pre-Approved



Getting pre-approved for a home loan can be a daunting experience. First, find a mortgage lender that you're comfortable with. If needed, Ed will be happy to provide a referral. Your lender will check your financial standing to determine how much you can borrow, how much you can afford, and which loans might be right for you. Applying for a mortgage requires a written application and supporting documentation; it can be a slightly intimidating process and there are a few things you should be ready for when meeting with your mortgage lender:

1. They will check your credit score:

Knowing your credit score will give lenders an inside look at your credit habits and history and will help them decide if you're a good candidate for a loan. A credit score below 650 will not likely receive an approval from a lender with the best rates.

2. They will check your employment history:

Lenders ask for a list of your past employers, how long you've been with your current employer, and what your annual salary or take-home pay is. They want to make sure you consistently earn money, with no major gaps in income, and can make regular mortgage payments.

3. They will check your assets and debts:

Be prepared to show your past tax records, recent bank statements, and current debt amounts, including credit card debt, car loan, or student loan. Lenders want to know your debt-to-income ratio to know if you can make each loan payment with the income you earn. Minimum of 2 years required.



Start Your Home Search

Depending on your downpayment and mortgage approval amount you've got the choice of single-family, condo, townhome, lakefront, acreage, luxury; you can also choose bungalow, multi-storey, or split-level. In addition, you can choose a pre-existing home or new construction. In other words – you've got options. But what's most important is that you choose a home that complements your lifestyle and your income. To narrow down your choices:

- Know your budget and stick to it.
- Determine a desired location.
- Consider how many bedrooms, bathrooms and square feet you need.
- Decide which amenities are must-haves versus like-to-haves.
- Consider your needs for outdoor space, like a yard or balcony.

Once you've identified your must-haves, browse listings on edtracyhomes.com and ask Ed to send you listings that meet your criteria via email, text message or social media.





Analyze the Photos

Make sure you take a look at all of the photos and spend some time noting where windows are and what the natural light is like in the space. Another good thing to consider when looking through the photos is how your own furniture will look in the space. If the photos of the home are furniture free, allow yourself to mentally place furniture where you think it may look best. If the property is staged, take into consideration where different furniture pieces are placed and how you could change the furniture layout to work for you and your style. Note: pictures shown online may not represent the reality of the space as virtual staging is becoming more common.

Take Note of Potential Fixes/Renos

If you're looking at a property online that may not be quite your style or that needs some upgrades, take note of those. See what elements of the home work for you and which areas you would consider renovating or giving some TLC in the future. And remember, paint colour is an easy, relatively inexpensive change that makes a huge difference in a home!

Consider the Outdoor Space

One thing that many people forget to take into consideration when viewing a home online is the outdoor space. Whether it is a small balcony or a large backyard, outdoor space is definitely something to try to get a feel for when viewing a home virtually. Take account of what furniture you may need to fit into the space or invest in, and what sort of maintenance will be required. Consider how exterior maintenance may be affected by different seasons. Will you need to trim and maintain trees or clear snow from a large driveway? Sunrise or sunset: be sure to check the compass points of the location you are interested in.

3D & Virtual Tours

Many realtors now provide 3D tours or virtual walk-throughs of their listings. 3D tours allow you to view a property from the comfort of your own home, while also giving you the freedom to virtually navigate your way through the property. This will give you a chance to get a feel for the floor plan and layout of a home without having to actually set foot on the property.

Home Styles



Storey-and-a-half

This style has a deep pitched roof and clean, simple design. Dormers can be added to a pitched roof to add windows

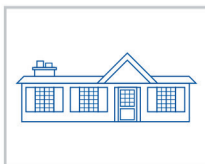
or usable space on the upper level.



Split Level

Also called a split entry, this home style typically has two short sets of stairs running up and down from the point of entry.

It may, or may not, have living space at entry level.



Single-Level

Also referred to as a bungalow is known for a long, low design with all or most living space on ground level. Many have a basement level

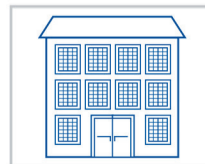
which may be finished into additional living space. A lower level walk-out includes a door to the exterior.



Two-Storey Home

A two storey home has two full levels of living space. A traditional two-storey will have a ground level, with an often equal sized floor directly above.

Often you will find living space on the ground level, with the main suite and additional bedrooms on the second floor. There may also be a basement level.



Condominium

An owned unit in a large property complex that consists of many individual units. Often has a fee that covers shared monthly

expenses for the upkeep of the building and facilities.



Townhouse

An owned unit in a row of houses all attached to one another. Often has a condominium fee that covers shared monthly expenses for the

upkeep of the exterior and any shared facilities.



CHECKLIST

Bedrooms: ☐ 2+ ☐ 3+ ☐ 4+
Bathrooms: ☐ 1+ ☐ 2+ ☐ 3+ ☐ 4+
Dedicated Office Space: ☐ Yes ☐ No
Central Air Conditioning: ☐ Yes ☐ No

☐
☐

Garage: ☐ 1-car ☐ 2-car ☐ 3+ car
☐ Attached ☐ Detached ☐ None

☐
☐

Kitchen Features:

☐ Gas Stove/Cooktop ☐ Gas Oven
☐ Microwave ☐ Dishwasher
☐ Walk-In Pantry ☐ Eat-In Kitchen
☐ Updated Countertops
☐ Fully Renovated

☐
☐

Bedroom Features:

☐ Walk-in closet ☐ Master Bathroom

☐
☐

Bathroom Features:

☐ Double Vanity and Sinks
☐ Bathtub ☐ Double Shower

☐
☐

Additional Indoor Features:

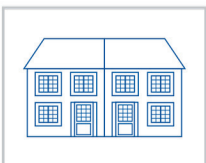
☐ Gas Fireplace ☐ Wood Fireplace
☐ Mudroom ☐ Main Level Laundry
☐ Alarm System ☐ Smart-Home Tech.
☐ Mounted TV or Sound System Wiring
☐ Dedicated Dining Room Basement

☐
☐
☐

Outdoor Features:

☐ Yard Space ☐ Wooded Lot ☐ Balcony
☐ Pool ☐ Fence ☐ Shed
☐ Balcony or Deck Outdoor Entertaining
☐ Area

☐
☐



Semi-Detached

This home has two single family dwellings that are separated by one common wall and have mirror image layouts. Semi-detached

homes typically have two separate street addresses and can be owned by two different homeowners. Since outdoor maintenance is the responsibility of the homeowners, it is important to consider shared expenses that may need to be addressed such as house siding and windows as well as use and upkeep of common spaces such as the yard, landscape or a shared driveway.



Duplex

A duplex is a home consisting of two separate dwellings that are either side by side or stacked on top of each other. They typically

have identical layouts or a mirror image of each other. A duplex typically has one street address with unit numbers and one property owner.



Be Prepared

When you're ready to make an offer, Ed will prepare the required paperwork and negotiate the purchase price and terms on your behalf, but there are a few things you'll need to do as well:

1. Purchase Insurance:

You are required to purchase homeowners insurance if you have a mortgage. Make sure you purchase enough to fully cover your home, and your belongings, in case of a total loss.

2. Get a Home Inspection:

Inspections generally cost a few hundred dollars but will bring to light any major issues or concerns with the home. The Purchase Agreement can be contingent on the outcome of the inspection, so if you don't like what you find you can withdraw the offer and keep looking.

3. Determine the Status of Utilities:

In a traditional home sale, with sellers as occupants, you'll want to check on the status of the utilities required by the home. Outstanding invoices for items such as water, gas, and electric should be paid in full by the owners before closing. You will also want to have the services transferred to your name for billing. Your lawyer will check to see if municipal taxes are up-to-date.

RELIABLE RESOURCES

Don't hesitate to ask Ed for a referral if you're looking for a:

- Mortgage Lender
- Inspector/Appraiser
- Moving Company
- Insurance Provider
- Contractor
- Landscaper

Title Insurance

More than likely your lawyer will offer Title Insurance.

5 BENEFITS OF TITLE INSURANCE:

- Protection Against Title Defects
- Coverage for Real Estate Fraud and Forgery
- Legal Expense Coverage if your ownership is challenged
- One-Time Premium Expense
- Streamlined Real Estate Transactions

Homebuyer's Glossary

By familiarizing yourself with these home-buying basics, you'll be better equipped to make informed decisions and a wise investment.

1. **Amortization:** The length of time allotted to paying off a loan in home-buying terms, the mortgage. Most maximum amortization periods in Canada are 25 years.
2. **Balanced Market:** In a balanced market, there is an equal balance of buyers and sellers in the market, which means reasonable offers are often accepted by sellers, and homes sell within a reasonable amount of time and prices remain stable.
3. **Bridge Financing:** A short-term loan designed to "bridge" the gap for homebuyers who have purchased their new home before selling their existing home. This type of financing is common in a seller's market, allowing homebuyers to purchase without having to sell first.
4. **Buyer's Market:** In a buyer's market, there are more homes on the market than there are buyers, giving the limited number of buyers more choice and greater negotiating power. Homes may stay on the market longer, and prices can be stable or dropping.
5. **Closing:** This is the last step of the real estate transaction, once all the offer conditions outlined in the Agreement of Purchase and Sale have been met and ownership of the property is transferred to the buyer. Once the closing period has passed, the keys are exchanged on the closing date outlined in the offer.
6. **Closing Costs:** The costs associated with "closing" the purchase deal. These costs can include legal and administrative fees related to the home purchase. Closing costs are additional to the purchase price of the home. If the seller has paid taxes in advance, the buyer will have to adjust in favour of the buyer on closing.
7. **Comparative Market Analysis:** Comparative market analysis (CMA) is a report on comparable homes in the area that is used to derive an accurate value for the home in question.
8. **Home Inspection:** The home inspection is performed to identify any existing or potential underlying problems in a home. This not only protects the buyer from risk, but also gives the buyer leverage when negotiating a reduced selling price.
9. **Condominium Ownership:** A form of ownership whereby you own your unit and have an interest in common elements such as the lobby, elevators, halls, parking garage and building exterior. The condominium association is responsible for maintenance of building and common elements, and collects a monthly condo fee from each owner, based on their proportionate share of the building.
10. **Conditions:** This term refers to conditions that have to be met in order for the purchase of a home to be finalized. For example, there may be conditions that the mortgage loan must be approved or the appraised value must be near the final sale price.
11. **Deposit:** An up-front payment made by the buyer to the seller at the time the offer is accepted. The deposit shows the seller that the buyer is serious about the purchase. This amount will be held in trust by the listing brokerage until closing, at which point it is applied to the purchase price. The deposit is due immediately upon acceptance of your offer, typically transferred electronically from your bank to the listing brokerage bank. Should you fail to remove your conditions your deposit will be returned in full.

Homebuyer's Glossary

(cont'd)

12. **Down Payment:** The down payment is the amount of money paid-up front for a home, in order to secure a mortgage. In Canada, the minimum down payment is 5% of the home's total purchase price. Down payments less than 20% of a home's purchase price require mortgage loan insurance. The selling price, minus the deposit and down payment, is the amount of the mortgage loan.
13. **Dual Agency:** Dual agency is when one agent represents both the seller and the buyer in a single real estate transaction; consent of both parties is usually required. Dual agency practices may differ based on province, local rules and brokerage policies. Ask your real estate agent to clarify the dual agency policy if it pertains to your transaction.
14. **Equity:** The difference between a home's market value and the amount owing on the mortgage. This is the portion of the home that has been paid for and is officially "owned."
15. **Fixed-Rate Mortgage:** A fixed-rate mortgage guarantees your interest rate for a pre-determined amount of time, typically 5 years. When the term expires, you have the option to stay with the same lender or switch to a different one.
16. **Land Transfer Tax:** This is the tax payable by the buyer to the province and/or municipality in which the transaction occurred upon transferring land. The amount varies depending on the region, the size of the land and other factors.
17. **High-Ratio Mortgage:** A high-ratio mortgage is a mortgage for which the borrower has less than 20% of the home's purchase price to put towards the down payment. A high-ratio mortgage with a down payment between 5% and 19% of the purchase price requires mortgage loan insurance. In Canada, 5% is the minimum amount required for a down payment.
18. **Home Appraisal:** A qualified professional provides a market value assessment of a home based on several factors such as property size, location, age of the home, etc. This is used to satisfy mortgage requirements, giving mortgage financing companies confirmation of the mortgaged property's value.
19. **Home Buyers' Amount:** This is a non-refundable federal income tax credit on a qualifying home, providing a tax relief to assist first-time buyers with purchase-related costs. Check with your accountant.
20. **Home Buyers' Plan:** A federal program allowing first-time homebuyers to withdraw interest-free funds from their Registered Retirement Savings Plan (RRSP) to help purchase or build a qualifying home. The borrowed amount must be repaid within 15 years to avoid paying a penalty.
21. **Land Survey:** A land survey will identify the property lines. This is not required to purchase a home, but it is recommended and may be required by the mortgage lender to clarify where on the property the owner has jurisdiction. This is important if issues arise between neighbours or the municipality, should the owner wish to make changes in the future such as installing a pool, fence or other renovations involving property lines.
22. **Freehold Ownership:** A form of ownership whereby you own the property and assume responsibility for everything inside and outside the home.
23. **Porting:** Transferring your mortgage (and the existing interest rate and terms) from one property to another.
24. **Seller's Market:** In a seller's market, there are more buyers than there are homes for sale. With fewer homes on the market and more buyers, homes sell quickly in a seller's market. Prices of homes are likely to increase, and there are more likely to be multiple offers on a home. Multiple offers give the seller negotiating power, and conditional offers may be rejected.
25. **Virtual Deals:** The home-buying process completed by means of technology in place of face-to-face contact. Some common digital tools include 360 home tours and video showings, video conference calls, e-documents, e-signatures and e-transfers.



26. **Mortgage Pre-approval:** A mortgage pre-approval helps buyers understand how much they can borrow before going through the mortgage application process. This allows you to make an immediate offer when you find a home, since you know how much you'll be approved for with this lender, and locks in the current interest rate for a period of time, insulating you against near-term rate increases.
27. **Title Insurance:** Title insurance is not mandatory in Canada, but it is highly recommended to protect both the buyer and the mortgage lender against losses related to the property title or ownership, such as unknown title defects, existing liens against the property's title, encroachment issues, title fraud, errors in surveys and public records, and title-related issues that could prevent you from selling, leasing or obtaining a mortgage. Your lawyer can advise you on this.
28. **Mortgage Loan Insurance:** If your down payment is less than 20% of the purchase price of the home, mortgage loan insurance is required. It protects the lender in case of payment default. Premiums are calculated as a percentage of the down payment, changing at the 5%, 10% and 15% thresholds.
29. **Offer:** An offer is a legal agreement to purchase a home. An offer can be conditional on a number of factors, commonly conditional on financing and a home inspection. If the conditions are not met, the buyer can cancel their offer.
30. **Variable Rate Mortgage:** A variable rate mortgage fluctuates with the prime rate. Your monthly payments remain the same, but the proportion of your payment going toward principal versus interest can change.

RE/MAX HALLMARK GROUP OF COMPANIES LOCATIONS

TORONTO ¹

BEACH

2277 Queen St. E
416-699-9292

LESLIEVILLE

785 Queen St. E
416-465-7850

RIVERDALE

630 Danforth Ave.
416-462-1888

COLLEGE

968 College St.
416-531-9680

CENTRAL

170 Merton St.
416-486-5588

BAYVIEW VILLAGE

685 Sheppard Ave. E
Suite 401
416-494-7653

CORPORATE & CAREER DEVELOPMENT CENTRE

1 Duncan Mill Rd.
416-424-3170

OTTAWA ²

CENTRAL OTTAWA

610 Bronson Ave.
613-236-5959

ORLEANS

4366 Innes Rd.
Suite 200
613-590-3000

OTTAWA WEST

2255 Carling Ave.
Suite 101
613-596-5353

DOWNTOWN

344 O'Connor St.
613-563-1155

KANATA

700 Eagleson Rd.
613-663-2720

YORK REGION ³

RICHMOND HILL

9555 Yonge St.
Suite 201
905-883-1521

AURORA

15004 Yonge St.
905-727-1941

DURHAM REGION ⁴

PICKERING

1154 Kingston Rd
905-831-3300

AJAX

314 Harwood Ave. S
Suite 200
905-683-5000

WHITBY

304 Brock St. S
2nd. Floor
905-668-3800

SIMCOE COUNTY ⁵

BARRIE (NORTH)

152 Bayfield St.
705-722-7100

BARRIE (SOUTH)

112 Caplan Ave.
705-722-7100

INNISFIL

2095 Thompson St.
705-431-7100

ALLISTON

20 Victoria St. W
705-435-5556

BRADFORD

450 Holland St. W
905-778-0292

TOTTENHAM

22 Queen St. S
905-936-3500

REGIONAL ⁶

OAKVILLE

515 Dundas St. W
905-257-7500



1 - RE/MAX Hallmark Realty LTD.
2 - RE/MAX Hallmark Group Realty
3 - RE/MAX Hallmark York Group Realty LTD.
4 - RE/MAX Hallmark First Group Realty LTD.
5 - RE/MAX Hallmark Chay Group Realty LTD.
6 - RE/MAX Hallmark Alliance Realty



NOTES



RE/MAX HALLMARK
GROUP OF COMPANIES | RAISING THE BAR

TORONTO | OTTAWA | YORK REGION | DURHAM REGION | SIMCOE COUNTY | LONDON | OAKVILLE

edtracyhomes.com

Raising The Bar in Real Estate

Each office independently owned and operated. The information contained in this guide is for informational and educational purposes only, and is not legal, business, or real estate advice. Even though we have taken every reasonable effort to attempt to make sure that the information presented is accurate, up-to-date, and useful, we can not guarantee that it is complete, correct, or current. This guide is not a substitute for professional advice. Real estate laws, regulations, and practices may vary from market to market. Consult with local professionals for specific advice.