



How to Save Thousands on Your Next Home Purchase

Lindsey Smith, CIR REALTY Professional Development Manager

While this is not a comprehensive list of everything that needs to be followed when deciding to purchase real estate, it is a list of important items for buyers to take under serious consideration.



- **Use a REALTOR®!** As members of the **Canadian Real Estate Association (CREA®)**, each REALTOR® adheres to a strict code of ethics and provides a wide variety of beneficial services for buyers and sellers.

- **Have your REALTOR® provide a detailed market value evaluation on the property you are considering purchasing.** In other words, make sure that your REALTOR® compares the property you are purchasing with other homes in the area that have recently sold. Note: It is more important to examine recent sales rather than the current active listing inventory or expired listing inventory, because they show what buyers are ACTUALLY willing to pay in the current marketplace. It is still important to see what other homes are listed for or have been listed for but did not sell, while keeping your focus on what similar properties have recently sold for.

- **Get a home inspection.** Many times buyers will choose to purchase a home without having the home

inspected by a qualified professional. If an inspection is performed and flaws are identified, you can generally ask the seller to repair or fix any problem items that are discovered or get an allowance deducted from the negotiated off the price of the home. If it is a defect that cannot be resolved and falls within the parameters of the property inspection condition agreed upon at the time the contract was negotiated, you can choose to walk away from the property.

- **Enter into a Buyer Agency Relationship (Buyer Brokerage Agreement) with your REALTOR®.** It is important to understand that agency issues can play a big role in the purchase or sale of a home. By having your real estate associate work with you under contract (Buyer Brokerage Agreement), the duties and services they will provide as your REALTOR® are clearly established in writing. Make certain that the real estate professional you hire demonstrates, and communicates to you, a good clear understanding of agency and its implications.

• **Offer a good deposit.** Often, buyers offer very little money down as a deposit when negotiating the purchase of a home. Unfortunately, to the seller, it shows little commitment on your part to complete the purchase of the home. A larger deposit shows your sincerity and your intent to complete the purchase, and can be a factor in the negotiation of the purchase price.

• **Watch important timelines.** With most real estate contracts, there are important dates and timelines that must be strictly followed. How quickly the home inspection must be completed, when to review the title, how quickly your financing approval must be obtained, when the contract has to be communicated to the other party and more. A good real estate associate, acting on your behalf, will follow these guidelines and make sure that you meet each and every deadline. However, it is also good practice for you, as the buyer, to make note of the deadlines to ensure you are enabling the process in moving forward in a timely manner.

• **Shop around for your mortgage financing.** Buyers usually only think to approach their bank to apply for a mortgage, but a mortgage broker can source multiple lenders thus making it an easier process for you to explore all available options. Before authorizing your credit being pulled or signing other documents with a lender, be sure to find out the interest rate, closing costs and any hidden fees associated with the mortgage they are offering you. You can also request that the lender reduce part of the closing cost and ask if any of the fees are negotiable. Many times lenders' fees are not set in stone and

can be negotiated or removed from the cost of the loan (you can ask your mortgage broker to negotiate this for you). For example, some lenders will waive the cost of a credit report or appraisal fee to encourage you to do business with them. The important point is for you, as a purchaser, to ASK if any of the costs for the loan can be eliminated or discounted.

• **Insist the seller provide a Real Property Report (RPR) with municipal compliance.** You want to ensure that the seller provides you with a RPR, a survey of the land and buildings you are purchasing, which reflects the current placement of structures on the parcel you are purchasing.

• **Purchase title insurance.** Discuss what coverage you need, in terms of title insurance, with your real estate lawyer. There are different levels of title insurance coverage that can cover you from a myriad of potential issues, such as identity fraud, development done with lack of permits, encroachments, etc. Ask your lawyer for advice as to whether you should purchase this type of coverage, as usually you can only purchase this type of insurance at the point of purchasing the property.

• **If purchasing a condominium, read all condominium documents.** Be sure to have a Condominium Document Condition subject to your satisfaction in the contract and that you carefully read all of the documents of the condominium corporation. Consult a professional to review the documents and provide you with an analysis of the health of the condominium corporation before

purchasing any property with this type of ownership.

• **Take your time before you purchase.** It is always a good idea to look at several homes before making a decision. Don't feel as though you have to buy the first home you look at. Comparing the one you are interested in with others that are similar, can help you determine the value of the home you would like to purchase.