



## WHAT HOME BUYERS SHOULD CONSIDER

**CALL FOR ADVICE ON THIS GUIDE**

**This Guide is brought to you by CWF GROUP INC.**

Buying a home is one of the biggest emotional and financial decisions you'll ever make for yourself and your family, so prepare yourself to make a knowledgeable decision.

**You may want to consider the following 7 steps:**

1. Choose the type of home that meets your lifestyle
2. Determine what you can afford → **OBTAIN A PRE-APPROVAL**
3. Research your builder
4. Talk with a real estate lawyer
5. Prepare for your pre-delivery inspection
6. Complete and submit any required Statutory Warranty Forms on time
7. Maintain your home through the seasons

## Properties for Consideration

The list below shows the details of various properties that you may need to keep your eyes on. It could also be utilized for comparisons towards different properties.

<b>Part One: Property Summary</b>			
Address			
Day of Opening			
Size of Property			
Day of Move			
<b>Part Two: Construction</b>			
Property Types (Condo, Apartment, Townhouse, House, Semi- Duplex, Row House)			
Number of Bedrooms			
Number of Bathrooms			
Garage	YES	NO	How Many
Parking Spots	YES	NO	How Many
<b>Machinery Systems</b>			
Heater			
Type of Heating	Oil	Natural Gas	AGE
Heat Recovery Ventilator (HRV)	YES	NO	
Air Conditioner			
Central Air Conditioning	YES	NO	AGE
<b>Watering Systems</b>			
Wastewater Management System			
Water Source			
<b>Electrical Systems</b>			
Wires	Knob	Tube	
<b>Caution:</b> There might not be enough outlets for the electrical, such as microwaves, computers, printers, TVs, games etc. in an old house.			
<b>Part Three: Other Facilities</b>			
Fireplace			
Swimming Pool			
Shacks			
<b>Part Four: Included Utilities</b>			
Electrics			
Dish Washer	YES	NO	
Washing Machine	YES	NO	
Dryer	YES	NO	
Fridge	YES	NO	
Stove	YES	NO	
Windows Accessories (Curtains, window blinds etc.)	YES	NO	
Electrical Accessories (Indoor or Outdoor Lights)	YES	NO	
Others			
<b>Part Five: Locations (Close To...)</b>			
Schools	YES	NO	Distance
Work	YES	NO	Distance
Public Transportation	YES	NO	Distance
Shopping	YES	NO	Distance
Park	YES	NO	Distance
Highway	YES	NO	Distance
Transportation Capabilities	High	Medium	Low
Airport or a train station	YES	NO	

<b>Part Six: Buying Expenses</b>					
Property Tax					
Repairing and Maintenance					
Home Security Installment					
Locks Changed					
Landscaping Improvement					
Parking Permits					
<b>Part Seven: Property Conditions</b>					
Graded with 1 to 5. 1 indicates bad conditions / repairing needed; 5 indicates good conditions					
Doors and Windows (Wood surface, frame, cap, leakage etc.)	1	2	3	4	5
Floor Conditions	1	2	3	4	5
Exterior wood (Walls)	1	2	3	4	5
Roofing and flashing for signs of wear or damage	1	2	3	4	5
Landscaping	1	2	3	4	5
Garage (Conditions, electrical switch etc.)	1	2	3	4	5

## Home/Condo Buying Expenses

Chart A- Expenses of buying a home/condo may include:

1. GST on property price (For newly constructed and substantially renovated homes, 5% GST is applied on the purchase price. GST is often included in the quoted sales price. New home buyers can apply for a partial rebate of the GST if the property bought is going to be the primary place of residence. GST rebate reduces proportionately with more expensive homes)
2. Upgrades from builder standard finishes
3. Ontario New Home Warranty registration
4. Condominium reserve fund (condos only)
5. Condominium occupancy fees (condos only)
6. Water/hydro meter installation charges
7. Paving holdback
8. Landscaping/tree planting
9. School/education levy
10. Subdivision damage deposit
11. Subdivision grading deposit
12. Legal fee relating to mortgages arranged through the builder
13. Vendor's lawyer insurance levy surcharges
14. Furnishings, appliances and repairs
15. GST/PST on extras and appliances
16. Realty tax deposits

**Caution!** Above adjustments can add up to thousands of dollars, if not properly reviewed and capped.

## Home Buying Expenses/Closing Cost

Buying a home involves one-time costs and monthly expenses (property taxes, mortgage, condo fee; if applicable, home insurance and utilities). The largest one-time cost is the down payment. It usually represents between 5-20% of the total price of the property. The list below shows the expenses and when they need to be applied.

<b>Mortgage application fee</b> things to prepare for: -purchase agreement -conditions (upon financing) -appraisal -floor plan -tax statements (line 150 is important) -credit application	At Time of Application	Negotiable in most cases fees can be waived
<b>Home inspection</b> for structural and mechanical condition.	Upon offer of acceptance	
<b>Property appraisal fee</b>	Closing Cost	Some lenders may cover this fee
<b>Home/Condo buying expenses</b> (please refer to Chart A)	Closing Cost	
<b>Property tax holdback</b>	Closing Cost	
<b>Legal fees</b> Agreement Package usually to be send by Real Estate Agent to Lawyer for review. Fees cover: -reviewing terms of the offer -signing over a mortgage -conducting a title search on the property -registering a new title -obtaining relevant documentation -determining appropriate adjustment costs	Closing Cost	Approx. \$600 + GST
<b>Disbursements (also part of Lawyer fees)</b> search costs, executions certificate, photocopies, postage, fax transmissions, couriers, mileage, bank charges	Closing Cost	Approx. \$400 + GST
<b>Deed and/or mortgage registration</b>	Closing Cost	Approx. \$150
<b>Property survey (sometimes provided by seller) or Title insurance</b> to verify the: - property's boundaries - measurements and structures - identify any easements, rights of way or encroachments on your, or adjacent properties.	Closing Cost	Approx. \$350
<b>Land transfer tax</b> only required on resale homes First 250k, (1% - \$275) Next 250-400k, (1.5%) Next 400k +, (2%)	Closing Cost	Ex 1. 250k home \$2225.00 Ex 2. 400k home \$4475.00
<b>Mortgage interest adjustment/Mortgage assumption fees (if applicable)</b> covers any gap between the closing date of the purchase and the first payment date of the mortgage	Closing Cost	

<b>Adjustment costs</b> are payments made to seller for prepaid property taxes, condo fees and utility bills (gas, hydro, water)	Closing Cost	
<b>Home closing insurance (optional)</b> (Fire Insurance is Mandatory before Closing)	Closing Cost	Approx \$40/mth
<b>Connection charges for utilities</b> (Gas, Electricity, Telephone, Internet, Cable TV)	Date of Move	Negotiable in most cases fees can be waived
<b>Moving expenses</b>	Date of Move	
<b>Mortgage payments</b>	Ongoing	
<b>Property taxes</b>	Ongoing	Estimated at 1% of property purchase price
<b>Condo fees (for condos)</b>	Ongoing	
<b>Utility costs</b>	Ongoing	Gas, Electricity, Telephone, Internet, Cable TV
<b>Alarm monitoring</b>	Ongoing	Optional
<b>Home insurance</b>	Ongoing	Approx \$40/mth
<b>Property Mortgage Insurance- PMI (from CMHC)</b> mandatory if down payment is less than 20%	Ongoing	Loan to Value Ratio -> Premium on Total Loan Amount Upto 65% → 0.5% Upto 75% → 0.65% Upto 80% → 1.00% Upto 85% → 1.75% Upto 90% → 2.00% Upto 95% → Traditional 2.75% Non Traditional 2.90% + Provincial Tax
<b><i>Mortgage Insurance (Life and CI)</i></b> <b><i>highly recommended</i></b>	Ongoing	<b><i>Find a CWF Financial Advisor</i></b> <b><i>1-888-CWF(293)-8040</i></b>
<b>Maintenance</b>	Ongoing	

**Note: All information presented on this document is for reference only and CWF will not guarantee its accuracy.**

## Work Cited:

<http://www.cwfgroup.com>

<http://www.realestate-ontario.com/homebuyingexpenses.htm>

[http://www.cmhc-schl.gc.ca/en/co/buho/hostst/hostst\\_010.cfm](http://www.cmhc-schl.gc.ca/en/co/buho/hostst/hostst_010.cfm)