

# **BRANDON'S** **BUYER'S** **GUIDE**

**FOR MILLENNIALS**



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# WHAT MAKES MILLENNIALS DIFFERENT?

You don't buy your clothes down at the "Department Store" like your parents did, do you? And I'm guessing you probably don't listen to your music through a Walkman like they did either, right? So why would you want to buy a home the same way that they did?

When it comes to purchasing a home, Millennials have a different set of needs that must be considered.

We are a different generation with different requirements. We buy our products differently. We shop for our clothes differently. And yes, we buy our homes differently. Thanks to modern-day technology at our fingertips, and the ability to connect and communicate with anyone, anywhere, at any time, the way we do just about everything is "different".

EVERYTHING is done online nowadays. People shop for their clothes online, they buy their shoes online, they even buy their cars online. And now, more than ever, people are buying their homes online too. Don't believe me? Here are a couple stats to prove it:

- 90% of home buyers searched online during their home buying process.
- Real estate related searches on Google have grown 253% over the past 4 years!

So what do we do that makes us different? How are we more suited to serve Millennials better than any other real estate team in the city? Here are just a few examples:

- **FaceTime Property Tours**

This saves you countless hours of viewing properties that you may not like. I tour the initial properties virtually with you over FaceTime so that you can quickly narrow down your favorites to view in person, without even having to leave your own home! It's efficient, fun, and effective.

- **eSign your documents**

Using tools like DocuSign and Authentisign, you can quickly and easily sign off on offers, agreements and contracts with just a few clicks, saving your tons of time and commute.

- **Automatic Listing Alerts**

No need to keep checking the web every morning for new listings or price changes.

We set you up to receive automatic notifications that will alert you every time a home that fits your criteria is listed for sale!

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The world of Real Estate is changing! Our priority is to make sure that Millennials get the absolute best experience and representation possible when buying a home. Best of all, our service is absolutely **FREE!**

We are Real Estate for the modern age.  
Real Estate for Millennials.

# IS IT A GOOD TIME TO BUY RIGHT NOW?



## **1. Mortgage Rates are still low**

This will allow you to purchase your new home, and get a new mortgage at a lower rate, and lock it in for the next 5 years before the Bank of Canada raises them again.

## **2. Spring/Summer is HERE!**

As we enter the Spring and Summer seasons, we can expect to see many more homes coming on the market, which means more inventory for you to choose from!

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In this portion of the guide, we will go through some popular questions and misconceptions being asked when buying a home.

### **Questions Like:**

1. Is this the best time to buy a home?
2. What type of home is right for me?
3. Should I buy a home now?
4. Do I need a real estate agent?
5. Do I want the lowest interest rate?



# **1. IS THIS THE BEST TIME TO BUY A HOME?**

Determining when is the best time to buy a home really depends on your own personal and financial situation. There is an old saying that reads "the best time to buy a home was yesterday". This refers to the general notion that real estate is a great investment, more often than not. When choosing to buy a home, the most important question to ask yourself is: "Am I in a good financial position to purchase and maintain a home?" If the answer is yes, then buying a home in today's current market may be a great idea. The next step would be determining which properties fit your needs and have value in them, based on the current state of the market. That's where having a great Real Estate Agent comes in handy.

As we enter into the Spring and Summer seasons, we can expect to see many more homes coming on the market (higher inventory). Due to this higher inventory, sellers tend to be more flexible on pricing, allowing you to make more aggressive offers. The home prices are starting to stabilize which means that you will be able to get a home for a fair price, before home prices start to increase.

**So to summarize, here is a quick and easy checklist:**

- Am I in a good place in my life to be able to maintain a home? ☐
- Am I in a place, financially, to afford paying for a mortgage and potential maintenance on a property? ☐
- Am I sure that the home I am about to buy is a good price and has a lot of value for me? ☐
- Does this home fit my needs? ☐



## 2. WHAT TYPE OF HOME IS RIGHT FOR ME?

Your lifestyle, family and personal needs and wants will determine exactly what type of home you will want to own. The 3 most common home types are categorized below to help you decide.

### ***Single family Detached House:***

This is a freestanding house, which **does not** share a wall with any other house.

### ***Single Family Attached House:***

This is either a duplex where the house is sharing one wall with another house, or a town home where both sides of the house will be shared with another house. Attached homes are typically cheaper than detached homes, but the neighborhood, home condition and features will all need to be taken into account when determining pricing.

### ***Condominium:***

The last type of home ownership is a condominium. This type of home usually refers to units in apartment buildings. They are found in either high or low-rise buildings and usually have condos fees associated with them.

### **3. WHAT TYPE OF MORTGAGE DO I NEED?**

There are two types of mortgages that are typically associated with buying a residential property. Below will help you understand the difference so that you can choose the one that fits your situation the best.

#### **Variable Rate Mortgage**

Your interest rate is the current rate indicated.

With this type of mortgage, your interest may change to reflect the current rate at specified intervals of time. If the interest rate drops, more of your payment goes towards the principal and less goes towards interest. If the interest rate increases, then less of your payment goes towards principle and more goes towards interest.

**OR**

#### **Fixed Rate Mortgage**

You agree on an interest rate with your lender and this rate gets locked into the term of the mortgage. You won't pay more if interest goes up, but you also won't pay less if interest goes down.

**Now that you have selected whether you want a fixed or variable mortgage, it's time to know the difference between a mortgage pre-approval and a final mortgage approval.**

# PRE-APPROVAL

Before you start shopping around, you are going to want to get a mortgage pre-approval. This process gives you your buying power since you will know how much you are able to spend. It helps you look for homes in your budget so you don't waste your time with homes above or below what you can afford. You don't necessarily need to spend this entire amount, it just lets you know your ceiling amount.

The pre-approval is also important because it allows you to lock in a certain interest rate for the next 120 days. If the rates go up in that time, you can keep your lower rate when you got your pre-approval. If the rates go down, you can take that lower rate instead.

# FINAL APPROVAL

Having a pre-approval **does not** mean you will receive a final mortgage approval. This is because the lender you have will conduct a property appraisal to make sure you are paying a fair market value. Also note that the amount of your mortgage will change depending on the size of down payment you make. The larger the down payment, the lower your monthly mortgage amount will be. Any down payment under 20% will require you to get mortgage insurance which is to protect the lender.

\*Buyer's Tip: Get a pre-approval first before you start your home search. This will save you a ton of time (and headache) later down the line!

## 4. DO I NEED A REAL ESTATE AGENT?

You can locate, negotiate and complete the home buying process without a real estate agent. Though this route is far more difficult and will likely cost you more in the long run. If you choose the route of using a professional real estate agent, you get the benefit of their knowledge of the local real estate market, best suited neighborhoods for you and up to date listings, as well as historical data so you don't over pay for a home. With the benefits of using a real estate agent, you will ensure a positive buying experience, that is risk free, as the real estate agent's commissions are covered by the seller, so its **FREE** for you!

## 5. SHOULD I BUY A HOME NOW?

Buying a home is one of the biggest, most exciting moments of your life. Your home will be one of your most important investments you will make. It's more than just a roof over your head. It's where you'll live, eat, sleep, play and raise a family. But the answer to this question is determined by your own personal and financial situation, and can only be answered by you.



# **WHAT I NEED AND WANT IN MY NEW HOME**

Before you decide on a home, you need to create a list of “needs and wants” that you would like in your home.

**Your “needs” are non-negotiable items such as the number of bedrooms, number of bathrooms etc.**

**Your “wants” are perks that you would like to see in a home, but are possibly willing to compromise on, such as a finished basement, 5-piece ensuite, gas fireplace, etc.**

On the next page I have included a few questions for you to get your list started.



# AMENITIES

How many bathrooms and bedrooms do you need to see? Would like you to see the basement developed? Do you prefer an open floor plan? Would you like to see features like a separate formal dining room, mudroom, home office, den, storage, fireplace, central vacuum?

# HOME CONDITION

Are you in the market for a brand-new home, or something older to make your budget work? Are you looking for the place to be move-in ready? Or maybe a fixer-upper that you can put work into and renovate to your taste?

# LOCATION

Where exactly are you looking to live? Inner-city, suburbs, or maybe on an acreage with more land? Do you have a list of neighborhoods you prefer? What is important for you as far as external amenities are concerned? Do you want/need to be near transit? Schools? Shopping malls? Do you need/want to be near friends or family for convenience?

# HOW TO BE A **SMART** BUYER

Now that you have gotten your mortgage pre-approved and you have teamed up with a real estate agent that has your best interest in mind, it's time to shop around!

Normally, this part of the process is the most time consuming as you will need to clear time in your day to chat back and forth with the agent, see all of the homes in person, and reflect on the homes that you are being shown. This is where our FaceTime tours will really help save you time.

# HOW TO BE A SMART BUYER

It's important to keep in mind that the photographers pictures of the home are in the best interest of the seller. This means that they may not include some of the aspects that you want to see. Most homes are staged to be appealing to a buyer so it's also important to look past the staging to really see the home for what it truly is, rather than how it is decorated.

Things like paint color and flooring can be changed if they don't fit what you're looking for. We recommend that you take your own pictures as well so that when you are reviewing all of the homes later, you can reference your pictures to help make the decision easier.

# HOW TO BE A SMART BUYER

A smart buyer knows to have an open mind when house shopping since there is virtually no such thing as a home that crosses off absolutely everything from your list. This is why it's important that you have your "needs" list so that you know right away what you can't compromise on. Regardless of how great the home looks, it's very important to hire a home inspector (after your offer has been accepted). They have an unbiased eye and are professionals at finding 'deal breakers' that you might not have seen. Things like mold, rot, poor electrical, cracked foundation, etc.

# HOW TO BE A SMART BUYER

Have the future in mind. You are also buying this home for you in the future. You need something that fits your current lifestyle but also will accommodate your lifestyle later down the line. If you are planning on living in the home for a shorter period of time, you should look out for features that make the home great for reselling.

Once you decide on the home, tell your agent right away so that they can submit your offer as soon as possible. This way there is less of a chance of it being purchased by someone else. Your agent will help you with all the details like your maximum offer, term flexibility, conditions, possession date and other strategies so that the seller will accept your best offer



# HIDDEN COSTS OF HOME OWNERSHIP



It's important for buyers to understand that a home's sale-price isn't all that they have to pay for. Some costs are obvious and up front, and others may be hidden, or come up after the sale. Knowing these costs will help you prepare and help to calculate your mortgage loan. Below are **some** of the costs that you can anticipate:

1. Home Appraisal Costs

2. Home Inspection

3. Legal Fees / Lawyer Fees

4. Real Property Report

5. Title Insurance

6. Home Insurance

7. Moving Costs

# 1. HOME APPRAISAL COSTS

A Home appraisal is performed by a qualified professional to provide the buyer with an accurate market value of the home. Some mortgage lenders will require this to be completed, others won't so some buyers just have it performed for peace of mind. This is different than a Comparative Market Analysis (CMA) which is performed by a real estate agent. The reports are very similar to a CMA in that it will determine what you should be willing to pay for a home, while still being in a range acceptable to the seller. A home appraisal looks at physical attributes of a home and can range in price between \$300-\$400 range.

## 2. HOME INSPECTION

A home inspection is performed to identify any underlying problems with the house, potential problems in the near future, and protects the buyer from risk. The buyer can also use this to negotiate with the seller to get a reduced selling price if problems are determined with the house. A home inspection can range in price between \$250-\$500 depending on the size and condition of the house.

### **3. LEGAL FEES / LAWYER FEES**

In order to buy or sell or home in Canada, you will need to hire a real estate lawyer. These lawyers will handle all of the legal paperwork, title transfer with the city, and will be able to notify you of any potential leans or outstanding balances on the home such as unpaid taxes or condo fees.

### **4. REAL PROPERTY REPORT**

An updated Real Property Report (RPR) should be provided by the seller, but if it isn't or it wasn't updated before the purchase of the home, it will be required to complete the sale of the property, unless the buyer agrees to proceed without it. Generally speaking, it is the responsibility of the seller to provide an up-to-date RPR to the buyer. An RPR can range in price from \$300-\$1000.

## 5. TITLE INSURANCE

Title insurance is normally advised to you by your lawyer and is a type of protection against any defects of title to the property. For example, if a previous owner undertook major renovations without proper permits, you would be protected against any costs required to bring the house up to code. Title insurance is a one-time payment normally around \$400–\$500. Generally speaking, title insurance is only required if the seller does not have a Real Property Report to provide you.



## 6. HOME INSURANCE

Home insurance protects the owner from potential risks that could occur, such as damages, fire or theft. Insurance is required by mortgage lenders and will vary in cost based on the size of the property, age of the home, condition of electrical wiring and plumbing, and even the neighbourhood.

Past credit problems can increase the cost of your premiums. Home insurance can range in price between \$400-\$1,200+ annually.



## 7. MOVING COSTS

The cost of moving your belongings can be substantial.

The cost of moving will vary depending if you use professional or local movers, friends/family, as well as the size and number of belongings you need moved.

Though it may not seem like something that would cost very much, it is a cost that shouldn't be overlooked especially if you require professional movers. Next, we go over tips for a hassle-free move.

# HASSLE-FREE MOVING TIPS!



- Decide whether you want to pack yourself or have the moving company pack for you. Most moving companies offer packing, moving and storage services, all in one. Understand that this will be an additional charge.
- Once decided, write out a daily action plan on what you need to get done, and by what time. By doing this, you will know what day is the best day for the movers to come.
- Book the moving company for your organized date. Don't book the first one you see. Make sure you check out reviews online through Google, Homestars etc. Just because the moving company has the best rates, does not mean they will be your best option.

- If you are getting help from friends or family instead, make sure you give them plenty of notice and offer other perks like drinks or food.
- Get rid of anything that you no longer need. This will give your new place a fresh start. The more you get rid of, the less you will have to pack. You can consider having a garage sale or donating the items to a local charity/organization.
- Gather packing supplies. You can purchase quality moving boxes from companies like UPS and Home Depot. For free boxes, you can usually ask liquor stores, grocery stores or places like McDonald's for boxes they are going to throw out.
- Don't forget to arrange your utility cancellations like your water bill, cable bill, electricity bill and other bills attached to the home you are moving from.
- Call Canada Post and your other bill providers to update them with your new address to continue receiving your mail.

# PACKING TIPS



- Being organized is a critical part of packing. If you don't label your boxes/bins, it will make putting things away at your new home difficult.
- If you are using a moving company, sometimes they will be wardrobe boxes that are designed for your clothes. You can call ahead and request them.
- For packing kitchens, use smaller boxes with paper in-between. This will ensure that your breakable items like dishes, aren't rattling around in a large box. For fragile items, make sure you label them so that the moving company/whoever is helping knows to be careful.

- Try keeping your electronics/cords in separate boxes. This is so that when you unpack, you won't be completely lost as to what cable goes with what electronic item.
- For important items or documents, see if you can move them in your car. This way you know for sure that they will get to the new house and are easy to access.
- Don't pack your cleaning supplies. You will need these to do a final clean once everything is moved out.
- When everything is moved out and you have done a final clean, take pictures around the house for your reference showing that the home was left in a good, clean condition.
- Once you get to your new home, worry about getting the right boxes near the right rooms. It isn't necessary to start unpacking everything right away.

**THAT'S IT!**

**ARE YOU  
READY TO BUY  
A HOME IN THIS  
AMAZING  
MARKET?**

**I'M HERE TO  
HELP!**





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