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Table of Contents

Introduction	4
Choosing Your Location.....	5
Carefully Evaluating Properties.....	6
Choosing A Realtor.....	7
Pay Attention To Market Trends	7
Evaluating Your Finance Options.....	9
Hire a Home Inspector	10

Introduction

When it comes to buying your first home, there are a few things that you need to know in order to secure a satisfying deal, while limiting the risks.

Buying a home should be a fun and rewarding experience, and the more carefully you plan things out, the easier it will be to evaluate your options and make an informed decision regarding the property that you buy.

From evaluating neighborhoods, to selecting a realtor that will work with you based on your needs, this report highlights the most important factors when purchasing your home.

Let's begin!

Choosing Your Location

In real estate, ***location is everything*** and depending on what your personal preferences are, you should expect the costs of properties to change based on location, even when all other features and factors are similar.

For example, if you choose to live just outside of a city zone, a property of the same age and size could be as much as \$50,000 cheaper than a property inside of a city zone.

You will also want to consider what is available in different areas, based on what is most important to you. Are there grocery stores local to the neighborhoods you are evaluating? Are there late night conveniences? Entertainment? Doctors? Schools?

All of these factors will influence your decision to buy within certain areas, and if you have small children, you'll also want to consider the quality of the schools in the same way that if you require regular medical treatment, you'll want to make sure that there are medical facilities near your home.

For many homebuyers, location is the most important component when choosing a property and it's also the key factor in which they spend the most time evaluating. You want the conveniences that are of most importance to you!

If you are considering purchasing a property outside of a city zone based on the savings, you'll also want to make sure that the lower property rate is justified based on the costs to commute.

On the other hand, if you are interested in living within city limits, you will want to pay attention to additional costs and factors such as metered water, sewage

costs, pet restrictions and any by-laws that you may be affected by.

Carefully Evaluating Properties

Driving by a property isn't enough, and even if you love the layout, structure and design of a home, there are outside factors that should influence your decision to buy.

Some of these things may include:

- Choosing a neighborhood reflective of your own lifestyle.
- Considering the layout of a home (open concept, 3 story, etc)
- Considering the size of the property and whether there is room to expand.
- Choosing a property with adequate privacy.
- Choosing a property with a backyard, trees or fencing.
- Choosing a property that offers features most important to you.
- Whether the property needs improvements (and costs associated)
- Evaluating the different real estate companies available to you.
- Understanding zoning regulations, the housing market, additional costs.

There are many things to keep in mind when buying a home, and if it's your first time purchasing a property, it can become overwhelming.

Rest assured, that your real estate broker and attorney will take care of many of these things, but you want to take a hands on approach when evaluating properties and considering your options so that you can get the best deal possible.

Choosing A Realtor

Finding the right realtor when buying a home depends on what you are looking for in a home. You may have to visit several realtors before finding one that listens to your wants and needs.

After all, you will probably be paying them a commission once you have found a home, so you should be comfortable working with them during the house hunting process.

Asking plenty of questions before looking at houses may seem like a lot of work, but when you visit a realtor for the first time, you should think about questions that will help you get to know this person who is going to help you find your dream home. The five best questions to ask are:

1. Are you typically a buying or listing realtor?
2. How long have you been in the real estate business?
3. Which neighborhoods are you the most familiar with?
4. How many homes do you have or know about ones that will fit my needs?
5. Do you have a team that you work with in case I need to see a property right away?

Once you have asked these questions, you should be looking for honest and complete answers, good communication, and honesty. These are questions that the realtor should have practice in answering and should not have to give you a standard 'salesperson' answer.

Pay Attention To Market Trends

By paying attention to current housing trends and keeping a watchful eye on the homes in your area, you will be able to make an offer on a home that will be accepted.

While the market is continually changing, it is a useful tool for those who are on a budget, who want to find a home that is large enough to suit their needs, and will be worth more when it is time to sell it.

When watching the housing market, consider the following:

- The number of homes that are in your area
- The number of days the homes have been on the market
- The price of a new home compared to those that are being sold by homeowners
- The price of renting vs. buying
- The number of homes that are in your price range
- The highest price you can pay when buying a home
- Interest rates in comparison to housing prices, and
- The time of year

Different seasons can be a good time to buy a home for several reasons:

- Weather can affect market conditions
- Inventory of homes can be lower at certain times
- Prices can be more stable
- People may be more willing to reduce their asking price

There will be plenty of people who could not sell their homes in certain months of the year and who are trying to sell before a certain time (school finishing, job change, etc). Homeowners that need to sell their homes before a certain time are more willing to reduce the price of their homes. Ask your Realtor when is the best time to buy in your area.

Evaluating Your Finance Options

Deciding which home loan is the right one for you will depend on what you qualify for and what your lender is willing to give you. There are a few types of mortgage loans, including:

- Fixed rate mortgage loans
- Adjustable rate mortgage loans
- Vendor take back mortgages

You should be familiar with these loans so that you will be able to make an informed decision when it comes to financing your new home.

Fixed Rate Mortgage Loans

For first time home buyers who are on a strict budget, choosing a fixed rate mortgage may be the loan for you. Your monthly payment will never change for the life of the loan because you will lock into the interest rate given at the time the loan was processed. You can take out loans that range from ten to twenty five years.

There are many advantages to taking out mortgage loans that have fixed rates. You will be able to create a monthly budget for yourself, you will never be surprised by the amount you will have to pay each month, and you will be able to lock into a low interest rate.

Adjustable Rate Mortgage Loans

If you expect to make more money in the next few years, and want to buy a bigger home, you may be interested in an adjustable rate mortgage. The major difference between an adjustable rate mortgage and a fixed rate mortgage is that the interest rate will vary year to year in an adjustable rate mortgage.

Where To Find A Lender

These days there are many places to find a mortgage lender, such as:

- Newspaper Advertisements
- Television Advertisements
- Family or Friends
- Your Current Lender
- Your Current Bank
- Online, or
- Realtor Referral

Hire a Home Inspector

A home inspection will give you a chance to discover more about the home before you purchase it. In case there are serious problems with the foundation, mold issues, or underground leaks, you will be prepared to ask for repairs, a reduced price, or walk away from the property.

A thorough home inspection will include checking the following:

- Electrical systems
- Heating and cooling systems
- Foundation
- Siding
- Structural elements
- Roof
- Insulation
- Doors and windows, and
- Plumbing

If you are buying a new or used home, it is best to have a home inspection before signing the final paperwork. Once the inspection report comes back, you will have the opportunity to ask the homeowners for a price reduction, go ahead and buy the home anyway, or ask the homeowners to make the necessary repairs.

There are a few places to turn to when looking for a home inspector:

- Your real estate agent
- References from friends and family
- The phone book, and
- Contractors

Ask around and see if you can get references of other homeowners that will give you a good report. Many home inspectors work freelance and only work certain days during the week.

They are trained in home inspection and many are retired contractors, builders, electricians, and plumbers who know what they are looking for!

Looking for a **Complete Guide** to saving
money and eliminating risks when
Buying your first home?

Check Out The “Home Buyers Handbook” At:

<http://www.HomeStu.ca>

