



**LAW OFFICE OF
ATHENA NARSINGH**

WHAT TO EXPECT WHEN YOU WANT TO BUY A HOME:

First-time homebuyer edition

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This guide is not legal advice. If you have questions or need advice about your case, you should speak to a lawyer.

Step 1: Talk to a mortgage broker

You will need to know the mortgage amount you can qualify for and what your monthly mortgage payment will be. This will help you understand your budget and the purchase price you can afford.

Here is a sample of what types of monthly expenses you can incur:

Mortgage	1958
Maintenance	210
Hydro	150
Waste Management	80
Property Tax	167
Home Insurance	150
Internet	80
Groceries	500
Cell phone	130
Car Insurance	120
Life Insurance	145
Medical Insurance	200
Gas	200
Total	4090

Step 2: Save for the downpayment

I always tell potential home buyers to start saving as early as possible. You can save in the traditional sense or you can invest in stocks at your comfort level.

Look at the type of property and the location you want to determine the amount you will need to save. *Step 4: The Finale* discusses how to calculate your total costs.

Step 3: Finding your home

Once you have your finances sorted, contact your real estate agent and start the hunt!

Picking the right agent for you

- Talk to your potential agent and tell them what you are looking for in your dream home
 - See if you and your agent can “click” and have a relationship. Sometimes you can find your dream home after the first showing, other times, you may be looking for over a year. It is important to have a good relationship with your agent.
 - Do not sign a commitment with them unless you are sure this is the right agent for you
 - Make a list of questions you want to ask your agent to make sure they understand you
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Picking the right home for you

- Figure out what you want in a house (open concept, 3 bedrooms, 2 bathrooms, backyard, etc)
 - Determine what are your “must haves” and what you are willing to negotiate
 - If you don’t know what you want in a house, check out a few different types of houses, and look up inspirations online.
 - Determine what city you want to live in. Consider if it is close to your work, nearby schools, family, etc.
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Step 4: The Finale

So you have found your dream home and put down a deposit. What happens next?

1. Get a real estate lawyer. The fees will be a flat rate plus disbursements. Expect to pay around \$2000 in total.
 2. Confirm your mortgage with the bank and provide them with your lawyer’s contact information
 3. Your lawyer will ask you for documents to complete the forms for you to sign. These forms will be done. Some forms will be for the bank.
 4. The lawyer will then meet with you to sign the forms and they will submit the forms to the bank.
 5. The bank will then confirm they will provide the mortgage funds to the lawyer.
 6. A few days before the closing, you will deposit the remainder of the downpayment to the lawyer’s trust account or drop a certified cheque to their office.
 7. On the day of closing, the seller’s lawyer will send signed documents from the sellers. Your lawyer will receive the mortgage funds and deposit a cheque to the seller’s lawyer. Then they will register the property into your name electronically.
 8. Lastly, the lawyers will exchange the keys or give a lockbox code.
 9. This closing can happen anywhere from 12p.m. – 5:00p.m. Your lawyer will update you throughout the day.
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Information

Who qualifies for a first-time home buyer rebate?

Anyone, in the last four years, that has not occupied a home they own or one that their current spouse or common-law partner owned.

The amount is up to \$4000 for each land transfer tax applicable to your city. For example, there are two land transfer taxes in Toronto, and another for Ontario. The total rebate is up to \$8000.00.

The amount of the rebate depends on how many owners qualify for the rebate. For example, if there are three home buyers, and one qualifies for the rebate, the amount eligible is \$1,333.00 if the property is not in Toronto.

How much money do I need to buy a property?

1) *Determine how much money is needed for the total purchase.* In addition to the purchase price, you need to anticipate additional legal costs, such as:

- Land transfer tax (based on your city – calculate the land transfer tax here <https://www.ratehub.ca/land-transfer-tax>)
- Lawyer fees (\$2000-3000)
- Title insurance (\$400-\$1500)
- Appraisal fees (\$300)
- Home insurance (\$150-200)

Example:

Purchase price (Ajax):		\$700,000.00
Land transfer tax:	+	\$10,475.00
Lawyer fees:	+	\$2000.00
Title insurance:	+	\$750.00
Appraisal fee:	+	\$300.00
Home insurance:	+	\$200.00
Total purchase price:		<u>\$713,725.00</u>

2) *Determine how much mortgage you will qualify for.* Speak with a broker to calculate the maximum mortgage amount you can obtain, but also ensure the monthly mortgage, plus property taxes, utility bills, groceries, phone bill, internet, etc is something you can afford.

Total mortgage: \$500,000.00

3) *Calculate the final total* – Total purchase price – total mortgage

Purchase price:		\$713,725.00
Mortgage amount:	-	\$500,000.00
Total downpayment/savings needed to close/buy home:		\$213,725.00

Use our calculator to determine how much downpayment you will need:

<https://www.athenalawoffice.com/downpaymentcalculator>

Purchase Price	740000
Land Transfer Tax	11275
Lawyer fees	2500
Home insurance	150
Appraisal fee	300
Total needed for closing	<u>754,225</u>
Mortgage RBC	555000
Downpayment provided by Jamaal and Athena	199,225

Expenses, expenses, expenses

Types of expenses to expect:

A) Expenses prior to accepting the deal

- Home inspector – to see if there are any leaks, damage, any repairs that should be negotiated in the agreement of purchase and sale

B) Expenses are expected once you move in

- Moving costs - \$1000 if you are hiring movers and a rental truck
- Painting - \$2000 if you hire painters
- Repairs – door knobs, windows (\$1000 for unforeseen circumstances)

Resources

These are some of the most remarkable, personable and intelligent people in their field.

Real estate agents

Kwesi Johnson

Royal LePage

T: 416-455-7232

E: kwesi@royallepage.ca

Mary Kovacs

Cardinal Real Estate Team

T: 905-550-6043

E: mary.kovacs@century21.ca

Mortgage agents/brokers

Missy Gurley

Finance Hero

T: 905-447-3387

E: missy@financehero.ca

W: financehero.ca

Maksim Perevoshchikov

Orion Financial

T: 647-628-1991

E: maksim@orionfinancial.ca

W: www.orionfinancial.ca

Home insurance

Barron Chung

Dean Sukhu

Sukhu Insurance Brokers

T : 905-554-2020

E : bchung@pbnet.ca; dsukhu@pbnet.ca

W : <https://sukhuinsurance.ca>

Real Estate Clerk

Kendrea Johnson

FLC Legal

T: 416-898-9960

W: <https://www.flc-legal.ca/about>