

# 10 Steps of the Homebuying Process

Understandably, starting the journey to homeownership can be overwhelming and stressful. But with a little planning and the support of trusted partners, you'll find the home that's right for you. Below is a step-by-step guide to help you along the journey of buying your first home.

## STEP 1 – Build a Budget

Outlining an effective budget will help you map out your plan to set aside money for your down payment and additional costs, such as maintenance and upkeep. It'll also determine the price of the home you can afford and help you save for renovations.

## STEP 2 – Investigate Mortgage Options

As you begin your research, you'll find that there are different types of mortgages. If you don't have the 20% down payment required for a conventional mortgage, you may be eligible for a high ratio mortgage, that allows for a smaller down payment. Before you start house hunting, you should be pre-approved for a mortgage – this will allow you to move quicker once you find the right place.

## STEP 3 – Professional Mortgage Team

Your team of professionals should include a REALTOR®, a lending institution or a mortgage broker to help you make decisions. They'll play a vital role in your home buying experience! Your REALTOR® will show you homes that match your criteria, guide you through the homebuying process, negotiate the best possible price for your home, make offers with the appropriate conditions and deliver your closing documentation.

## STEP 4 – Get a Lawyer

It's important to hire a lawyer who specializes in real estate. Your lawyer will be able to help with negotiations and review all legal descriptions and documents. If you find yourself in a bidding war, it's also helpful to have a lawyer look over any offer to purchase before you submit it. Additionally, a real estate lawyer will conduct a title search and check for outstanding taxes and liens on the property.

## STEP 5 – House Hunting Create a Wish List

House hunting can be a lengthy process. To save yourself time, it's important to know exactly what you're looking for in a home beforehand – think about your immediate needs, future plans and lifestyle. While house hunting, you may be tempted to concentrate on the home itself, but don't forget to look at the property in its entirety: the lot, the neighbourhood, the surroundings. How close is the home to the facilities and services that are important to you? How close is the home to your family and friends? If nature is important to you, does the property have enough green space?

## STEP 6 – Make the Offer

Your agent presents the offer to the seller. This document includes the price, conditions, deposit and closing date. The seller either accepts, rejects or counters (also called "signing back") the offer.

## STEP 7 – Home Inspection or New Home Warranty

Hiring an inspector is voluntary, but it's a smart idea for resale homes – it can save you money and stress by identifying any significant problems with the property. You can choose to make your offer to purchase the home conditional on the outcome of your inspection. If your inspection reveals any major issues, you can negotiate the repairs with the seller before your deal closes, or you may be able to legally withdraw your offer.

### What is a New Home Warranty?

Title insurance protects you against losses arising from challenges to the ownership of your home. Examples include fraud, forgery, and title defects (such as unpaid liens on the property, encroachments, etc.).

## STEP 8 – Finalizing the Deal

It's undeniable that this is one of the most exciting steps in the homebuying process. Finalizing the deal includes final approval of your mortgage and a meeting with your lawyer to review details such as insurance and condition reports, and the results of a title search.

## STEP 9 – Moving Preparations

There's a lot to do before you move into your new home. For starters, you'll have to line up utilities such as gas and hydro, and other services like phone, cable and internet. If you're renting your current property, you'll have to give your landlord sufficient notice. Also, don't forget to forward your mail to your new home address and hire a moving company, or recruit some friends and family to help you move. It's worthwhile to explore the neighbourhood in advance for local doctors, schools and playgrounds, fitness centres and dog parks.

## STEP 10 – Closing Day

This is the day you legally get possession of the house. Your lawyer completes the paperwork (so the home is in your name), payments are finalized and you receive the deed and the keys. Congratulations on making your dream of homeownership a reality!

