

STILHAVN BUYER'S GUIDE

VANCOUVER | NORTH SHORE | SQUAMISH | WHISTLER



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REAL ESTATE SERVICES

The Experience of Buying a Home

This buyer's guide is intended to give you a platform to define your goals, research your options, and bring your plans to fruition in line with your financial situation. Whether you are a seasoned home buyer, a property investor, or a first-time home buyer, the simple fact is that buying a home is rarely a purchase that you will make on a regular basis.

I look forward to helping you achieve your property ownership goals today and becoming your trusted real estate advisor for your future needs as well.

Renting?

Are you ready to make your move from renting to owning?

If you're renting, you may dream about owning a home of your own — a place to furnish and decorate as you like, to set down roots, to enjoy a great neighbourhood, and to entertain family and friends. But you may be uncertain whether you're ready to make your move from renting to buying, especially if you haven't started saving. Fortunately, with today's low mortgage rates your first home may already be within your reach. Down payments and mortgage insurance have become increasingly more difficult to achieve so make sure you do your research and that you are truly ready to own a home.

You may have many reasons for wanting to own your own home. You may be getting married, leaving your parent's home, moving to a new job, or having children. You may want to establish yourself in a neighbourhood where you will feel at home. You may want to secure a permanent place for you and your family. Whatever your reason, owning your home can also be a good investment.

The long-term investment value of a home remains very good

There's also a sound financial reason to buy a home. Your home may be the single biggest investment you'll ever make; one that could pay off significantly in the long run. Consider this: the value of the average Canadian home has been steadily increasing. The earlier you can redirect the money you currently pay in rent into paying down a mortgage, the faster you'll start building equity in your home. Does the increase in value represent a good investment? The answer is yes; housing is typically a stable investment offering good rates of return. Low inflation, low interest rates, demographics, and immigration, are all factors supporting the belief that a

home will continue to be a good long-term investment, at least in most parts of Canada. Even if you never leave your home, having a rent free home is a good retirement plan. Perhaps more than ever, location is the key factor driving price increases. In a strong housing market, homes in particularly desirable areas are more likely to see above-average price increases. In weak housing markets, these homes tend to retain their value better. Although no one can predict where prices will be 25 years from now, the average price of a home in Canada has risen substantially in the past 25 years, making a home investment one of the best investments available today.



Benefits of Home Ownership

Pride of Ownership

Pride of ownership is the number one reason why Canadians desire their own home. There is no landlord looking over your shoulder. You are able to make improvements knowing that any appreciation that results will be to your benefit. Home ownership gives you and your family a sense of stability and security. It's making an investment in your future.

Mortgage Equity

Each month, part of your monthly payment is applied to the principal balance of your loan, which builds your equity. You can borrow against a home's equity for a variety of reasons such as home improvement, university or college expenses, or starting a new business. Why pay-off your landlord's property when you could be paying off your own?

Homeowners accumulate wealth for the future while enjoying the benefits of a shelter that they can use, improve and sell. Their home is a safe haven for investment.

Appreciation

In Canada, especially in the last few years, homes have appreciated considerably. This has added substantially to owners net worth. Unlike stocks and bonds, you get to live in your investment. Also, in Canada your principal residence is exempt from capital gains taxes.

Are You Ready?

First – do you have the financial resources? You should have five percent of the purchase price of a home for the down payment, but ideally even more. Are there other priorities in your life e.g. starting a new business, which require your savings? If not, buying a home should be on your radar.

Second – do you expect to stay in your new home for some time? Moving can be expensive and you will want to build some equity before having to relocate. Your job and home life should be stable.



What Can You Afford?

Condominium

Refers to a form of legal ownership as opposed to a style of construction. Condominiums can be high-rise residential buildings, townhouse complexes, individual houses and lowrise residential buildings. Condominiums are also known as Stratas in British Columbia.

Row House or Townhome

One of several types of single-family homes joined by common walls. It offers less privacy than a single-family detached home but still provides a separate outdoor space. These homes can cost less to buy and maintain.

House

Detached - The most popular style and the most solid investment. It's a free-standing home which sits on its own lot offering a greater degree of privacy. In Greater Vancouver, owning a detached, single family-home is simply not an option for many Buyers, especially first time buyers.

Semi-Detached - Often referred to as a Half Duplex, is a single-family home that is joined to another by a common wall. It can offer many of the advantages of a single-family detached home and is usually less expensive to buy and maintain.

9 STEPS

To Purchasing a Home

- 1 Define Your Goals
- 2 Select a REALTOR®
- 3 Get Pre-Approved for a Mortgage
- 4 Research Your Property Options
- 5 Look for a Property
- 6 Prepare and Negotiate an Offer
- 7 Remove Subjects/Conditions of Purchase
- 8 Prepare for Closing
- 9 Move Into Your New Home



1

Define Your Goals

We need to determine clear reasons why you are buying and what kind of home fits your needs. The reasons for buying a home have changed significantly over the last 25 years — no longer is it simply a permanent place for you and/or your family. Owning property is now viewed with a keen eye on its investment potential, whether it is for the principle home, a second home, or an actual investment.

Buying and financing a home are closely related, so it is very important to review your current financial situation and to understand how much you can actually afford. During the determination of these answers, you will find that you are in a better position to understand both your housing and mortgage options, as well as create the appropriate action plan and timeline for moving forward.

2

Select a REALTOR®

As a buyer, you have a choice in representation and it's important to work with a REALTOR® who will work with you throughout the entire process, no matter how long it takes to find your new home.

When choosing a REALTOR® consider their:

- Knowledge
- Experience
- Expertise

Check their track record of working with buyers with regards to:

- Finding a home
- Negotiating the price
- Helping with financial solutions
- Understanding the local market
- Understanding property types
- Understanding property values
- Knowledge of the transaction process

Ask for references!

3

Get Pre-Approved for a Mortgage

It is always in your best interest to be pre-qualified for a loan before starting your search. No matter prior experiences, circumstances, or reasons for buying, the current rates, approval, and unexpected challenges should be addressed before you have a serious intention of buying. The pre-approval process involves meeting with a lender and authorizing them to examine your current financial situation and credit history, which results in the amount and rate that you will be able to borrow.

THE BENEFITS OF PRE-QUALIFICATION

- Knowing what you can afford enables you to plan accordingly — it allows you to understand the difference between how much you qualify for and how much you can actually afford to pay each month.
- As a qualified buyer, you will be taken more seriously when you make an offer on a home.
- You are able to take the time to understand the short and long-term implications, allowing you to make informed decisions and research your options.

4

Research Your Property Options

There are three key components that determine the start of all searches:

1. Location — where do you want to live?
2. Type — what type of home?
3. Price — what can you afford?

Only you can determine the importance of each and once you start your search you will be able to determine if your expectations are realistic.

LOCATION, LOCATION, LOCATION

Why does location matter so much? For starters, you can't move a home — at least not easily or inexpensively. When you buy a home in a good location, it's usually a solid long-term investment. Perhaps more than ever, location is the key factor driving price increases. In a strong housing market, homes in particularly desirable areas are more likely to see above-average price increases. In weak housing markets, these homes tend to retain their value better.



5

Look for a Property

Now that you have been pre-approved, understand the costs of the mortgage, location, property types, and values have been analyzed, it is time to start visiting properties that match your requirements.

THE INTERNET

95% of all buyers use the Internet to search for homes and, on average, take 12 weeks to refine their criteria before they contact their REALTOR® to view homes.

YOUR AGENT

As your buyer's agent, I can assist in narrowing your search by reviewing your 'must-haves' and 'would-likes' as well as make recommendations based on my experience and local knowledge of working within this community.

As a REALTOR® I also have access to:

- Previewing new properties at REALTOR® opens.
- Using real estate technology that automatically and instantly sends new home matches — never miss a hot new listing.
- Working with my network to find new properties that are not even listed.
- Every home in your preferred community including "for sale by owner", discounted brokerages, expired listings or homes not actually on the market, but that are known to suit your requirements.
- Emailing your specific home requirements to top producing agents in the area so they know that you are a qualified purchaser.

PRINT MEDIA

Newspapers and real estate magazines still provide a platform that feature homes — not every home is listed on the Internet, so searches can miss that hidden gem because it doesn't meet your exact criteria.

PROPERTY VISITS

Visit open houses and new home developments. You will learn a lot by getting out and seeing what is on the market.

6

Prepare and Negotiate an Offer

When you have found the right home, it is time to prepare and draft a Contract of Purchase and Sale. It is important that this offer both protects and represents your interests, while remaining legally binding on final acceptance. There are many components to an offer that you should be aware of and understand — as your REALTOR®, I will answer your questions and explain the entire process so that you are comfortable with the steps involved.

An offer can be drafted with or without conditions; an offer without conditions is known as a firm or subject-free offer and one with conditions is known as a conditional offer and in effect, protects one party with the placement of certain conditions on the purchase.

The seller may accept your initial offer, reject your offer or present a counter-offer. The counter-offer may differ from your original offer in respect to price, conditions, closing date or any other terms. Offers can be countered back and forth between the parties until one of you accepts or rejects, ending the negotiations.





7

Remove Subjects/Conditions of Purchase

Acceptance of the sales contract can be made contingent on (dependent on or subject to) certain circumstances. It is important to stipulate that the property passes any inspections you want performed and that financing is approved.

As your Buyer's Agent, I will advise you on what contingencies you should write into your offer based on the type of property and your particular situation. Once you are satisfied and wish to commit to purchasing the home, a subject removal document will be prepared for you to sign.

8

Prepare for Closing

To help alleviate the stress of buying, it is important to understand the closing process step by step:

Step 1 — Retain the services of a lawyer or notary as soon as you have an accepted Contract of Purchase and Sale and have removed all subjects.

Step 2 — Your lawyer or notary will need to gather information from you including how you wish to hold title to the property, especially if you are buying with your spouse, a partner, family member, or a colleague. It is important to understand the different types of title and how they affect you.

Step 3 — Your lawyer or notary conducts a title search and obtains tax information and any additional information necessary to prepare the Statement of Adjustments. If you are registering a mortgage, your lawyer or notary will need to obtain an insurance binder with “loss payable” to your lender.

Step 4 — Your lawyer or notary prepares closing documents including title transfer, mortgage, property transfer tax forms and Statement of Adjustments. Your lawyer or notary will forward the seller’s closing documents to the seller’s lawyer or notary for execution.

Step 5 — One to three days before closing, it is typical to meet with your lawyer or notary to sign documents and deliver the balance of funds — by certified check, bank draft, or inter-bank transfer. If your funds are invested, ensure that they will be available for deposit in advance of closing.

Step 6 — Your lawyer or notary will register the transfer and mortgage documents, arrange for the seller’s lawyer or notary to pick up funds, and notify you that the purchase has completed.

Step 7 — Normally you receive the house keys directly from your REALTOR® on the Possession Date as set out in the Contract of Purchase and Sale.

Step 8 — Move in and enjoy your new home!

9

Move Into Your New Home

Moving into a new home is an exciting time but it can also be stressful. Whether you are doing it yourself, asking friends for a little help, or hiring professionals, this moving guide will give you some great insight:

AS SOON AS POSSIBLE

- Start early. Research moving companies and/or truck rental companies.
- Hire a moving company or if you are doing it yourself, reserve a moving truck. Be sure to get written confirmation of all your costs and details of your move.
- Expenses can be saved if you move anytime before the beginning or end of the month.

TWO MONTHS BEFORE MOVING DAY

- Go through your current home and determine what to throw away/donate.
- Make a list of items in your home that need extra attention while moving or special packing instructions.
- If you have children and you are moving to a new school district, start arranging the school and daycare transferring process.
- Order any boxes and moving supplies.

ONE MONTH BEFORE MOVING DAY

- Time to start packing! Begin with the items in your home you don't use regularly.
- Clearly label on the outside to which room each box is going and a quick checklist of the items inside. This makes unpacking so much easier.
- As you pack, make note of items of significant value for insurance purposes.
- At your local post office, fill out a change of address form with your new address.
- Inform the following companies and institutions about your new address: banks, cable, Internet and phone, insurance companies, utility companies, credit card companies, doctors, dentists, and any subscriptions you may have.

TWO WEEKS BEFORE MOVING DAY

- Confirm your reservations with your movers or truck rental company.
- Cancel or transfer your newspaper delivery.

Moving In (cont'd)

ONE WEEK BEFORE MOVING DAY

- Most of your packing should be done one week prior to moving day.
- Set aside the items of importance you wish to transport to your new home yourself.

A FEW DAYS BEFORE MOVING DAY

- Confirm arrival time of your moving truck. If moving yourself, confirm your reservations with the truck rental company. Prepare detailed directions for your movers including a cell phone number you can be reached at on moving day.
- Pack a travel bag with items your family may need on moving day such as toothbrushes, change of clothing, medications, hair brushes, soap, etc.
- If you are moving yourself, start dismantling beds and other large furniture.

MOVING DAY

- Make a note of all utility meter readings at both the new and old home, if applicable.
- Be present when the truck is being loaded and unloaded just in case your movers have any questions.
- Before the movers leave, check your belongings for any damaged items.



Cost Guide

PROPERTY TRANSFER TAX

Resale Housing: When a residence is purchased, a Property Transfer Tax (PTT) is applied. The tax is calculated at 1% on the first \$200,000 and 2% on the remainder. The First-Time Home Buyer's Program offers an exemption to the PTT if the fair market value of the residence is \$500,000 or less. In all regions there is also a proportional exemption for first-time buyers of homes with a fair market value up to \$25,000 above the thresholds.

Residential Properties Over Three Million Dollars: There is 3% tax on amounts over \$2 million. The 3% tax is only paid on the amount over \$2 million, not the full price. The property transfer tax on properties worth more than \$3 million is 5%.

New Construction: There is no PTT payable on the purchase of new homes up to \$750,000 in value. The Buyer must be an individual, a Canadian Citizen or Permanent Resident, and located in BC. The property must be their principal residence and 0.5 hectares (1.24 acres) or smaller. There is a partial exemption for homes between \$750,000 and \$800,000.

Property Transfer Tax for Non-Residents. An additional property transfer tax applies to residential property transfers to foreign entities in the Greater Vancouver Regional District. An additional 20% of the fair market value of the foreign entity's proportionate share of a residential property is due upon closing.

MORTGAGE INSURANCE AND FEES

If you obtain a high-ratio mortgage (a mortgage where you pay less than a 20% down payment) you will have to buy mortgage loan insurance from CMHC or a private company. The CMHC Mortgage Loan Insurance premium is calculated as a percentage of the loan and is based on the size of your down payment. The higher the percentage of the total house price/value that you borrow, the higher percentage you will pay in insurance premiums. The insurance premium usually gets added to your mortgage.

APPRAISAL AND SURVEY

Before your lender approves your mortgage, you may be required to have an appraisal done. Sometimes your lender covers the cost, otherwise it will be your responsibility. The fee ranges from \$150 to \$350.

HOME INSPECTION FEE

Most REALTORS® recommend that you get a home inspection by a certified home inspector. It will cost you from \$350 to \$650 for a smaller house; large houses may cost more. Your REALTOR® should be able to recommend a good inspector.

LEGAL FEES

Lawyer/notary fees for closing the sale depend on the complexity of the deal but they should range from \$600 - \$1,500. Disbursements to Land Titles Office — these fees are approximately \$300. Your lawyer/notary will arrange the payment.



Common Mistakes by Home Buyers

Take some time to educate yourself about the common mistakes home buyers make and your own home-buying experience will more likely be successful:

1. Going over budget. Just because you qualify doesn't mean you can afford the monthly payments plus all your other ongoing costs.
2. Location is important. Loving the house will not be enough.
3. Not pre-qualifying for a mortgage.
4. Not shopping for the most suitable mortgage to match your requirements.
5. Not understanding all the terms and conditions, interest rates, length of contracts, mortgage types and rates, etc. before selecting your mortgage.
6. Buying a new home before selling your old home.
7. Not understanding the true costs associated with buying a home.
8. Not using professionals to assist in all aspects of your house purchase from using a REALTOR®, mortgage advisor, home inspector, lawyer or notary through to your moving company.



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REAL ESTATE SERVICES

Peace of mind

Stilhavn is a curated collection of top-performing REALTORS®. Our team is comprised of the top 1% and 10% of the industry for 2019, with over 833 homes sold. Our agents sell 10x more homes than the average Real Estate Board of Greater Vancouver agent, and we sell them 60% faster.*

Stronger together

We take a cultured approach to real estate, designed to deliver the absolute best in the industry. Every member of the Stilhavn team offers skilled and ethical service, without compromise. Here, “better” means leveraging our collective strength and deep market insights to deliver unparalleled results.

Find your sanctuary

Your home is your refuge from the world; a place to recover from the day, create lasting memories with loved ones, and plan your next big adventure. Choose Stilhavn to guide you to your safe harbour.

Distinctly West Coast

We live, work, and play here. Our head office isn't in Hamburg, Denver, or New Jersey, and we aren't tied to outdated corporate policies. We understand the unique beauty, culture, and challenges Vancouver has to offer.

Leading technology

Our digital-first approach is second to none. For sellers, listing with Stilhavn means achieving maximum exposure through our network of partners and targeted marketing campaigns. For buyers, it means tapping into Stilhavn's collective knowledge and enjoying an incredible house-hunting experience.

*Source: IMS Inc. and internal data. Includes all sales listed in the databases of the REBGV in 2019. President's and Medallion Club winners, 2019. All information is believed to be accurate but is not guaranteed and should be independently verified.

This publication is not intended to cause or induce breach of an existing contract.





Our People, Your Advantage

Unlike most brokerages, Stilhavn's agents are selected based on a strict performance and personality criterion. We're not striving to be the biggest, just the best.

We understand that our success—individually, and as a collective—is the result of our relentless pursuit of excellence, and an intrinsic belief that our clients deserve better than the status quo. Sell your home with the peace of mind that comes from working with the top, most celebrated talent in town.

- Our agents sell 10x more homes than the average Real Estate Board of Greater Vancouver agent
- We sell them 60% faster than the average Real Estate Board of Greater Vancouver agent

#FINDYOURHAVN

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