LEO HUBERMANN

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LION REALTY

The complete HOME BUYER'S GUIDE

Always Protecting Your Interests

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Considering buying a home? You probably have a lot of questions running through your mind. Curious about market trends? Wondering whether to work with an agent or go for it alone? Unsure of how to identify the right property for you? These are just a few of the many considerations you'll face.

Navigating the process of buying a home can feel overwhelming, from finding the right property to managing negotiations and paperwork. Whether you're starting your search or planning ahead, this Home Buyer's Guide will help you every step of the way – from finding your dream home to closing the deal.

You deserve a seamless experience and excellent value. Think of me as your trusted partner, here to answer your questions and guide you through any challenges that come your way.

Let's dive in!

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RE/MAX

Selecting the right broker for you!

Research shows that homebuyers who work with licensed real estate brokers often achieve better results than those who navigate the process alone.

A skilled broker can save you time and money, provide expert advice tailored to the market, and guide you through every step of your home-buying journey.

Why You Should Consider Hiring a Real Estate Broker:

1. **CLIENT-CENTERED SERVICE**

   Real estate brokers are legally bound to prioritize their clients' best interests and operate under the Real Estate Brokerage Act, which ensures strong legal protection. Best of all, their services are free for buyers – the seller covers the broker's commission.

2. **EFFICIENT MARKET RESEARCH**

   Your broker will actively monitor new listings, identifying properties that meet your criteria. When you're interest in a property, the'll coordinate a viewing with the seller's broker, saving you valuable time and effort.

3. **EXPERT NEGOTIATION SKILLS**

   Negotiating a home purchase goes beyond simply making an offer. It requires strategic communication, diplomacy, and assertiveness to achieve the best outcome. An experienced broker brings these skills to the table, maximizing your advantage.

4. **HANDLING COMPLEX PAPERWORK**

   Real estate transactions come with extensive paperwork that can be daunting. A competent broker will manage all documentation, ensuring accuracy, meeting deadlines, and protecting your interests throughout the process.

What I can do for you

As your real estate broker, I do more than just find you a home. I advise and support you through every step of the buying process, from the initial search to the final signing at the notary.

- Help you identify your needs and preferences, distinguishing between “must-haves” and “nice-to-haves.”
- Recommend properties that meet your criteria.
- Monitor market trends and provide guidance to help you seize the perfect opportunity to maximize your investment.
- Organize and accompany you on property visits.
- Request additional property documentation as neeed.
- Negotiate purchase offers on your behalf.
- Guide you through administrative and legal procedures.
- Assist you right up to the final signing at the notary’s office.

In addition, I have access to a trusted network of experts, including mortgage brokers, building inspectors, structural engineers, and specialists in foundations, roofing, plumbing, and electrical systems. I can recommend these professionals at the appropriate stages of your transaction.

Timing is everything

The current market offers a unique buying opportunity as interest rates are coming down (so far by 1.25%) and buyers are starting to (re)enter the market. This is the time to take advantage of this trend and purchase at the sweet spot before very low interest rates drive overly high prices.

Communication matters

It’s natural to have questions throughout this process. This is why choosing an agent who prioritizes your best interests and offers clear, timely communication is essential. I’ll make sure you feel confident and informed every step of the way.

Meet Leo

My career in marketing and advertising began in Germany, rising to senior roles and founding my own agency focused on global lifestyle brands. After visiting Montreal in the late 1990s, I fell in love with its unique blend of European and North American cultures and made it my home in 2000.

My transition from marketing to real estate was a natural fit, as both fields share a focus on understanding client needs, strategic planning, and strong communication. The market analysis, strategy, and negotiation skills I developed in marketing are equally valuable in real estate.

Having personally experienced relocation, I understand the challenges involved, whether moving across the country or within the same city.

I tailor my approach to each client, whether they are first-time home-buyers or seasoned investors. I help them find their dream homes, sell properties at optimal value, and navigate the market with ease. My services include identifying suitable properties, negotiating offers, and guiding clients through legal and administrative steps.

My mission is to make the real estate journey as seamless and rewarding as possible, helping clients achieve their goals with confidence and peace of mind.

Government assistance programs

For first-time homebuyers

Here are some tips on financial subsidies and incentives for first time home-buyers.

Home Buyers' Plan (HBP)

The HBP allows you to withdraw up to $60,000 from your RRSP to buy or build a qualifying home. If both you and your partner are first-time buyers, you can each withdraw $60,000, totaling $120,000. You must start repaying your RRSP withdrawals under the HBP starting the fifth year, with 15 years to complete repayment.

First Home Savings Account (FHSA)

The FHSA combines features of an RRSP and TFSA. Contributions are tax-deductible, and withdrawals for a qualifying home are tax-free. You can contribute up to $8,000 annually, with a lifetime limit of $40,000. Unused contribution room (up to $8,000) can be carried forward.

First Time Home Buyer's Tax Credit (HBTC)

The HBTC is a federal non-refundable tax credit. Eligible first-time home buyers can claim a $10,000 non-refundable income tax credit, which could result in tax savings of up to $1,500.*

Quebec Home Buyer's Tax Credit

The Quebec First-Time Home Buyers' Tax Credit follows the same eligibility criteria as the federal tax credit. It is also calculated similarly, by multiplying the credit amount ($10,000) by the lower Quebec tax rate for the year (14%), resulting in a maximum tax saving of $1,400.

* The First-Time Home Buyers' Tax Credit is valued at $1,500 for Canadian citizens. In Quebec, however, the credit is $1,252.50 due to the federal rebate for Quebec residents.

Please consult your accountant for detailed information.

Know your budget

Buying a home may be the biggest purchase you'll ever make – but it can also be one of the most rewarding investments of your life. Homeownership brings benefits like pride in having your own space and potential tax savings. This Guide provides key information, terms, and tips to help you make informed decisions.

The journey starts with determining your mortgage qualification, which sets your budget. Lenders assess affordability using two key ratios: **Gross Debt Service (GDS)** and **Total Debt Service (TDS)** ratio.

Understanding GDS and TDS is crucial to setting realistic expectations and finding a home that fits your finances.

GDS calculation

Housing costs:
- Mortgage payments
- Property taxes
- Heating costs
- 50% of condo fees (if applicable)

GDS Ratio = $\frac{\textbf{Housing Costs}}{\textbf{Gross Income}}$

Should be < 32%

TDS calculation

Housing costs + Debt payments:
- Credit card interest
- Car payments
- Loan expenses

TDS Ratio = $\frac{\textbf{Housing Costs + Debt Payments}}{\textbf{Gross Income}}$

Should be < 40%

If your debt service ratios exceed industry standards, consider saving more for a down payment or reducing existing debt before buying. Remember, the 32% GDS and 40% TDS thresholds are guidelines, not strict limits. A strong credit score and/or significant assets may still help you qualify, even with slightly higher ratios. Lenders evaluate your entire financial profile, and compensating factors can work in your favour.

DID YOU KNOW: Starting December 15, 2024, all **first-time home** buyers in Canada can extend their mortgage amortization period to 30 years, up from the previous 25-year limit, regardless of whether their loan insured or uninsured.

Pre-approval

Getting pre-approved for a mortgage before you start viewing homes can give you a competitive edge. If you find a home you love, a pre-approval strengthens your offer and signals to sellers that you're a serious buyer.

The mortgage pre-approval process involves submitting a written application along with supporting documentation. Be prepared to provide the following when meeting with your bank or mortgage lender:

- **Proof of Identification**
- **Proof of Employment:** Current salary, most recent pay stubs, job title, and a Notice of Assessment.
- **Assets:** A list of what you own, such as a cottage, car, boat, or other valuables.
- **Debt and Financial Obligations:** Details of your credit card balances, child support, car loans, lines of credit, and other debts.
- **Proof of Down Payment:** A bank statement showing the funds for your down payment in a savings account.

Being well-prepared can streamline the pre-approval process and help you move quickly when it's time to make an offer.

Buying Process

STEP 1: PICKING THE RIGHT NEIGHBOURHOOD

Determining your needs before buying a property is a crucial first step in any home-buying journey. Here are key factors to consider:

► Location

Where do you see yourself settling? Think about proximity to work, schools, and amenities. Do you prefer the buzz of city life, the peace of the suburbs, or the charm of a rural area? Are you drawn to trendy neighborhoods or quiet, family-friendly communities?

► Transportation and Parking

Consider your commute. Is public transportation important, or do you need convenient parking? Cities may offer better transit but limited parking, while suburban and rural areas typically provide more vehicle space.

► House Size and Layout

How many people will live in the home? Factor in the number of bedrooms and bathrooms needed. Will children have their own rooms? Do you need a basement, home office, or extra space for guests or hobbies?

► Special Features

What amenities are essential to you? Features like pools, elevators, or waterfront access can enhance your lifestyle but may require extra maintenance.

► Type of Property

Are you seeking a new build, a self-build project, or an older home with character? Consider your willingness to handle renovations or upgrades versus moving into a turnkey home.

Clarifying these preferences will help you focus your search and find a home that truly meets your needs.

Checklist (must haves)

Property type

❑ Single-family ❑ Condo ❑ Plex ❑ Other

Features

Bedrooms: ❑ 2+ ❑ 3+ ❑ 4+ ❑ 5+

Bathrooms: ❑ 2+ ❑ 3+ ❑ 4+

Dedicated Office Space: ❑ Yes ❑ No

Central Air Conditioning: ❑ Yes ❑ No

Parking for: ❑ 1 car ❑ 2 cars

❑ Other _____

Kitchen features

❑ Gas Stove/Cooktop ❑ Island

❑ Updated Appliances ❑ Walk-in Pantry

❑ Updated Countertops ❑ Eat-in Kitchen

❑ Other _____

Bedroom features

❑ Walk-in Closet ❑ Ensuite Bath

❑ Other _____

Bathroom features

❑ Double Vanity and Sinks ❑ Shower

❑ Shower/Bathtub Combo ❑ Bathtub

❑ Other _____

Additonal indoor features

❑ Fireplace ❑ Mudroom

❑ Main Level Laundry ❑ Alarm System

❑ Other _____

Additonal outdoor features

❑ Backyard ❑ Pool

❑ Patio/Deck/Balcony ❑ Fence

❑ Other _____

STEP 2:

Declarations by the Seller

When you visit a property, you will receive a copy of the “Declarations by the Seller” form.

Why is this important? It provides the buyer with detailed information about the property’s condition and history. The seller is required to complete the form to the best of their knowledge. The purpose of this document is to protect both the buyer and the seller.

STEP 3:

Promise to Purchase

You’ve finally found your ideal home and are now at the “promise to purchase” stage. This is when the buyer formally offers to purchase the property from the seller, under specific conditions.

The promise to purchase is a legally binding contract once both parties (the buyer and the seller) sign it. The offer typically includes important details such as the purchase price, deposit amount, closing date, and any conditions or contingencies (such as financing, home inspections, or the sale of another property).

STEP 4:

Home Inspection

The inspector starts with the outside (roofing, doors and windows, balconies, stairs, foundation, etc.) before inspecting the inside of the building. They use a comprehensive checklist to ensure that nothing is left out.

Important tip: If you’re buying in the winter, snow and ice may limit the inspector’s ability to thoroughly assess certain features, such as the roof.

The inspection report

The report you receive will include details such as the inspector’s name, the purpose of the inspection, the weather conditions at the time, the names of those present, and a brief description of the property. It will also contain a more detailed analysis of the property’s condition.

Legal warranty and hidden defects

Buying a home without a legal warranty means you’re waiving certain rights related to hidden defects.

A legal warranty protects buyers against defects that were not discovered during the pre-purchase inspection. If the sale is made “without legal warranty, at the buyer’s own risk,” you will not be able to take legal action against the seller for any hidden defects discovered later.

STEP 5:

Signing of the Deed of Sale

In most cases, it is the buyer’s responsibility to select a notary. A notary’s role in a real estate transaction is very important: they validate legal documents, draft the purchase contract (deed of sale), calculate adjustments, and ensure that all parties fully understand and accept the terms of the transaction.

Typically, the buyer is responsible for the notary fees and any costs associated with the transfer of ownership. The total cost will depend on the property’s value and the complexity of the transaction.

When meeting with the notary, be sure to bring the following documents:

- Proof of ID
- Bank statements
- Proof of insurance
- Documents reflecting your civil status (e.g., your marital status)
- The signed promise to purchase and ownership-related documents

Closing Costs

associated with buying a home and recurring expenses

CLOSING COSTS:

- Welcome tax
- Notary fees
- Inspection fees
- Moving expenses
- Connection fees (utilities, services)

RECURRING EXPENSES:

- Municipal taxes
- School taxes
- Condo fees (if applicable)
- Home insurance

Organize your Move

Now that your offer has been accepted, it's time to prepare for the big move before taking possession of your new home.

SEVERAL WEEKS BEFORE THE MOVE

- ❑ Sort through your belongings and donate or sell items you no longer need.
- ❑ Get moving boxes.
- ❑ Confirm your notary appointment, as this is usually when house keys officially change hands.
- ❑ Book movers or rent a truck and arrange for family or friends to help.
- ❑ Notify governmental agencies of your new address as well as financial institutions, insurers, etc.
- ❑ Don't forget to also inform your alarm company and any subscriptions you have.
- ❑ Make sure your new homeowner's insurance policy is in place.
- ❑ Arrange to have utilities connected on moving day (Hydro, internet/tv/telephone).

LEADING UP TO MOVING DAY

- ❑ Pack and label your boxes clearly.
- ❑ Set aside valuable or fragile items to transport personally.
- ❑ Cancel or transfer services (e.g., internet, electricity, phone).
- ❑ Change your address with the post office and relevant institutions.

A FEW DAYS BEFORE

- ❑ Re-confirm the date and time with your moving company or family and friends.
- ❑ Pack a suitcase with clothes and essentials for easy access.
- ❑ Empty out the fridge or finish any remaining food!
- ❑ Double-check the arrival time for the movers.
- ❑ Re-confirm your notary appointment.

MOVING DAY

- ❑ Take possession of your new home.
- ❑ Inspect the property for any damage (from the previous owner's move-out) and clean if necessary.
- ❑ Enjoy your exciting new home!

Did you know?
Some moving expenses may be tax-deductible!

Home Buyer's Glossary

AMORTIZATION The time-frame to repay a mortgage. As of December 15, 2024, CMHC-insured first-time homebuyers and new-build purchasers can access 30-year amortizations, with the insured price mortgage cap raised to $1.5 million. Uninsured mortgages (with at least 20% down payment) also allow for a maximum 30-year amortization.

ASKING PRICE The price set by the seller for listing the property, distinct from the final selling price agreed upon by the buyer and seller.

BALANCED MARKET A market with an equal balance of buyers and sellers, where reasonable offers are often accepted, homes sell within a reasonable time frame, and prices remain stable.

BRIDGE FINANCING Short-term financing to bridge the gap for homebuyers who purchase a new home before selling their existing one, common in seller's markets.

BUYER'S MARKET A market with more homes for sale than buyers, giving buyers more choices and negotiation power, potentially leading to longer listing times and stable or decreasing prices.

CHATTELS Unattached items in a home, like curtains, that can be removed without causing damage, usually not included in the sale unless specified in the purchase agreement.

CLOSING The final step in the home selling process when ownership is transferred to the buyer and keys are exchanged, typically on the closing date specified in the offer.

COMPARATIVE MARKET ANALYSIS (CMA) A report on comparable homes in the area that is used to derive an accurate value for the home in question.

CONDITIONAL OFFER An offer with predetermined conditions, such as financing or home inspection, allowing the buyer to back out if conditions are not met.

CONTINGENCIES Conditions that must be met for a home purchase to proceed, such as mortgage approval or the appraised value matching the final sale price.

COUNTER-OFFER A response to the original offer, typically adjusting the price or terms of the purchase.

CURB APPEAL The attractiveness of a home when viewed from the curb, including the exterior and front yard.

CURRENT MARKET ASSESSMENT A report provided by a real estate agent to determine the asking price, using current market information.

DEPOSIT An upfront payment made by the buyer to show commitment. Held in trust by the agent or lawyer until closing, it is then applied to the purchase price.

DOWN PAYMENT The upfront amount paid to secure a mortgage. In Canada, the minimum is 5% of the purchase price. Down payments under 20% require mortgage insurance. The mortgage loan covers the remaining balance after deducting the deposit and down payment.

EQUITY The difference between a home's market value and the amount owed on the mortgage. This is the portion of the home that has been paid for and is officially "owned."

FIXED-RATE MORTGAGE A fixed-rate mortgage guarantees your interest rate for a predetermined amount of time.

FIXTURES Items attached to the home, like lights and appliances, included in the sale unless specified otherwise.

FSBO "For Sale By Owner," when the seller sells without a real estate agent to avoid the commission fees.

HOME INSPECTION Performed by a licensed professional, the home inspection is performed to identify any existing or potential underlying problems in a home. This not only protects the buyer from risk, but also gives the buyer leverage when negotiating a purchase price.

LIST-TO-SALE-PRICE RATIO The percentage difference between the listing and final selling price.

MORTGAGE LOAN INSURANCE If your down payment is less than 20% of the purchase price of the home, mortgage loan insurance is required. It protects the lender in case of payment default. Premiums are calculated as a percentage of the down payment, changing at the 5%, 10% and 15% thresholds.

MLS Multiple Listing Service, a real estate selling system operated by Boards and Associations across Canada.

OFFER A legal agreement to purchase a home, often conditional on different factors like financing, inspection, etc.

PORTING Transferring a mortgage from one property to another, maintaining the existing terms.

SELLER'S MARKET A market with more buyers than homes for sale, leading to quick sales, price increases, and potentially multiple offers.

STAGING Preparing and decorating a home to make it more appealing to buyers. This includes decluttering and arranging furniture to show maximized use of the splace so a potential buyer can imagine themselves living there.

VIRTUAL DEALS Completing the home-buying process using technology instead of face-to-face interactions, such as virtual tours and e-signatures.

WELCOME TAX Also know as Land Transfer Tax, is payable by the buyer to the province and/or municipality in which the transaction occurred upon transferring land.

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