

90 Days to *Homeowner*

A COMPREHENSIVE LOOK FOR FIRST TIME
HOMEBUYERS

— *Rebecca Liu, Realtor*



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Hey there!



Hi there, I'm Rebecca. I've made Ottawa my home and I love helping others do the same. Whether you're a first-time buyer, thinking about relocating, or a family looking for that next special place, I'm here to guide you every step of the way. Real estate is more than just transactions for me; it's about building lasting relationships and truly understanding what you're looking for.

Thank you for trusting me to share advice as you embark on your home buying journey!

In this guide, I will walk you through the steps to become a homeowner in 90 days (about 12 weeks!). My goal is to ensure that you are empowered to make decisions that work best for you and your family.

Have questions? I'm always available to help. Shoot me a text or give me a call for the quickest response.

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PART ONE

Is Buying Right for Me?

In this section we'll walk through some questions and exercises to determine if homeownership is the right move for you!

Thinking about Buying? Questions to Consider

Tired of the rent race and thinking about buying? Buying a home is, yes, a huge financial decision, but it's also an emotional one. And while you can find online calculators to tell you whether you're financially ready,

there are several additional questions to reflect on. To gauge if you're ready—heart, mind, and means—to start thinking about buying a home, consider these questions:

QUESTIONS TO CONSIDER

Asses your income.

Do you have a stable job and income? Do you foresee yourself staying in this line of work? What are your expenses, savings, and debts?

Determine your budget.

Your budget should include funds for a down payment, mortgage payments, property taxes, insurance, & maintenance costs.

How's your credit score?

A good credit score is essential for getting a favorable mortgage rate.

Am I prepared for additional costs?

Consider expenses like closing costs, inspections, and potential repairs.

How long do I plan to stay in this

location? Buying a house could make sense if you plan to stay for several years.

Do I foresee major life changes?

Consider how your career, family, and lifestyle might evolve in the coming years.

Is the area suitable for my needs and

lifestyle? Consider factors like commute, schools, amenities, and safety.

Determine your Gross Debt Service Ratio

$$\text{GDS Ratio} = \left(\frac{\text{Gross Monthly Income}}{\text{Total Monthly Housing Costs}} \right) \times 100$$

Ever wonder if you can afford a new home?

One quick way to find out is by looking at your debt and income. In Canada, lenders use two main numbers to figure this out: your GDS and TDS ratios. Don't worry, it's not as complicated as it sounds!

Basically, lenders want to know that no more than 35% of your income is going towards housing costs like your mortgage, taxes, and heating. And they also want to make sure that less than 42% of your income is going towards all your debts combined, like car loans or credit card payments.

Canada has special programs to help first-time homebuyers, making it easier for you to get approved for a loan.

If your numbers are a bit high, no worries! You might want to think about paying down some debts before diving into a mortgage.

TIP

A GDS under 35% and TDS under 42%?

You're in great shape! Keep it up!

Got a GDS between 35%–40% or a TDS between 42%–46%? You've got room to improve, but you're not far off.

⚠️ A GDS over 40% or a TDS over 46%? Time to chat with a lender for advice on getting those numbers in a better spot.

MONTHLY MORTGAGE PAYMENTS

This is your estimated or actual mortgage payment per month.

PROPERTY TAXES

The monthly amount you're expected to pay for property taxes.

HEATING COSTS:

The monthly cost of heating your home. Some calculations might include utilities here as well, depending on the lender.

TOTAL EXPENSES

Sum up the monthly mortgage payment, property taxes, and heating costs to get your Total **Monthly** Housing Costs.

÷ GROSS INCOME

Divide this total by your Gross **Monthly** Income.

CONVERT TO PERCENTAGE:

Multiply the resulting number by 100

PART TWO

The Home Buying Process

In this section we'll cover what you can expect from the home buying process - from pre-approvals all the way to moving day!

STEP 1

Finances

- ✓ The Mortgage Process
- ✓ Lender Questionnaire
- ✓ Obtain pre-approval

STEP 2

Home Search

- ✓ Determine wants vs. needs
- ✓ Complete Home Search Worksheet
- ✓ Preview potential properties online
- ✓ Schedule showings
- ✓ Complete Showing Checklist

STEP 3

Under Contract

- ✓ Write an offer
- ✓ Negotiate terms, accept contract
- ✓ Under Contract Checklist
- ✓ Submit Deposit
- ✓ Gather homeowner's insurance quotes

STEP 4

Due Diligence

- ✓ Conduct inspections
- ✓ Resolve & negotiate issues
- ✓ Lender requests & Appraisal
- ✓ Finalize Homeowner's Insurance
- ✓ Satisfy & Fulfill Any Conditions/Contingencies

STEP 5

Closing Time

- ✓ Complete Pre-Closing Checklist
- ✓ Conduct Title Search
- ✓ Review Closing Disclosure Document
- ✓ Transfer Funds for Closing
- ✓ Perform Final Walk-Through
- ✓ Closing Day: It's all Yours!

The Mortgage Process

The first step of the home buying process is to understand how much you qualify for by meet with a local lender and getting a pre-approval letter. It's important to interview a few lenders to find one that will be a good fit.

A pre-approval is only valid for 30-90 days, so while you can start talking to lenders, you'll want to wait on getting that pre-approval letter when you're ready to buy.

QUESTIONS TO ASK LENDERS:

What type of loan do you recommend for me?

Your lender should then walk you through the pros and cons of multiple loans based on your unique situation.

Am I eligible for any specific first-time homebuyer incentives or down payment assistance programs?

Programs like the Home Buyer's Plan (HBP) allow you to withdraw from your RRSP to contribute towards your down payment. Additionally, the First-Time Home Buyer Incentive may provide a shared equity mortgage to help lower your monthly payments. A well-informed mortgage broker should be able to tell you about these programs.

What will my monthly mortgage payment be, and are there any penalties for paying it off early?

Knowing your monthly payment is crucial to budgeting. Also, ask your lender if there are any penalties for paying off the mortgage sooner than the agreed term, such as if you decide to sell or refinance your home.

What is the Effective Annual Rate? This rate gives you the real cost of your mortgage by including not just the interest rate, but also any additional fees or charges imposed by the lender. It's a useful tool for accurately comparing different mortgage offers

Can I lock-in an interest rate? If so, for how long? During the pre-approval process, you'll be pre-approved for a loan amount and interest rate for a period of usually 60-120 days.

What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing? 2-4% of your purchase price is typical.

Will I have to pay for mortgage default insurance?

If you make a down payment of less than 20%, you will likely have to pay for mortgage default insurance in Canada. This insurance is usually rolled into your mortgage payments. Check if it's a one-time premium or if it will be added to your ongoing mortgage payments.

Lender Questionnaire

NAME: _____ **COMPANY:** _____

PHONE: _____ **EMAIL:** _____

What type of loan do you recommend for me and why?

Do I qualify for any first time home buyer programs?

What is the interest rate & the Effective Annual Rate?

Will I pay mortgage insurance?

What will my monthly payment be?

Can I lock in an interest rate? If so for how long?

What will my closing costs be? Are they a part of my loan, or will I pay them at closing?



Determine Your Wants vs. Needs

Before we hop into the home search, I like to advise my clients to create a "Needs" list and a "Wants" list. This will help us to really focus on the things that are most important in your future home. Needs are the non-negotiable.

NEEDS MIGHT LOOK LIKE

- ✓ Enough bedrooms for your family
- ✓ First floor master bedroom
- ✓ Close proximity to work or school
- ✓ Attached two-car garage
- ✓ Yard for children or pets

They are the features you simply must have in your next home. Wants are the ones you'd like to have, but you can add or change down the road. Remember you can't change the lot, the location, or the price you paid.

WANTS MIGHT LOOK LIKE

- ✓ Specific paint or exterior color
- ✓ Fenced-in backyard
- ✓ Specific flooring
- ✓ Kitchen amenities or appliances
- ✓ Walk-in shower or double vanity

NEEDS

WANTS

Home Search Worksheet

What area are you looking to buy in?

What do you like about this/those area(s)?

How many bedrooms, bathrooms, and preferred square footage? 1 or 2 story?

Do you have children? Pets?

What's your favorite style of home?

What are the top 5 most important things in your future home?

What is a non-negotiable feature or aspect needed your future home?

Anything else we should keep in mind during our search?



The Home Search Process

Now that you've got your wants vs. needs list in hand, the fun really begins! It's time to start looking at listings and choosing which houses to see in person. Tip: Keep your wants vs. needs list close by to reference!

First up, let's talk about best practices for searching online. You are probably familiar with the sites Realtor.ca, Redfin, Point2Homes, but how can you get the results you want? Try some of the tips below.

USING ONLINE REAL ESTATE TOOLS

Use the search filters, but don't go crazy. You don't want to restrict your search so tightly that you only have a handful of homes to view. Keeping your wants vs. needs list in mind, expand your geographic search, and add 25-50K to your max price since there is sometimes wiggle room with pricing and negotiations.

If you find something that catches your eye, check out the Google street view. Online pictures can be deceiving so a virtual 'walk down the street' will give you a better sense of the house and surrounding area.

If a home you like is "pending" or "conditional" don't panic!

Don't shy away from a home because it is "pending" or "conditional." Conditional contracts do fall through occasionally, so keep it on your list, especially if it checks all your boxes.

Jot down the MLS number & address.

Send your list to me and I will call the listing agents to gather pertinent info. Next, look for some time in your calendar to tour the homes on your shortlist. Hold more time than you think you'll need.

Make the Most of Your Showings

You're SO READY to get inside those homes on your shortlist and see for yourself if one of them is soon-to-be your new address.

I know you're excited, but it's important to go into those showings calm, cool, and with your thinking cap on. Below is a quick list of how to do just that!

KEEP THIS IN MIND AT SHOWINGS

Read over your wants vs. needs list and revisit your budget. Having this fresh on your mind will help you stay objective and focused.

Take pictures and videos to jog your memory later.

Consider the lot, lot size, and location, all of these things cannot be changed.

Look for signs of structural integrity. Water damage, cracks in walls or ceilings, sloping floors, and other potential issues.

Pay attention to noise levels from nearby roads, airports and railways

Examine the roof for leaks, missing shingles, or other damage. Inspect siding, windows, doors, and the overall exterior condition.

Consider layout & space. Does the property's layout suit your lifestyle? Check room sizes, storage space, and the flow between rooms.

Look past decor & staging. These things will soon be gone

Consider the potential resale value of the property by researching the historical appreciation rates, I can send those to you!

ADDRESS**EXTERIOR RATING (1-10)****INTERIOR RATING (1-10)****LIST 3 PROS OF THE HOME:****LIST 3 CONS OF THE HOME:****TOOK VIDEOS / PHOTOS** YES NO**INITIAL REACTION (CIRCLE)** NO MAYBE VERY INTERESTED IT'S THE ONE!**ADDRESS****EXTERIOR RATING (1-10)****INTERIOR RATING (1-10)****LIST 3 PROS OF THE HOME:****LIST 3 CONS OF THE HOME:****TOOK VIDEOS / PHOTOS** YES NO**INITIAL REACTION (CIRCLE)** NO MAYBE VERY INTERESTED IT'S THE ONE!

A photograph of a bedroom with a bed, pillows, and a lamp. The text "Make Your Offer Stand Out" is overlaid on the image.

Make Your Offer Stand Out

So you think you've found "the one" and you're ready to put in an offer—one that will be simply irresistible to sellers.

Let's talk about making an offer that truly stands out. Below are my tried and tested recommendations.

WRITING A COMPELLING OFFER

Include a pre-approval letter that shows that you're serious, qualified, and ready to purchase.

Lean on a trusted agent who can help you compose an offer that gives you every advantage in landing the home!

Put your best foot—and price—forward. (Depending on the market) You may only get one shot, so make it count. Use comps and trends as a guide, but go in with a strong number you know a seller would find favourable. While keeping in mind your budget and what you're comfortable with.

Use a friendly tone. Let the sellers know you want their home—and that you'll be easy to work with all the way to closing.

Propose to close quickly. Sellers might want a quick closing if they're already closed on their home or the home has been on the market for a long while. This could make for an attractive offer.

Include a short note if you really want to make an impression, with your offer. Sometimes it's the smallest gestures that have the most significant impact.



We're Under Contract!

Your offer has been accepted – cue the confetti! And while it'll be a few more days until you can move in, you're well on your way to closing the deal on your new home sweet home.

Here's a quick rundown on what happens after you make an offer and your new home is "under contract."

YOUR OFFER WAS ACCEPTED! WHAT'S NEXT?

Provide the Deposit -

This is a good faith deposit to show your commitment to buying the property. This deposit is typically held in trust by the listing brokerage.

Schedule Home Inspection - Depending on the results, you may negotiate with the seller for repairs or credits. Schedule this immediately!

Fulfill Conditions- Depending on what was negotiated in the contract, there may be certain conditions to complete such as financing, inspections, lawyer review. This is the (sensitive) time period where we fulfill all conditions and get the contract from conditional to firm.

Finalize the Loan - You'll provide documents and go through underwriting with your lender.

Title Search - A title company will conduct a title search to ensure there are no liens or legal issues with the property's ownership. You may also want to purchase title insurance to protect against unforeseen title problems.

Final walk-through - Shortly before the closing date, you'll have the opportunity to do a final walk-through of the property to ensure it's in the agreed-upon condition.

Closing Day - Sign all necessary documents, pay remaining closing costs and the down payment. The title is officially transferred to you, and keys are exchanged.

Finalizing and Registration - After all the paperwork is signed and the funds have been transferred, the transaction is registered with the Land Registry Office. This officially transfers ownership of the property from the seller to you.

Under Contract Checklist

Send Deposit

Purchase Deposit amount: \$XX,XXX

Deposit recipient: ABC Realty In Trust

Get Financing Approved

Send the agreement of purchase and sale and property information to your lender to get working on your approval.

During your loan processing, it is VERY IMPORTANT not to make any major job changes, major purchases, or open new credit cards, as any of these activities could alter your qualifications.

Schedule Inspections

The last day to renegotiate or cancel the contract due to issues revealed by the inspections is:

Obtain Home Insurance

Contact insurance companies for quotes before the end of the inspection period (if applicable)

Important Dates

EXECUTED CONTRACT DATE

DEPOSIT DUE DATE

FINANCING DUE DATE

INSPECTION DUE DATE

ESTIMATED CLOSING DAY

HOME ADDRESS

1234 Ottawa St.
Ottawa, ON

TITLE COMPANY

(555)123-4567
1234 West Avenue,
Ottawa On

PURCHASE PRICE

\$500,000

PURCHASE DEPOSIT

\$5,000



Inspections & Insurance

What is a home inspection?

The inspection will uncover any issues in the home that would have otherwise been unknown. You will receive a written report of the inspection. I strongly recommend that you are present for the inspection, so that you may ask any questions.

What does the 'conditional period' mean? Typically, the conditional period can last anywhere from 5 to 10 business days, although the duration is negotiable. During this time, if in the contract, the buyer has the opportunity to hire a professional home inspector to assess the condition of the property. If the inspection uncovers any issues, the buyer may request that the seller either address the necessary repairs or adjust the sale price accordingly.

If both parties can't reach an agreement on these terms, the buyer has the option to walk away from the deal, and their deposit will be returned without any penalties.

The home seems fine, do I really need a home inspection?

The home may appear to be in perfect shape, but some of the costliest problems are difficult to spot: leaks, termite damage, foundation issues, poor ventilation, faulty wiring, and drippy appliances. Before you sign on the dotted line, have a professional thoroughly assess the home for problems.

When should I schedule the inspection? Schedule all inspections immediately, so if we need to negotiate any repairs we can before the inspection period ends. We must adhere to the timelines written in the contract.

What about home insurance? Once you have a signed contract, start looking for insurance providers immediately. Your lender will typically require evidence of insurance coverage before they approve your mortgage. Gather multiple quotes!

Inspections Cheat Sheet

INSPECTION TYPE	DESCRIPTION	AVERAGE COST
STANDARD	This comprehensive inspection covers the structural, electrical, plumbing, and HVAC systems among others. It's the most common type of inspection performed.	[\$400.00-\$600.00 Depending on size & age of home]
FOUR-POINT	The Four-Point Inspection examines 4 main things: Electrical, HVAC, Roof & Structure, and Plumbing. The Four-Point can often be required by your homeowner's insurance if the home is more than 30 years old.	[\$300.00-\$400.00]
WETT INSPECTION	For homes with wood-burning stoves or fireplaces, a WETT-certified inspection is often necessary for insurance purposes.	[\$150.00-\$200.00]
RADON TESTING	Given that Ottawa is a region known for higher radon levels, testing for this radioactive gas is increasingly common.	[\$150.00-\$200.00]

Trusted Inspection Companies

A BUYER'S CHOICE

Lawrence Thibault
613.858.2425
lawrence.thibault@abuyerschoice.com
abuyerschoice.com

PROPERTY INSPECTION NETWORK

Phil Bottruell
613.234.3000
admin@propertyinspection.ca
www.propertyinspection.ca

JACQUES DAGENAIS

Jacques Dagenais
613.719.9584
info@dagenaisinspections.com
dagenaisinspections.com

Home Insurance Cheat Sheet

INSURANCE TYPE	DESCRIPTION	AVERAGE COST
COMPREHENSIVE OR ALL PERILS INSURANCE	Most natural disasters, including fire, windstorms, and hail. Flood coverage is usually an optional add-on.	\$1,000 - \$2,000 annually
BASIC OR NAMED PERILS INSURANCE	Only the perils explicitly named in the policy, which commonly include fire and explosion but may not cover flood or windstorm damage unless added.	\$700 - \$1,200 annually.
BROAD INSURANCE	Building is covered for all perils (like Comprehensive), but contents are only covered for named perils, which may include fire but usually not floods unless specified.	\$800 - \$1,500 annually.
NO-FRILLS INSURANCE	Typically offers minimal coverage for common perils like fire; often excludes major events like floods.	\$500 - \$1,000 annually.

Trusted Insurance Companies

WR DAVEY INSURANCE

Ross Davey
613.227.0029 EXT 226
rosse@wrdavey.com
www.wrdavey.com

G.A. DESJARDINS & SON INC.

Carol
613.241.7265
gadesjardinsinsurance.ca

Pre-Closing Checklist

BRAVO! HERE'S WHAT YOU'VE COMPLETED SO FAR:

- X Accepted Offer**
- X Inspections**
- X Obtain home insurance**

THE CLOSING TABLE IS NEAR! HERE'S WHAT'S NEXT:

Order Appraisal (If applicable)

An appraisal is an estimate of the value of the property by a licensed professional appraiser. Once problems are resolved from inspection, the lender may order an appraisal and paid for by you. The appraisal verifies the value of the property for the lender and to protect you from overpaying.

The contract is contingent upon whether the appraisal comes in at or above the purchase price. If the appraisal comes back low, it's back to negotiations!

Final Mortgage Approval

Continue working with your lender during these final weeks prior to closing. Make sure your lender has all documents for the mortgage to be finalized.

Review Closing Costs

Know exactly which costs you'll be responsible for, including land transfer tax and legal fees.

TIP

It is very important not to make any major job changes, purchases, or open new credit cards, as any of these activities could alter your qualifications for a loan.

Title Search

The title company will conduct a title search to ensure the property is legitimate and that there are no outstanding mortgage liens, judgments, easements, leases, unpaid taxes, or other restrictions that would impact your ownership.

Final Walkthrough and Funds

Schedule a final walkthrough a day or two before closing and have the necessary funds ready for closing costs.

Clear to Close

The magic words! This phrase means the mortgage underwriter has officially approved all documentation required to fund the loan. All that remains is the actual closing process.



It's Closing Time!

You've received the magic phrase "clear-to-close" and we've scheduled our closing date and time.

Here's a quick rundown on what you can expect from closing day!

WHAT TO EXPECT FROM CLOSING DAY

When is the final walk-through?

The final walk-through allows the buyers to do one last walk through before closing to confirm that the seller made the repairs that were agreed upon. The walk through also ensures no new problems have occurred while under contract. We will typically schedule the walk through right before closing.

Who will be at closing?

Situations vary, but you can expect some combination of these folks: Buyer (that's you!) & your lawyer.

What will I do?

Stretch those fingers and get ready to sign, sign, sign! Be prepared to take in a lot of information as well, as your lawyer will go over all of the closing documents with you.

What should I bring?

Bring a photo ID and check to pay any closing costs. Your agent will share any other documents specific to your situation. The closing process is relatively simple but be prepared for A LOT of paperwork. (And always, always, always ask if you have a question along the way.) The good news is once you've signed the last page, it's time to get a hold of those keys and celebrate!

Have questions about buying? Reach out!



I'm always happy to answer your questions and discuss the ins-and-outs of the home buying process! Don't hesitate to drop me a message or give me a call.

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