

Yisha Chang

REALTOR®

HOME BUYER'S GUIDE

A resource to help
guide you through the
home-buying experience,
from start to finish.




YISHA CHANG
REAL ESTATE
Beyond the Sale

A photograph of a man and a woman embracing from behind, looking out over a landscape at sunset. The man is wearing a red and blue plaid shirt, and the woman is wearing a floral dress. The title 'The Road Home' is overlaid in large white text.

The Road Home

You've heard it before: buying a home may be the largest purchase you will ever make. Does that make you nervous? Consider this: it can also be one of the best investments you will ever make.

From the pride you feel by being a homeowner to the tax deductions associated with home ownership, the benefits are plenty. If you're ready to travel the road toward home ownership, take your first step with the Yisha's *Home Buyer's Guide*. This guide is a resource to help familiarize you with the home-buying process, and present you with relevant information, including a list of terms, things to consider when choosing a home, and a check-list to help you make the right decisions for you.

Beyond the Sale!




About Yisha

I was born in Suzhou, a beautiful city in China, and at a young age moved to Montreal. Upon graduation from McGill University, I worked in various positions in health-care industry in Montreal and Ottawa. As I progress in my career, I started to take a keen interest in real estate and became an investor myself. And, after a few fixer-upper projects under my belt over the past years in Ottawa, I have gained immense & in-depth knowledge of all facets of a real-estate "project". That makes me passionate about what I do!

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Let Yisha Be Your Guide

EXPERIENCE WINS

Searching for a new home or investment can be daunting. Being a licensed real estate agent, I will patiently answer your questions, making sure you feel confident & empowered with knowledge during each and every step. TLC? Fixer-upper? Cottage? Luxury? Whatever type of home you are searching for, I will find it for you at a price that meets your budget. I will guide you on what to look for in your quest, what adds value and what is the true value. Once, we have found the right home (or a buyer), I will professionally draft the offer to protect your interests, and will use my skills to negotiate the best price, terms and conditions.

WORKING WITH YOU - ALL THE WAY THROUGH

I'm here for the whole journey. While no home buying or selling experience is stress free, I have an extensive network of trades, contractors, home inspectors, lenders, lawyers and professionals that can assist you with every phase of the transaction. Be it getting you pre-approved for a mortgage, getting a thorough home inspection, or connecting you to lawyers to handle the closing, and even contractors to realize your home improvement goals. You name it and I would have a connection in my network to assist you. I truly believe in building and nurturing long-term trust and loyalty with my clients, and I am only an email or a phone-call away even "beyond the sale".

8 STEPS TO PURCHASING A HOME

1. Know your budget.
2. Explore mortgage options, get pre-approved.
3. Identify homes you like and schedule home tours.
4. Make an offer.
5. Get a home inspection.
6. Close the deal.
7. Update utilities and transfer services.
8. Move into your new home!



Get Pre-Approved

Getting pre-approved for a home loan can be a daunting experience. First, find a mortgage lender that you're comfortable with. If needed, Yisha will be happy to provide a referral. Your lender will check your financial standing to determine how much you can borrow, how much you can afford, and which loans might be right for you. Applying for a mortgage requires a written application and supporting documentation; it can be a slightly intimidating process and there are a few things you should be ready for when meeting with your mortgage lender:

[They will check your credit score:](#)

Knowing your credit score will give lenders an inside look at your credit habits and history and will help them decide if you're a good candidate for a loan. Credit scores are ranked on a scale of 300-900 and the higher the better.

[They will check your employment history:](#)

Lenders ask for a list of your past employers, how long you've been with your current employer, and what your annual salary or take-home pay is. They want to make sure you consistently earn money, with no major gaps in income, and can make regular mortgage payments.

[They will check your assets and debts:](#)

Be prepared to show your past tax records, recent bank statements, and current debt amounts, including credit card debt, car loan, or student loan. Lenders want to know your debt-to-income ratio to know if you can make each loan payment with the income you earn.



Start Your Home Search

As a home buyer, you can expect to see an array of different home styles and designs. You've got the choice of single-family, condo, townhome, lakefront, acreage, luxury; you can also choose bungalow, multi-storey, or split-level. In other words – you've got options. But what's most important is that you choose a home that complements your lifestyle and your income. To narrow down your choices:

Analyze the Photos

Make sure you take a look at all of the photos and spend some time noting where windows are and what the natural light is like in the space. Another good thing to consider when looking through the photos is how your own furniture will look in the space. If the photos of the home are furniture free, allow yourself to mentally place furniture where you think it may look best. If the property is staged, take into consideration where different furniture pieces are placed and how you could change the furniture layout to work for you and your style.

FOUR THINGS TO CONSIDER WHEN VIEWING HOUSES ONLINE

When it comes to house hunting online, there are lots of things a potential buyer can do to get a feel for a property by simply utilizing the tools that are available online. Yisha will be a great resource to lean on, as she has lots of information on the property that may not be included in the MLS listing description.



Take Note of Potential Fixes & Renovations

If you're looking at a property online that may not be quite your style or that needs some upgrades, take note of those. See what elements of the home work for you and which areas you would consider renovating or giving some TLC in the future. And remember, paint color is an easy, relatively inexpensive change that makes a huge difference in a home!

3D & Virtual Tours

Many realtors now provide 3D tours or virtual walk-throughs of their listings. 3D tours allow you to view a property from the comfort of your own home, while also giving you the freedom to virtually navigate your way through the property. This will give you a chance to get a feel for the floor plan and layout of a home without having to actually set foot on the property.

Consider the Outdoor Space

One thing that many people forget to take into consideration when viewing a home online is the outdoor space. Whether it is a small balcony or a large backyard, outdoor space is definitely something to try to get a feel for when viewing a home virtually. Take account of what furniture you may need to fit into the space or invest in, and what sort of maintenance will be required. Consider how exterior maintenance may be affected by different seasons. Will you need to trim and maintain trees or clear snow from a large driveway?

- Know your budget & stick to it.
- Determine a desired location.
- Consider how many bedrooms, bathrooms, square feet you need.
- Decide which amenities are must-haves versus like-to-haves.
- Consider your needs for outdoor space, like a yard or balcony.

Home Styles



Storey-and-a-half: This style has a deep pitched roof and clean, simple design. Dormers can be added to a pitched roof to add windows or usable space on the upper level.



Two-Storey Home: A two storey home has two full levels of living space. A traditional two-storey will have a ground level, with an often equal sized floor directly above. Often the living space is on the ground level, with the main suite and additional bedrooms on the second floor.



Split Level: Also called a split entry, this home style typically has two short sets of stairs running up and down from the point of entry. It may, or may not, have living space at entry level.



Condominium: An owned unit in a large property complex that consists of many individual units. Often has a fee that covers shared monthly expenses for the upkeep of the building and facilities.



Single-Level: Also referred to as a bungalow is known for a long, low design with all or most living space on ground level. Many have a basement level which may be finished into additional living space.



Townhouse: An owned unit in a row of houses all attached to one another. Often has an condominium fee that covers shared monthly expenses for the upkeep of the exterior and any shared facilities.



Semi-Detached: This home has two single family dwellings that are separated by a common wall & have mirror image layouts.

It is important to consider shared expenses that may need to be addressed such as house siding and windows as well use and upkeep of common spaces such as the yard, landscape or a shared driveway.



Duplex: A duplex is a home consisting of two separate dwellings that are either side by side or stacked on top of each other.

They typically have identical layouts or a mirror image of each other. A duplex typically has one street address with unit numbers and one property owner.

CHECKLIST

Bedrooms ☐ 2+ ☐ 3+ ☐ 4+
Bathrooms ☐ 1+ ☐ 2+ ☐ 3+ ☐ 4+
Dedicated Office Space ☐ Yes ☐ No
Central Air Conditioning ☐ Yes ☐ No
☐
☐

Garage ☐ 1-car ☐ 2-car ☐ 3+ car
☐ Attached ☐ Detached ☐ None
☐
☐

Kitchen Features:
☐ Gas Stove/Cooktop ☐ Gas Oven
☐ Microwave ☐ Dishwasher
☐ Walk-In Pantry ☐ Eat-In Kitchen
☐ Updated Countertops
☐ Fully Renovated
☐
☐

Bedroom Features:
☐ Walk-in closet ☐ Master Bathroom
☐
☐

Bathroom Features:
☐ Double Vanity and Sinks
☐ Bathtub ☐ Double Shower
☐
☐

Additional Indoor Features:
☐ Gas Fireplace ☐ Wood Fireplace
☐ Mudroom ☐ Main Level Laundry
☐ Alarm System ☐
☐ Smart-Home Tech.
☐ Mounted TV or Sound System Wiring
☐ Dedicated Dining Room
☐ Basement
☐
☐

Outdoor Features:
☐ Yard Space ☐ Wooded Lot ☐ Balcony
☐ Pool ☐ Fence ☐ Shed
☐ Balcony or Deck
☐ Outdoor Entertaining Area
☐
☐



Be Prepared

When you're ready to make an offer, Yisha will prepare the required paperwork and negotiate the purchase price and terms on your behalf, but there are a few things you'll need to do as well:

Purchase Insurance:

You may be required to purchase homeowner insurance if you have a mortgage. Make sure you purchase enough to fully cover your home, and your belongings, in case of a total loss.

Get a Home Inspection:

Inspections generally cost a few hundred dollars but will bring to light any major issues or concerns with the home. The Purchase Agreement can be contingent on the outcome of the inspection, so if you don't like what you find you can withdraw the offer and keep looking.

Determine the Status of Utilities:

In a traditional home sale, with sellers as occupants, you'll want to check on the status of the utilities required by the home. Outstanding invoices for items such as water, gas, and electric should be paid in full by the owners before closing. You will also want to have the services transferred to your name for billing. In a foreclosure, or vacant home sale, in which the water has been turned off, contact the municipality to turn the water back on and check for broken or damaged pipes.

RELIABLE RESOURCES

Yisha will be a great resource; don't hesitate to ask for a referral if you're looking for a:

- Mortgage Lender
- Inspector/Appraiser
- Moving Company
- Insurance Provider
- Contractor
- Landscaper

TAX BREAK

Preparing your taxes as a first-time homeowner can be, well, taxing. You will have a number of new tax considerations, including new deductibles such as mortgage insurance and property tax, to claim. If you're not sure what you'll be eligible to claim, consider visiting a tax consultant or visit: canada.ca/revenue-agency.

Homebuyer's Glossary

By familiarizing yourself with these home-buying basics, you'll be better equipped to make informed decisions and a wise investment.

1. **Comparative Market Analysis:** CMA is a report on comparable homes in the area that is used to derive an accurate value for the home in question.
2. **Balanced Market:** In a balanced market, there is an equal balance of buyers and sellers in the market, which means reasonable offers are often accepted by sellers, and homes sell within a reasonable amount of time and prices remain stable.
3. **Bridge Financing:** A short-term loan designed to "bridge" the gap for homebuyers who have purchased their new home before selling their existing home. This type of financing is common in a seller's market, allowing homebuyers to purchase without having to sell first.
4. **Buyer's Market:** In a buyer's market, there are more homes on the market than there are buyers, giving the limited number of buyers more choice and greater negotiating power. Homes may stay on the market longer, and prices can be stable or dropping.
5. **Closing:** This is the last step of the real estate transaction, once all the offer conditions outlined in the Agreement of Purchase and Sale have been met and ownership of the property is transferred to the buyer. Once the closing period has passed, the keys are exchanged on the closing date outlined in the offer.
6. **Amortization:** The length of time allotted to paying off a loan – in home-buying terms, the mortgage.
7. **Closing Costs:** The costs associated with "closing" the purchase deal. These costs can include legal and administrative fees related to the home purchase. Closing costs are additional to the purchase price of the home.
8. **Home Inspection:** 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 reduced selling price.

Homebuyer's Glossary (cont'd)

9. **Condominium Ownership:** A form of ownership whereby you own your unit and have an interest in common elements such as the lobby, elevators, halls, parking garage and building exterior. The condominium association is responsible for maintenance of building and common elements, and collects a monthly condo fee from each owner, based on their proportionate share of the building.
10. **Contingencies:** This term refers to conditions that have to be met in order for the purchase of a home to be finalized. For example, there may be contingencies that the mortgage loan must be approved or the appraised value must be near the final sale price.
11. **Deposit:** An up-front payment made by the buyer to the seller at the time the offer is accepted. The deposit shows the seller that the buyer is serious about the purchase. This amount will be held in trust by the agent or lawyer until the deal closes, at which point it is applied to the purchase price.
12. **Dual Agency:** Dual agency is when one agent represents both sides, rather than having both a buyer's agent and a listing agent.
13. **Down Payment:** The down payment is the amount of money paid-up front for a home, in order to secure a mortgage. In Canada, the minimum down payment is 5% of the home's total purchase price. Down payments less than 20% of a home's purchase price require mortgage loan insurance. The selling price, minus the deposit and down payment, is the amount of the mortgage loan.
14. **Equity:** The difference between a home's market value and the amount owing on the mortgage. This is the portion of the home that has been paid for and is officially "owned."
15. **Fixed-Rate Mortgage:** A fixed-rate mortgage guarantees your interest rate and for a pre-determined amount of time, typically 5 years. When the term expires, you have the option to stay with the same lender or switch to a different one.
16. **Land Transfer Tax:** This is the tax payable by the buyer to the province and/or municipality in which the transaction occurred upon transferring land. The amount varies depending on the region, the size of the land and other factors.
17. **Porting:** Transferring your mortgage (and the existing interest rate and terms) from one property to another.

Homebuyer's Glossary (cont'd)

18. **High-Ratio Mortgage:** A high-ratio mortgage is a mortgage where the borrower has less than 20% of the home's purchase price to make as the down payment. A high-ratio mortgage with a down payment between 5% and 19% of the purchase price requires mortgage loan insurance. In Canada, 5% is the minimum amount required for the down payment.
19. **Home Appraisal:** A qualified professional provides a market value assessment of a home based on several factors such as property size, location, age of the home, etc. This is used to satisfy mortgage requirements, giving mortgage financing companies confirmation of the mortgaged property's value.
20. **Home Buyers' Amount:** This is a \$5,000 non-refundable federal income tax credit on a qualifying home, providing up to \$750 in tax relief to assist first-time buyers with purchase related costs.
21. **Home Buyers' Plan:** A federal program allowing first-time homebuyers to withdraw up to \$35,000 interest-free from their Registered Retirement Savings Plan (RRSP) to help purchase or build a qualifying home. The borrowed amount must be repaid within 15 years to avoid paying a penalty.
22. **Land Survey:** A land survey will identify the property lines. This is not required to purchase a home, but it is recommended and may be required by the mortgage lender to clarify where on the property the owner has jurisdiction. This is important if issues arise between neighbors or the municipality, should the owner wish to make changes in the future such as installing a pool, fence or other renovations involving property lines.
23. **Freehold Ownership:** A form of ownership whereby you own the property and assume responsibility for everything inside and outside the home.
24. **Seller's Market:** In a seller's market, there are more buyers than there are homes for sale. With fewer homes on the market and more buyers, homes sell quickly in a seller's market. Prices of homes are likely to increase, and there are more likely to be multiple offers on a home. Multiple offers give the seller negotiating power, and conditional offers may be rejected.
25. **Virtual Deals:** The home-buying process completed by means of technology in place of face-to-face contact. Some common digital tools include 360 home tours and video showings, video conference calls, e-documents, e-signatures and e-transfers.



26. Mortgage Pre-approval: A mortgage pre-approval helps buyers understand how much they can borrow before going through then mortgage application process. Allows you to make an immediate offer when you find a home, since you know how much you'll be approved for this this lender, and locks in the current interest rate for a period of time insulating you against near-term rate increases.

27. Title Insurance: Title insurance is not mandatory in Canada, but it is highly recommended to protect both the buyer and the mortgage lender against losses related to the property title or ownership, such as unknown title defects, existing liens against the property's title, encroachment issues, title fraud, errors in surveys and public records, and title-related issues that could prevent you from selling, leasing or obtaining a mortgage. Your lawyer can advise you on this.

28. 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.

29. Offer: An offer is a legal agreement to purchase a home. An offer can be conditional on a number of factors, commonly conditional on financing and a home inspection. If the conditions are not met, the buyer can cancel their offer.

30. Variable Rate Mortgage: A variable rate mortgage fluctuates with the prime rate. Your monthly payments remain the same, but the proportion of your payment going toward principal versus interest can change.



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