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REAL ESTATE BROKER

FIRST TIME
HOME BUYERS
CHECKLIST.
THOUGHTS OF BUYING?

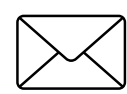


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IS HOME OWNERSHIP RIGHT FOR YOU?

You've heard it before...buying a home is one of the biggest decisions you'll ever make.

To ensure that you make the best choice, ask yourself a few questions. What do you really want in a home?

What is your current financial situation? What are your financial and lifestyle needs?

The Real Cost Of Ownership

Upfront costs

The initial amount of money you need to buy a home, including the down payment, the closing costs and any applicable taxes.

Ongoing costs

The continued cost of living in a home you own, including mortgage payments, property taxes, insurance, utility bills, condominium fees (if applicable) and routine repairs and maintenance.

Major repairs

Large and expensive repairs and renovations your home will eventually need, such as roof replacement or foundation repair.

RENTING VS BUYING: PROS & CONS

RENTING

PROS

- Less maintenance and repairs
- Lower monthly and upfront costs
- Short-term commitment, making it easier to move to a new home, town or city
- Protection from decrease in property values
- Free Cashflow for investments in other portfolios

CONS

- Monthly payments may increase year after year
- The risk that your lease won't be renewed
 - You are paying someone else's mortgage rather than building equity of your own
- You can't paint or remodel without the landlord's permission

VS

BUYING

PROS

- Freedom to renovate or modify your home as you wish
- You are building up equity in a safe, secure investment as you pay down your mortgage
- Potential for rental income if you include a secondary suite
- Stability and peace of mind that comes from being in control of your investment and owning the place where you live

CONS

- The risk of financial loss if your home has lost value when you sell
- Responsibility for all ongoing costs including mortgage principal and interest, property taxes, insurance and maintenance
- Monthly payments can increase significantly if interest rates go up at renewal time
- Possibility of unexpected and potentially costly repairs



So You're Ready Financially & No Longer Want To Rent.

COVERING THE BASICS

Step 1: Finding a Real Estate Broker

- ☐ Talk to a few agents and see if their personality matches your needs/wants.
You're going to be spending a lot of time with them. Make sure you guys vibe.
- ☐ Qualifications your agent should have:
 - » Local market knowledge
 - » Good reviews or testimonials – Facebook, Yelp, Instagram
 - » Financial Knowledge – they can walk you through the numbers!
 - » Find an agent who works full time in the industry and has a track record.
- ☐ Great time management and communication skills:
 - » Are they punctual & prepared?
 - » Do they communicate with you in a way that you understand and feel comfortable.
- ☐ Network connections:
 - » Effective real estate agents rely on their relationships. Are they well connected? Do they work with a Team?



Step 2: Mortgage 101

- ☐ Maintain great credit - Download the Borrowell App & Get a FREE Score and start monitoring your credit ASAP.
- ☐ Get rid of as much debt as possible (credit cards, bills, car loans, etc)
- ☐ Gather any important financial documents including: 2 months worth of pay stubs & bank statements, 2 years of tax returns & T4's & any other relevant document

Step 3: Finding a Lender

- ☐ Take the time to compare different lenders to understand the benefits & advantages of each individual company ... a lower rate or term could save you thousands long term
- ☐ Ensure each lender does not pull your credit until you've fully committed to working with them.
- ☐ If your credit isn't where you want it to be, ask your realtor/lender for advice.
- ☐ Often times experienced agents work closely with a trusted mortgage broker - ask them for a referral

BUDGETING

Step 4: Establish Your Budget

- ☐ Saving up 20% of a home's purchase price is great, but often times isn't feasible in today's insane markets
- ☐ Work with your lender to create the best plan for your needs - get a good mortgage broker!

Step 5: Getting Pre-Approved

- ☐ Get Pre-Approved; this gives you, your agent, and the lender an estimate of how much you can afford based off of your credit score and past financial documents
- ☐ Work with your lender and real estate agent to determine if your file should be underwritten before submitting any offers. This will help to avoid any potential disappointments or delays during the transaction.

FINDING YOUR NEW HOME

Step 6: The Fun Part

- ☐ Meet with your chosen real estate agent to discuss your "must haves".
- ☐ Make sure to include: bed/bath number, garage, & any other relevant details.
- ☐ Things to avoid: pools, busy streets, etc.
- ☐ Bring along your pre-approval and lender contact information so you can discuss budget and have your agent connect with your chosen lender.
- ☐ Determine different neighbourhoods you might want to live in.

Step 7: Find a Home

- ☐ Keep your "Must Haves" Checklist in mind.
- ☐ Keep a journal or guide of the different houses you're interested in.
- ☐ Take plenty of pictures to look back at.
- ☐ Stay within your price range!
- ☐ Provide your agent with ANY feedback regarding the properties that you view.
- ☐ Both positive and negative feedback can be very helpful for an agent to find exactly what you want

Step 8: Make an Offer

- ☐ Work with your agent to establish a strategy to get the most from your offer and have the best chance of it getting accepted - prepare for the worst hope for the best & don't get discouraged if your first few offers get rejected!
- ☐ Sign the offer and any additional documents!



INSURING YOUR HOME

Step 9: Do Your Due Diligence

- ☐ Find a reputable and thorough home inspector, if you need suggestions ask your agent.
- ☐ A good home inspector will help to ensure that you don't end up in a "money pit," for example, a property with lots of electricity, plumbing or foundation issues.
- ☐ An inspector will also report any issues found with the home that will allow you to ask for repairs during negotiations.
- ☐ If work is needed to be done on the property, strategize with your agent to submit a request for repairs.
- ☐ Review disclosures and paperwork with your agent.
- ☐ If you will be making any additions or construction to the property, such as adding a pool or a guest house, check with city building department to ensure zoning allows for those upgrades.

Step 10: Arrange Home Insurance

- ☐ Search for a homeowner's insurance policy with great coverage at a reasonable cost. Ask your lender for suggestions if necessary.
- ☐ Some lenders require a year's worth of homeowner's insurance up front before approving a mortgage



THE HOME STRETCH

Step 11: Finalize Financing with Your Lender

- ☐ The lender will order an appraisal on the home to verify that the market value supports the purchase price.
- ☐ Double check that your interest rates and mortgage payments are what you agreed upon.

Step 12: Final Walkthrough of the Home

- ☐ Go through the house with your agent to double check everything you agreed upon in your offer is present.
- ☐ Ensure that any repairs that were agreed upon in the transaction were completed.
- ☐ If repairs are difficult to visually inspect, call back your home inspector or a specialist to ensure the repairs were completed correctly.
- ☐ Turn on all lights, appliances, & test electrical outlets to make sure that they still are in good working order if stated in contract

Step 13: Closing the Deal

- ☐ Bring everything you might need:
 - » Form of identification
 - » Any additional payment you may need
- ☐ Sign the mortgage documents!

& YOU'RE DONE

... CONGRATS YOU MADE IT TO THE END

Thank You For Taking The Time To Read Through All Of This.

I Hope After Reading This You're One Step Closer To Your Goals.

If This Guide Brought You Some Value, Please Share It With A Friend.

Looking Forward To Working With You.

– Victor Le-Nguyen

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