



— FIRST TIME HOME BUYER GUIDE


Buying your first home can seem like a daunting task. Where do you start and what are all the important things to remember? We are here to help!

Here is our First Time Home Buyer Guide with all of the information you need to buy your first home and make the process as smooth and stress-free as possible.

Enjoy Kamloops 
REAL ESTATE GROUP

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 **CENTURY 21.**
Assurance Realty Ltd.



— WHO ARE WE?

We are the **Enjoy Kamloops Real Estate Group**.

We are a group consisting of 7 licensed agents and 2 administrative assistants. As a group we have over 45 years of combined real estate experience. We have been Kamloops' top selling real estate team since 2014.

Our motto is 'Great Service! Proven Results!' and that is exactly what you can expect when you work with us. We pride ourselves on our clients' satisfaction.

As a buyer, you can expect to be notified of new listings that fit your search criteria within minutes of them coming on the market. We will work with your schedule to get you into homes quickly. We will point out important things about homes that you may not notice. We will be in your corner and will aggressively negotiate a favourable purchase agreement for you. We will be there to answer any questions you may have, every step of the way.

We don't just try to sell our clients any old house. We work hard to find a house that works well for you, and then we help you make it your *home*.

Enjoy Kamloops  **REAL ESTATE GROUP**



— THE STEPS

- ① Get pre-approved for a mortgage.
- ② Choose a REALTOR® to work with.
- ③ Discuss your needs and wants with your agent.
- ④ Go house hunting.
- ⑤ Write an offer, negotiate and get an accepted offer.
- ⑥ Finalize financing, carry out inspections and review documents.
- ⑦ Once all conditions have been satisfied, remove subjects.
- ⑧ On agreed upon dates, you pay for the home and move in!



— GETTING PRE-APPROVED

Your first step towards home ownership is contacting a mortgage broker or bank and getting a mortgage pre-approval in place.

It is really important that you get pre-approved prior to starting to look at homes. This means straight off the bat, you know exactly how much you can afford and you don't end up disappointed when you find out that a home you love isn't an option for you financially.

Your mortgage broker or bank will also be able to provide you with a list of all the paperwork you will be required to supply to a lender. Use this time wisely to make sure you have everything ready to go. Typically in Kamloops, you will have around 10 business days to arrange all your financing once you have an accepted offer in place. Finding out that paperwork you need is going to take weeks to track down can really slow the process down and potentially result in you losing a home you love.

Lots goes into approving a mortgage such as your debt to income ratio, property taxes, strata fees, utility costs, any vehicle payments, and any other financial responsibilities you may have. An online mortgage approval calculator doesn't cover all of these aspects so may not give you an accurate figure. Having a formal pre-approval in place is the key to success and the first step to becoming a home owner!



— CHOOSING A REALTOR®

It is in your best interest to work with one agent who knows exactly what you are looking for and has the skills to help you find it.

Many buyers start their home search by contacting listing agents to book showings of homes they are interested in. While this is a good way to start getting inside homes and finding out what you do and do not like, it is important to remember that the listing agent of a property is always representing the seller. They enter the showing with the seller's best interests in mind and are just trying to sell that home for their client, the seller.

Finding your own REALTOR® from the beginning of your search means you have the opportunity to find someone who you feel comfortable with, who's schedule aligns with yours, and who can really understand exactly what you are looking for. Then by the time you are ready to make an offer, you will feel comfortable that your agent has your best interests at heart and can write a great offer for you with this in mind.

We would love the opportunity to meet you for a coffee so we can discuss what you are looking for in a home, and show you all the ways that we can help guide you through the home buying process.



— YOUR WANTS & NEEDS

When you work with us, you will be signed up to our Private Client Services which will send you listings that fit your search criteria.

Once you have chosen your REALTOR®, the next step is to discuss your wants and needs for your new home with them. It is important in this step to identify what things are really essential to have in your new home, and what would just be nice to have.

Depending on your budget, you may have to make some compromises when shopping for your first home. It is easiest to decide how many bedrooms minimum you need and which areas you are open to and expand your search from there. It may not be possible to find a house with an ensuite bathroom, for example, in your preferred neighbourhood within your budget.

Just remember that your first house doesn't have to be your forever house. So decide what you really need right now, and base your search off that. If you find a house with some of your wants in it too, bonus!

We set all of our buyers up with their very own private search account which notifies you of new listings that meet your search criteria as soon as they hit the market. This gives you the best chance of viewing the home yourself before it is snapped up.



— GO HOUSE HUNTING

Now the fun part, pick your favourite listings that are on the market and let's go house hunting!

It is now time to view some homes in person so you can decide which layouts, locations, and features you prefer in a home.

It is best to not put too much pressure on yourself at this stage and just view your first house hunting trip as a discovery session. A good agent will also not put any pressure on you.

When just starting your home search, you may want to wait until there are 2 or 3 houses you are curious about to go and see in one viewing session. We are always happy to pick a few options for our clients as well for the first few viewings. However, if a home you really love comes on the market, let your agent know right away so we can get you in for a viewing as soon as possible.

We recommend not viewing more than 6 or so houses in one viewing session, as it can be a bit overwhelming and can become hard to remember what you liked or disliked about each home if you have seen too many at once.



— OFFERS & NEGOTIATIONS

Once you find a home that you love and you are ready to write an offer, we will guide through all of the paperwork and negotiations.

When you find a home that you love and are ready to make an offer, we will guide you through the process and advise you every step of the way.

We go through the offer writing process step by step with our clients and explain everything in detail to ease any stress or concern during this important step.

We will advise you on the appropriate subjects, terms and conditions to write into your offer to make it appealing to the seller while also negotiating strongly on your behalf.

When necessary, we are happy to provide our buyer clients with a Comparative Market Analysis for any homes they are interested in. This will show you how the listing price of the home compares to other similar properties, and let you make an informed decision about an offer price.

We offer in person or electronic signing to our clients so an offer can be written and signed on your timeline and as quickly as needed.



— FINANCING & INSPECTIONS

Once you have an accepted offer, you will work with your mortgage broker or bank to finalize your financing and have a home inspection.

After negotiating with a seller and having your offer accepted, the next step is to satisfy your offer subjects which usually involves finalizing your financing and having an inspector carry out a home inspection.

We will send all necessary paperwork to your mortgage broker or bank representative so they can work with you to finalize your financing. It is likely at this stage that you will need to have an appraisal carried out on the home you wish to buy so the lender can verify it is worth how much you are paying for it.

We will also provide you with recommendations for professional home inspectors if needed and book your inspection with the sellers. After the inspection is completed, we will read through the report with you and address any issues the inspection may have uncovered.

It is important in this stage to remember that it is the inspectors job to point out all issues with the home, no matter how big or small. It can be overwhelming to read through a home inspection report but we will guide you through this process and address any issues of concern with the sellers.



— REVIEWING DOCUMENTS

During the subject removal period you will also review a number of documents that provide further information about the home.

We will provide you with important documents during the subject removal period that help you learn more about the home you are buying.

A Property Disclosure Statement is filled out by a seller when listing a home for sale. This is essentially a questionnaire that the sellers must answer honestly and to the best of their knowledge. This disclosure statement informs you about any problems with the home that the sellers are aware of, such as flood related damage or structural issues.

The property Title and Title Documents will detail any registered easements, restrictive covenants or right of ways that the property has. These are often things such as BC Hydro right of ways or building schemes that run with a neighbourhood.

We will also provide you with a Building Information Request from the City of Kamloops or TNRD which shows you any outstanding permits or other building issues that may be on file.

If you are buying a rural property we can direct you to further information regarding this and how to carry out water testing, well and septic inspections.



— REVIEWING STRATA DOCUMENTS

If you are buying a home that is in a strata complex, we will also provide you with all of the strata documents for you to review.

When buying a home in a strata complex, as well as making sure you love the home, you need to be sure that the strata itself is in good shape.

We will provide you with a copy of the rules, bylaws, meeting minutes and financial information available for the strata complex.

It is important to understand the rules and bylaws when moving into a strata complex. If you have any pets for example, you need to be sure they fit within the strata rules.

It is also important to review any upcoming repairs or updates the strata complex needs to pay for and see how much money they have in their contingency fund. If a strata does not have enough funds to cover the costs of any repairs needed then the monthly strata fees may be increased or they may assess a special levy to owners to cover the costs.

Buying a home in a strata complex is a great option for many first time home buyers. We will help guide you through the strata information so you can be sure that you feel comfortable with the strata corporation and its current operations.



— REMOVING SUBJECTS

When you are happy with the inspection report, documents, and your financing is finalized, you remove subjects and commit to buying the home.

Once your financing is finalized and you are happy with the home inspection report and the documents you have reviewed, you can then remove subjects on the home.

Once subjects are removed you are committing to buy the home and to pay for it on the agreed upon completion date. If you have not already given your deposit, it will be due now that subjects are removed.

We will now send all paperwork to the lawyer or notary of your choosing and they will handle the conveyancing of the sale along with the seller's lawyer or notary. We can again provide recommendations for this part of the process. Our brokerage passes your deposit along to your lawyer or notary and these funds go towards the purchase price.

In the time between subject removal and completion you will need to set up accounts with BC Hydro and Fortis BC (if applicable) to begin paying for their services on the day you move into the home. You can also contact Canada Post and arrange for mail forwarding if necessary.



— MOVING DAY!

On completion day you pay for the home and the title transfers into your name. On possession day, you get the keys and move in!

In the days prior to completion you will meet with your lawyer or notary to sign the final documents and provide your down payment. On completion day, your mortgage lender will send funds through the lawyers to the seller and the title will transfer into your name. You now own the home.

You will have written a possession date and time into your contract and this is when you get the keys to your new home and can begin moving in.

We will collect all keys from the listing agent and meet you at your new home to welcome you and have a quick walkthrough with you to check that everything is as it should be. At this time we check all appliances are working and that all included items in the contract were left by the seller.

If you have moved into a strata complex you will usually receive a welcome pack from the strata detailing how to pay your fees. We can also pass along contact details for your applicable strata management company for you to contact them.



— FREQUENTLY ASKED QUESTIONS

What does it cost me to use a REALTOR® when buying a house?

Nothing! The seller pays the commission to both the listing agent and buyers agent. It doesn't cost you anything to use a REALTOR®.

How many houses can I look at before I have to pick one to buy?

As many as you like. Sometimes buyers see a house they love on the first day and buy it. Other buyers may look at many homes over several months before finding one they love. We are happy to show you as many homes as you would like to see. We never rush our clients or make them feel pressured to buy a house.

Can I bring a friend or family member on house viewings with me?

Absolutely! Buying a home can be very stressful. You are welcome to bring along a friend or family member for a second opinion.

I am only available for house viewings on evenings and weekends. Is this okay? Do you work on weekends?

We can accommodate whatever schedule you need for house viewings. We are happy to show you homes in the evenings and on weekends and understand it is important for you to see homes as quickly as possible.



— FREQUENTLY ASKED QUESTIONS

Can you make recommendations for home inspectors, lawyers, and other such professionals?

Absolutely. We have a large network of trusted connections for many different service providers and experienced professionals.

Can I view the same house twice if I am unsure?

Yes, please do! We always encourage our clients to see a house twice if they are interested before making a decision. You may notice things on the second visit that you didn't see the first time around. If you came alone the first time it may also be a good idea to bring a family member or friend for a second opinion.

Is there an advantage of working with a REALTOR® who is part of a team instead of using a solo agent?

Yes, there is. When you work with a REALTOR® who is part of a team, you have the whole team representing you. This is a whole lot of experience and knowledge working in your corner.

Another huge benefit is if your agent happens to have a scheduling conflict or has plans to leave town, there is a team of people who already knows about your home search already and are able to help you. When you use a solo agent, you may be left waiting a few days or even longer for them to return which could result in you missing out on a home you love.



— GLOSSARY OF TERMS

Agency

This is the type of relationship an agent has with their client. In BC Realtors can offer designated agency, where they work for the client (abiding by all rules of confidentiality) and no agency, where the Realtor is not providing representation to the party. Limited dual agency is no longer permitted in BC except in very rare occasions which really don't exist in any populated area.

Amortization

The amount of time it will take for the loan to be paid in its entirety.

Appraisal

This is a report created by an appraiser who is hired to determine the market value of a property. An appraisal is typically done before conditions or subjects are removed from a purchase agreement. The bank or mortgage lender typically hires an appraiser.

Brokerage

Every licensed Realtor in BC must be under a brokerage where they provide real estate services. A brokerage is a firm that has a number of agents who work independent of each other and are managed by a Managing Broker.



— GLOSSARY OF TERMS

Buyer's Market

This is a market where it favours buyers. There typically are much more homes to buy than there are buyers to buy those homes. The buyer's purchasing and negotiating power is stronger in this scenario.

Closing Costs

These are costs that are associated with the final completion and purchase of a home. Closing costs are typically legal fees, property transfer tax, property tax, utility and strata fee adjustments and disbursements which are payable on closing or completion day. Contact your mortgage broker and Realtor to ensure you have all the information on your closing costs for your home purchase.

CMHC

This stands for Canada Mortgage and Housing Corporation which is a Crown corporation and they administer the National Housing Act for the federal government. Their mandate is to encourage the improvement of housing and living conditions for all Canadians. CMHC also is involved in insuring high ratio mortgages (those with under 20% down).

CMHC Insurance Premium

This applies to Buyers purchasing a home with less than 20% down payment. In this case an insurance premium is paid to CMHC and an insurance policy is issued to the lender of the mortgage.



— GLOSSARY OF TERMS

Commitment Letter (or Pre-Approval Letter)

This is a letter provided to the Buyer and their Realtor representative stating that the Buyer is preapproved for financing. It often specifies some of the basic terms and the amount of the mortgage the Buyer is preapproved for.

Completion Day

This is the day that the money changes hands from the Buyer to the Seller. At this time the title changes from the Seller's name(s) to the Buyer(s).

Conditional Offer

This is an offer that is accepted with conditions or subjects. There is a specific date that the conditions have to be met by also called the Subject Removal Date.

Counter Offer

A Buyer submits an offer, the Seller does not accept that offer and sends the Buyer a counter offer changing things such as the dates, price or conditions.

Court Ordered Sale

This is typically also known as a foreclosure. It occurs when a registered owner such as a bank obtains an order to sell a home. The sale must be approved by the court and there is a foreclosure process with many steps in this case.



— GLOSSARY OF TERMS

Deposit

This is negotiated in the agreement to purchase and it is where a Buyer offers an amount of money for a purchase that will be held in the trust account of the real estate brokerage (typically but sometimes the lawyers). The deposit forms part of the down payment for the purchase of a property.

Down Payment

The total amount of funds a buyer needs to put towards the mortgage that is not being financed. The minimum down payment in Canada for a home is 5% (if under \$500,000). If a purchase is over \$500,000 it is 5% up to \$500,000 and 10% for the amount between \$500,000 and \$1million.

Easement

An interest in land owned by another person that benefits the person (or entity) who has the easement, for a specific limited purpose (i.e. right of way permitting passage over a particular strip of land) such as with public utilities. We often see easements for Telus, BC Hydro, Fortis (gas) etc.

Home Inspection Report

A report prepared by a certified home inspector on behalf of the buyer when purchasing a property. The Buyer typically hires the home inspector resulting in the buyer having ownership of the home inspection. The buyer is not under any obligation to share the home inspection with the seller or agents.



— GLOSSARY OF TERMS

Home Owner Grant

A BC provincial program designed to provide property tax relief for most owners of residential properties that are owner-occupied. Rental properties are not included in this and Seniors often qualify for a higher home owner grant than those who are younger.

Private Client Services

This is a search provided by your Realtor which gives you access to up to the minute information regarding new listings, sales, price reductions and much more. This system is tied to your Realtor's internal interface and is a great tool for finding a home or property.

Possession Date

This date is set out in the initial purchase agreement or offer to purchase. It often follows the Completion Date by a day however in the case of a vacant property it can be the same day as the completion date. In some cases there are a few days between the Completion date and Possession Date. Possession day includes a date and time that the Buyer gets the keys!

Property Disclosure Statement

This is a document filled out by a Seller of a property that discloses everything the seller knows about that property.



— GLOSSARY OF TERMS

Property Transfer Tax (PTT)

In BC Property Transfer Tax applies to all Buyers who register a land title transfer in the BC Land Title Office. Some Native Bands also charge PTT (ie Kamloops Indian Band). First time buyers are often exempt from PTT (within a threshold of purchase price).

Property Taxes

These are the taxes that are charged by the city or municipality that the home is located in. The taxes are based on the BC Assessment which comes out in early January every year. Sometimes if set up by the owner of the home, the lender will collect taxes monthly as part of the mortgage payment to cover the property taxes. The lender would then pay the city or municipality on the owners behalf.

Rescission Period

When purchasing a property in BC there is a mandatory 3 day rescission period where a contract is rendered null and void should a buyer rescind within those 3 business days. There is a financial penalty for the rescission. This usually only affects subject-free offers. If you have subjects in your offer you can collapse an offer during the subject period without penalty.



— GLOSSARY OF TERMS

Reserve Fund (Contingency Fund)

A fund required to be set up by a strata or HOA for major repair and replacement of common elements and assets of a development. This amount is set aside by the management company on a regular basis so that funds are available for emergency or major repairs.

Seller's Market

This is a market that favours sellers. In this case there are more buyers to purchase homes on the market than there are homes available for sale. In this scenario the prices of homes often become more expensive and we see more multiple, competing offers.

Strata Fee

This is a monthly fee paid to a strata or Home Owners Association for the maintenance of the common lands, buildings and cost to run the strata or HOA. Often in Kamloops strata fees will include water, sewer and garbage services. Some stratas also include building insurance and other amenities. Each strata or HOA is different so it is important to know what is included when considering a purchase.

Subject Removal

This is commonly 10 business days for most typical conditions or subjects on a purchase agreement. Once all the subject clauses are satisfied the Buyer would remove all conditions or subjects making the contract unconditional, subject free or "firm".



— GLOSSARY OF TERMS

Title

This is obtained from the BC Land Title Office and shows the legal description of the land, the land holder's name, type of ownership and address (from when the purchase was registered). The title will also have any registered charges on it such as mortgages, easements, rights of ways and liens.

Title Insurance

This is insurance that typically a lender requires a mortgagor take out on a property which insures against loss or damage arising from a matter affecting the title to real property. It is also recommended that a buyer takes out title insurance when they purchase a home. It is a one time charge that is completed at the lawyer's office before completion. Whomever takes the policy out is the benefiting party. So we recommend a Buyer take out their own policy. This protects a Buyer against any issues that could arise with regards to their title and property. An example would be the property has a latent defect that wasn't disclosed and may be not known. Title insurance may help to resolve a large issue with a property.

Do you have any other questions or is part of the process still not totally clear to you?

We are happy to answer any questions you may have. There are no silly questions when buying your first home!



— READY TO GET STARTED?

We would love the opportunity to meet with you to discuss your home search. We offer free, no obligation buyer consultations. Reach out to us at anytime to get started.

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