

*Forest Hill*  
REAL ESTATE INC. BROKERAGE

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THE ULTIMATE  
BUYER'S GUIDE



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\* Not intended to solicit clients under contract

# COMPANY HISTORY

## A Distinguished Market Leader

Founded by Ronni Fingold in 1985, Forest Hill Real Estate Inc. has specialized in the sale of prestigious homes, luxury condominiums, commercial real estate, country properties, estates, building lots and industrial properties for over 30 years. As a result, Forest Hill trades in billions of dollars' worth of real estate transactions annually.

Forest Hill Real Estate is a leader in the Canadian real estate market boasting over forty offices and one thousand real estate professionals. Forest Hill prides itself on its rich history, reputation of integrity, customer service and market expertise.

The company's in-depth understanding of the changing marketplace and the subtle nuances of completing a real estate transaction are the fundamental principles behind Forest Hill's success.

Forest Hill knows the neighborhoods, the marketplace and the art of negotiation and how to satisfy buyers and sellers alike, with a professional, personal and informed approval.



# OUR MANDATE

## This is Forest Hill. Our Mandate is Our Promise.

Forest Hill was founded on the following principles

### **Integrity**

We are devoted to servicing our clients with dedication and honesty.

### **Professionalism**

Our experts are committed to the value of customer service.

### **Culture**

We are a community founded upon collaboration and support.

### **Innovation**

We embrace and integrate innovation and technology into the core of our business practices.

### **Results**

Forest Hill strives to achieve quality results for our clients.

### **Our vibrant culture is committed to**

1. Provide an enthusiastic and supportive platform from which real estate professionals can propel their careers.
2. Assist clients with exceptional and personalized real estate services.



# AGENCY RELATIONSHIP

Entering into a Buyer's Broker Agreement has countless advantages and will serve to create a dedicated working relationship with your Realtor®. When you sign the agreement, you are agreeing to hire a personal representative who, by law, must represent your best interests to the best of her/his ability. A Buyer Broker's fiduciary duty is to the Buyer. All of this personal service is available at absolutely no cost to you.



## Typically the Seller is Responsible for Paying your Realtor's Fee

A Buyer's Realtor® acts solely on behalf of the Buyer. The Buyer's Realtor® will always act in good faith, with loyalty and fidelity. The Realtor® will negotiate on behalf of, and act as an advocate for, the Buyer.

## Buyer Representation Agreement

Realtors® are required to have a contractual agreement with a Buyer before they can present an offer. If a Realtor® is acting for Buyers and Buyers alone, this is called a Buyer Representation Agreement. The brokerage will negotiate favourable terms, maintain confidentiality, and disclose information.

## Customer Service Agreement

In the Customer Service Agreement, the Realtor® does not have the same obligations. They do not represent your interests in this transaction and may already have clients: the Sellers. The Realtor's® primary duties are to their client. In this agreement, a Realtor® will answer your questions honestly and will disclose material facts.

## Dual Agency

Dual agency in a real estate transaction means the listing broker represents both the seller and the buyer in the same transaction. Both the Seller and the Buyer must agree to this arrangement, and may decline a multiple representation scenario. Given the current market, this occurs often and both parties will be well-apprised of its ramifications prior to offer preparation and presentation.

# BUYER'S QUESTIONNAIRE

## Basics

1. What is your price range?
2. When do you want to move into your new home?
3. Is this a first home purchase, a relocation, a move-up, a downsize, etc?
4. Will this be your primary residence or an investment property?

## Current Home

1. What do you like about your current home?
2. What don't you like about your current home?

## Household

1. How many people are in your household? Who are they and what are their names?
2. Does your new home need to accommodate any special needs?
3. Do you have pets? How many and what are their weights?
4. Are there any other household considerations we should take into account in the home search?

## Location

1. What location do you prefer? Do you need help determining a location?
2. Are there any secondary locations you would consider?
3. Do you need to be close to the subway, work, shops?
4. What other location considerations are important to you?

## Exterior Features

1. What style of homes are you interested in?
2. What size yard are you looking for?
3. Do you want a pool?
4. Are you looking for a home with a garage?
5. What exterior features are important to you?

## General Interior Features

1. How many stories do you prefer?
2. In general, how should the interior look (open, cozy, funky, etc...?)
3. How many bedrooms/bathrooms do you need?
4. What other rooms in the home are important?
5. What other interior features are important to you?
6. What are five must-haves of your ideal home?
7. What amenities do you require?

# SHOWINGS

Your Realtor® will compile the information and criteria you are provided, and will supply listing information for properties that match your needs. You will select properties of interest from the listings provided to you, and your Realtor® will accompany you to view all properties.

Take a close look at each listing before deciding which ones you'd like to go see, but don't wait too long. When you see a listing that you really like, let your Realtor® know so that they can book an appointment to show you the property.

When telling your agent to book an appointment, keep in mind that there are often restrictions. Some properties may ask you to give 24-hour notice, or will only be available at certain times.

Critique each property carefully, and use the sheet below to keep notes on listings that catch your interest. You will also be emailed all listings shown to you by your Realtor®.

Location: \_\_\_\_\_

Home is near: \_\_\_\_\_

New or Existing: \_\_\_\_\_

Price: \_\_\_\_\_

Garage: \_\_\_\_\_

Lot Size: \_\_\_\_\_

Style of home: \_\_\_\_\_

Bedrooms: \_\_\_\_\_

Bathrooms: \_\_\_\_\_

Living Room: \_\_\_\_\_

Fireplace: \_\_\_\_\_

Kitchen: \_\_\_\_\_

Dining Area: \_\_\_\_\_

Laundry Area: \_\_\_\_\_

Square Footage: \_\_\_\_\_

Notes: \_\_\_\_\_



# NEIGHBOURHOOD FACTORS

There are many factors to consider when selecting a neighbourhood that is right for you. Neighbourhoods have characteristic personalities designed to suit certain people, such as single people, growing families, two-career couples, or retirees.

You can always make changes to your house but you can never change its location. Most home Buyers will already have a good idea of where they would like to live based on school districts, work or other factors. However, it is important to do your research and scout of a few neighbourhoods before making a decision.

Carefully examine how well other homes in the area are being maintained; are they painted, are the yards well cared for; are parked cars in good condition. Pay attention to area amenities and how well the common areas are kept.

Look for things like access to major thoroughfares, highways, and shopping. Listen for noise created by commerce, roads, railways, public areas, schools, etc. Smell the air for adjacent commerce or agriculture. Check with local civic, police, fire, and school officials to find information about the area. Research things like soil and water. Look at traffic patterns around the area during different times of the day and drive from the area to work.

After you have picked your favourite neighbourhoods, and you know your "must haves" and "wants," you can make a list of every home available that meets your criteria, and view those homes.



# CONDOMINIUMS

## Resale or Pre-Construction

Making the decision whether to buy an older condo or one that is in the pre-construction phase can be a hard one. Older buildings will offer more space for the dollar, but will have high maintenance fees and may require renovations. New buildings will have lower maintenance fees but smaller space for the same price. Also new buildings will usually have better amenities. As a Buyer, you have to decide what works better for you.

## Developer

The reputation of the developer is an integral part of the buying process. Ask your Realtor® and research the developer. Some developers specialize in specific types of projects, whether mid-rise or high-rise, luxury or affordable. It is important to know the type of condo in which your developer specializes.

## High Floor vs. Low Floor

Usually higher floors command higher prices, as they offer privacy and better views. The view may be better on a higher floor but a great view can increase the value and price of a unit. Building access also varies between high and low floors. If easy access is a big deal to you, then the podium level, eg. the first three to five floors is a great choice. Elderly and restricted mobility persons may also prefer a lower floor. All buildings have accessibility units for sale. The upper floors are a perfect choice if you value peace and quiet, allowing you to avoid traffic noise.

## Tarion Warranty

Tarion enrolls new homes for warranty coverage, investigates illegal building practices, resolves warranty disputes between builders and homeowners, and promotes high standards of construction among Ontario's new home builders. New homes with Tarion Warranty are guaranteed to a standard.

## Amenities

Amenities benefit a property and thereby increase its value. Tangible amenities can include guest rooms, elevators, wi-fi, restaurants, parks, communal areas, swimming pools, golf courses, health club facilities, party rooms, etc

## Deposit Schedule

When purchasing a pre-construction unit, the builder will require periodical deposits. This will be outlined in the first page of the Agreement. Speak to your Realtor® and ensure you're able to fulfill the deposit schedule prior to signing. Deposit schedules can be amended.

## Maintenance Fees

The maintenance fee covers the operating expenses for the building and usually includes property taxes, building insurance, management fees and common area upkeep.

## Assignments

Although they can be complicated, assignment sales are a great opportunity for both buyers and sellers. An assignment is the sale of a condominium during the occupancy period or construction phase and prior to final closing or registration of the development. The assignor (Seller) assigns all of their rights and obligations under their contract to the assignee (Buyer).

# INVESTMENT PROPERTIES

## Home Flipping

Some investors choose to purchase a home and renovate or rebuild it. You will want to buy a home in a great location, fix it up, and sell it at a profit as quickly as possible.

## Sold Listings

Expert house flippers can't stress this enough. Find a home in desirable neighbourhood, or in a city where people want to live. Look for areas with rising real estate sales and employment growth.

## Good Schools

Homes in a desirable school district sell more quickly.

## The Right Fixes

A home with old carpet and wallpaper may be easy, and inexpensive to update. A house that needs a roof replacement or needs rewiring, requires some serious time and cash to update. Make sure you know which updates and repairs you can afford to fix, which repairs you can't afford, and which home improvements will increase the selling price of the house.

## Walk Score

A large-scale, public access walkability index that assigns a numerical walkability score to any property in Canada. This numerical value is indicative of the walkability of the neighbourhood, and its proximity to various amenities.

## Costs

When you estimate the cost of any job, experts advise that you add 20% to the final estimate.

## Value

Make sure the price of the home is below its value in the local market. Try to buy the worst house in a great neighbourhood, versus the best house in a lousy neighbourhood. The worst house in a great neighbourhood has nowhere to go but up in a value, due to the value of other homes in the area.

## Rental Income

A wise investment is often the purchase of a property with the intention of leasing to a Tenant. In this form of investment, your Tenant will pay you monthly rent, which can be paid towards your mortgage, or retained as income. However, you take on the responsibilities and challenges of a Landlord. In addition, you must have a down payment of at least 20% when you buy a second property.

## Buying and Selling in the Same Market

As long as you buy and sell almost simultaneously under similar market conditions, the state of the market is almost irrelevant.

# COMPARATIVE MARKET ANALYSIS

When you find a home and are ready to make an offer, your Realtor® will perform a Comparative Market Analysis (CMA). This report compares the subject with other properties that are currently listed and recently sold to help you formulate your offer.

## The Following Factors Could Impact Price

- Condition of home
- New home improvements
- Market conditions
- Seller's motivation

## Compare Properties

Discuss each home you see with your Realtor®, and provide candid feedback. Your expectations and the marketplace will begin to converge, and your Realtor® will be able to adjust certain parameters such as location and features in order to present you with alternatives.

Standard Comparative Market Analysis Reports Contain the Following Data:

### Active Listings

Active listings are homes currently for sale. These listings matter only to the extent that they are your competition as Buyers.

### Sold Listings

Homes that have sold within six months are your best comparables.

### Expired Listings

This group will reflect poor pricing strategy, as they did not sell and were probably unreasonably priced.

### Examining Comparable Sales

- Similar square footage
- Similar age of construction
- Similar amenities, upgrades and condition
- Location

# OFFER AND NEGOTIATIONS

## Prepare an Offer

Formulate an offer with your Realtor® on the property of your choice and prepare to negotiate with the Seller. You can include any terms you like, however the more you add, the more likely the Seller is to reject the offer.

## Price

The market will determine the final price, but your Realtor® will help you formulate an offer based on comparable listings and sales.

## Closing Date

This is the date when ownership changes hands. Flexibility on the closing date can give a Buyer an advantage and may allow you to negotiate more favourable terms.

## Inclusions/Exclusions

A detailed list of what is and is not included in the purchase of the home should be written in the offer

## Conditions

Conditions stipulate that you will buy the home subject to waiving the condition within the timeframe stated in the offer.

## Financing Condition

This clause stipulates that you will buy the home subject to obtaining a mortgage.

## Home Inspection Condition

A clause stipulating that a professional consultation will determine the present condition of the home's major systems.

## Bully Offer or Pre-Emptive Offer

A bully offer is when the seller has set a date for accepting offers and an offer is submitted prior to that date.

## Multiple Offers

Receiving more than one offer for a listing.

## Counter Offers

An offer made in response to the original offer.

## Negotiations

Once your offer has been presented to the Seller the negotiating process begins. Your Realtor® will guide you through the process.



# MORTGAGE & CLOSING

A mortgage is a loan used to buy a property. How much interest you pay depends on 4 factors:

1. How much you borrow (the principal)
2. The interest rate on the loan
3. How long you take to pay it back (the amortization period)
4. Frequency of payments

## Down Payment

The minimum down payment to purchase a home in Ontario is subject to the purchase price of the home. The down payment can be borrowed if the applicant's income is sufficient to support both the initial and the mortgage lending.

- If the purchase price is less than \$500,000, the minimum down payment is 5%.
- If the purchase price is between \$500,000 and \$999,999, the minimum down payment is 5% of the first \$500,000, and 10% of any amount over \$500,000.
- If the purchase price is \$1,000,000 or more, the minimum down payment is 20%.

In addition to the down payment, you may be required to confirm that you can cover costs incurred to close your purchase.

## Understanding Mortgage Approval

It is recommended that all Buyers get pre-approved for a mortgage. The pre-approval process can start anywhere up to 360 days before buying a home.

The interest rate can usually be held for 120 to 360 days. When it comes to new construction, many lenders will extend that pre-approval time to fit the construction schedule. Pre-approval is the first step to getting a mortgage, it typically doesn't take that long to complete, and will allow the Buyer to eliminate the financing condition.

## Typical Closing Costs

- Legal costs – usually \$1200-1500
- Inspection fees – approximately \$500
- Appraisal fees – usually near \$300
- Insurance on the property and mortgage applicant
- Land Transfer Tax

# INSURANCE

Basic home insurance packages for home and condo owners cover three main areas: buildings, contents and liability. In condominiums, the condo company provides insurance for everything from the drywall to the outside.

## **Buildings**

Covers your house and other buildings on the property. Examples: garage, workshop.

## **Contents**

Covers replacement of your belongings, usually up to 70% of the amount you insure your house for.

## **Liability**

Covers any claims against you if someone is hurt or killed while on your property.

## **What Protection Do You Need?**

Many people choose only theft, fire, lightning, windstorm, hail and certain types of water damage. You can also get coverage for everything from sewer backups, to earthquakes, to losing all the food in your freezer during a power outage. But remember — you will pay more for any extra coverage.

## **Personal Possessions**

The amount you need to cover your personal possessions depends on their value. Create a record of everything you own, the date when you bought it, what it cost, and what it may cost to replace the item now. Take photos or videos. Add up the value of everything you want to insure. The more you cover, the more you'll pay.

Your basic home insurance may not cover the full value of costly items like fine art, jewellery or a boat. Or it may not cover them at all. Make sure it states clearly what extra items you are covering and for how much.

## **Tenant Insurance**

Often condo landlords will require tenants to have at least \$1,000,000 in liability insurance.

# TAX REFUNDS

## **Land Transfer Tax (LTT) Refund**

You may receive a refund from the Ontario government of up to \$2,000 of the land transfer tax you paid on your first home. Here's how it works:

- You cannot have previously owned a home, or an interest in a home, anywhere in the world.
- Your spouse cannot have owned a home, or an interest in a home anywhere while they were your spouse.
- You may receive the refund at the time you register your home purchase. If not, you must apply for it no later than 18 months after the registration date.

## **First-time Home Buyers' Tax Credit (HBTC)**

You or your spouse can claim this tax credit on your annual income tax return. The credit is based on an amount of \$5,000. To calculate, multiply the lowest personal income tax rate for the year (15% in 2011 and 2012) by \$5,000. For these years, the maximum credit is \$750. Here's how it works:

You or your spouse must have acquired a qualifying home acquired after January 27, 2009. You cannot have lived in another home owned by you or your spouse in the year you buy your first home – or in any of the 4 preceding years.

## **First-Time Home Buyers' Tax Credit (HBTC)**

You or your spouse can claim the \$5,000 HBTC. The maximum credit is \$750 (\$5,000 x 15%, the lowest personal tax rate). To qualify you or your spouse must have acquired a qualifying home after January 27, 2009. You can't have lived in another home owned by you or your spouse in the year you buy your first home – or in any of the 4 previous years.

## **Home Accessibility Tax Credit (HATC)**

Beginning in the 2016 tax year, there is a new non-refundable tax credit on up to \$10,000 of eligible expenditures (for a maximum credit of \$1,500) to renovate a home to make it more accessible, or to improve mobility within the home, for seniors 65 and over who are entitled to claim the Disability Tax Credit.

## **Principal Residence Exemption**

You won't pay tax on any money you make when you sell your principal residence. You don't have to report the sale on your tax return. If prices go down and you lose money selling your home, you can't claim the loss on your tax return.



# THINGS TO CONSIDER WHEN YOU MOVE

## Sort and Purge

Go through every room of your house and decide what you'd like to keep and what you can get rid of. Think about whether any items will require special packing or extra insurance coverage. Select a moving company, or your Realtor® can refer you.

## Order Supplies

Order boxes and other supplies such as tape, bubble wrap, and permanent markers. Don't forget to order specialty containers, such as dish barrels or wardrobe boxes.

## Take Measurements

Check room dimensions at your new home, if possible, and make sure larger pieces of furniture will fit through the door.

## Choose Your Mover

Select a company and get written confirmation of your moving date, costs, and other details.

## Begin Packing

Start packing the things that you use most infrequently. While packing, note items of special value that might require additional insurance from your moving company.

## Label

Clearly label and number each box with its contents and the room it's destined for. This will help you to keep an inventory of your belongings. Pack and label "essentials" boxes of items you'll need right away.

## Separate Valuables

Add items such as jewelry and important files to a safe box that you'll personally transport to your new home. Make sure to put the mover's estimate in this box. You'll need it for reference on moving day.

## Notify Important Parties

Change your address with the post office, mail order subscriptions, driver's license, work, friends, and family. Ask a close neighbour to look out for mail after you've moved.

## Pack Your Suitcases

Aim to finish your general packing a few days before your moving date. Then pack suitcases for everyone in the family with enough clothes to wear for a few days.

## Defrost the Freezer

If your refrigerator is moving with you, make sure to empty, clean, and defrost it at least 24 hours before moving day.

## Reconfirm the Arrangements

Reconfirm the moving company's arrival time and other specifics and make sure you have prepared exact, written directions to your new home for the staff. Include contact information, such as your cell phone number. Before the movers leave, sign the bill of lading/inventory list and keep a copy.

# THANK YOU!

Congratulations! The decision to buy real property is an exciting one. I would like to thank you for allowing Forest Hill Real Estate Inc. the opportunity to present our strategy for success. I am confident we will assist you in purchasing with the utmost care and diligence. When you choose Forest Hill, you are not only working with a skilled team of professionals and capable administrative staff, you are hiring a team that is invested in you.

We pride ourselves on creating long lasting relationships with our clients. Our utmost goal is to help our Buyers make wise real estate decisions. In doing this we are honest, forthright, and realistic. Communication is the key to success when working together as a team.

We offer our clients the highest level of service by providing an in-depth analysis of your needs contrasted with the current market. You will also be provided ongoing research and relevant market updates.

We are devoted to utilizing our expertise to ensure a successful transaction. Thank you for entrusting your next purchase to our seasoned team.

Please contact me with any inquiries you may have.

Best Regards,

A handwritten signature in black ink that reads "Ronni Fingold". The signature is written in a cursive, flowing style.

Ronni Fingold  
Founder  
Forest Hill Real Estate Inc.





*Forest Hill*  
REAL ESTATE INC. BROKERAGE