



KC REAL ESTATE

GREATER VANCOUVER

SINCE 2006



Buyer's Guide

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We're so excited to help you embark on the adventure of finding your *dream home.*

At KC Real Estate, the mission is simple: to help you find the joy of home. The truth is, "home" becomes the back-drop of our most precious memories. We know that it's a big and important decision for you and your family. We do not take the search for your future home lightly. With KC Real Estate, you are in the best of hands.

Meet the K in KC - Kristil

Born and raised in the Lower Mainland and staying true to her roots, Kristi lives and works as a full-time residential realtor in Port Coquitlam with her husband and two amazing children.

Kristi's belief is that every real estate transaction should be a positive experience for all parties involved, and she approaches her work with enthusiasm and determination. Her goal is to build long-lasting relationships built on trust, honesty, and integrity. When Kristi isn't showing homes or chasing around her kids, she is often volunteering with the Big Sisters of BC.

Meet the C in KC - Courtenay

Born and raised in New Westminster and spending nearly 15 years developing an extensive knowledge of the New Westminster-Coquitlam area makes Courtenay the definition of a "Local Real Estate Expert." Courtenay knows that purchasing a home or investment property isn't just about an address; it is about the community that surrounds and embraces it. That is where Courtenay comes in as being extremely knowledgeable and experienced in local issues.

Courtenay's zen demeanour and dynamic marketing and networking capabilities make the perfect trifecta of skills, ensuring that every step of your real estate journey is as smooth as possible.

When Courtenay isn't checking out the latest listings, she can be found exploring local hiking trails, spending time with her fiancé, her teenage son and her larger-than-life puppy Finn!



Kristil Hayward *Courtenay Edwards*

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THE BUYING PROCESS

The buying process can be a bumpy road to travel. We will be an invaluable source of knowledge, contacts and advice, helping you turn the process of buying a property into an exciting, successful search for a home that is right for you.

1 | Consultation

Help us thoroughly understand your needs, then enter into an agency relationship:

- Privacy Notice and Consent
- Disclosure of Real Estate Services
- Fintrac

2 | The Pre-Approval

Speak with a mortgage professional to see what price range you can comfortably purchase.

3 | The Search

Once you've established financial qualification and deposit requirements, tour and view properties that fit your criteria. We will send you properties that suite your needs and wants as well as set up all appointments for us to view the properties together.

4 | Find Your Dream Home

So, you've found a home! What's next?

We will assist you with deciding on key elements of your offer:

- Price/Deposit Amount
- Completion Date/Possession Date/Adjustment Date
- Subject Clauses
 - ◊ Financing
 - ◊ Inspection
 - ◊ Approving Strata Documents
 - ◊ Insurance
 - ◊ Property Disclosure Statement
 - ◊ Title
 - ◊ Subject to Sale (*if selling first is required*)

5 | The Offer

We will prepare your written Contract of Purchase and Sale, then present and negotiate on your behalf. This offer we write may be countered back and forth until both parties agree to the terms and conditions in the contract.

6 | Due Diligence

Once we have an "accepted offer", the contract is firm and binding on the Seller's end, meaning they cannot sell the property to another potential buyer during the time you have to remove your conditions. During this "Subject Period", we will review all documents pertaining to the home and fulfill any conditions set forth in the offer. If purchasing a strata, we will review the documents pertaining to the unit and building:

- 2 years of minutes including any AGM's and SGM's
- Form B
- Financial Statements
- Engineers Reports
- Depreciation Report
- Registered Strata Plan
- Bylaws & Rules

7 | Remove Subjects

Exciting Day! You will sign an addendum removing all of the conditions from the contract making the offer firm and binding by all parties. You will also sign the Property Disclosure Statement and Title if they were

subjects in the contract. Your deposit is due on this day in the form of a bank draft made out to "Re/Max All Points In Trust". You will also select a Lawyer or Notary to complete the closing documentation.

8 | The Waiting Game

The time between removing subjects and completion day could be anywhere from 2 weeks to 4 months depending on what was agreed upon in the contract. During this time, you will:

- Arrange for movers
- Transfer utilities
- Acquire insurance
- Forward mail
- Visit Lawyer/Notary to sign closing documentation
- Contact Strata and book elevator (*if purchasing strata*)

9 | Completion Day

Money and Title are exchanged on your behalf.

10 | Possession Day

We will pick up the keys from the Seller's Realtor and meet you at your new home. *Congratulations!*

FIRST TIME HOME BUYERS

FIRST TIME HOME BUYERS

The First Time Home Buyers' Program reduces or eliminates the amount of property transfer tax you pay when you purchase your first home. If you qualify for the program, you may be eligible for either a full or partial exemption from the tax. If one or more of the purchasers don't qualify, only the percentage of interest that the first-time home buyer(s) have in the property is eligible.

To qualify for a full exemption, at the time the property is registered you must:

- be a Canadian citizen or permanent resident
- have lived in B.C. for 12 consecutive months immediately before the date you register the property or filed at least 2 income tax returns as a B.C. resident in the last 6 years
- have never owned an interest in a principal residence anywhere in the world at any time
- have never received a first-time home buyers' exemption or refund

And, the property must:

- be located in B.C.
- only be used as your principal residence for a minimum of one year
- have a fair market value of:
 - \$475,000 or less if registered on or before February 21, 2017, or
 - \$500,000 or less if registered on or after February 22, 2017
- be 0.5 hectares (1.24 acres) or smaller
- newly built homes must have a fair market value of less than \$750,000 for a full exemption and up to \$800,000 for a partial exemption

"Home is where love resides, memories are created, friends always belong, and laughter never ends."



CLOSING COSTS WHEN BUYING A HOUSE IN BRITISH COLUMBIA

After removing subjects and closer to completion, your lawyer or notary will prepare a statement of adjustments for you so that you can review your debits and credits and see a final amount of what is owing.

Property Transfer Tax - unless you qualify for the First Time Homebuyer Program, you will be required to pay Property Transfer Tax at the completion of your purchase.

The property transfer tax rate is:

- 1% on the first \$200,000,
- 2% on the portion of the fair market value greater than \$200,000 and up to and including \$2,000,000,
- 3% on the portion of the fair market value greater than \$2,000,000, and
- If the property is residential, a further 2% on the portion of the fair market value greater than \$3,000,000
(effective February 21, 2018).

The Balance of the Purchase Price –

The purchase price less your initial deposit. Usually, the bulk will come from your lender and become your mortgage.

Legal Fees – Amount varies depending on purchase price and lawyer/notary. This should also include acts such as ordering a title search and registering title. It is safe to estimate about \$1000-\$1500.

CMHC Insurance Premium – Insurance premium charged if you have less than 20% down payment. It is common for the mortgage broker to include this in your monthly payment.

Title Insurance – Sometimes included in your legal fees (\$250-\$400).

Strata Documents – Usually ordered by the listing agent, but an updated Form B may be required by the lender or lawyer if there is a long completion and the existing one is outdated. If required, a rush order may be up to \$100-200 extra.

Strata Move in Fee – One-time fee that varies from strata to strata as this is an amount set out in the bylaws for each strata. Safe to estimate about \$100-\$200 but ranges up to \$300.

Property Survey – Lenders may require a survey of the property, which ranges from \$500 upwards + GST. This is not required on strata properties.

Foreign Ownership PTT – an additional 20% of the fair market value is charged if your title is transferred to a foreign entity. If this is purchased with an entity that is not deemed a foreign buyer, then it is only 20% of the proportionate share.

Property Tax Adjustment – Generally, property taxes are paid on July 1st for a full calendar year. If your move in date is post July 1, you will likely have to provide a reimbursement to Seller of property taxes they paid beyond the closing date. However, this can also be a credited amount back to the buyer depending on the

move-in date and whether or not the seller paid the taxes prior to the due date.

Adjustments for Utilities/Condo Fees/etc. –

Reimbursement to Seller for prepaid utilities, water fees, strata maintenance fee, etc. *(amount varies)*

Adjustments for Rentals and Security Deposits –

If the home has a rental portion, or you are taking over a rental, the security deposit should be credited to the buyer from the seller. Additionally, if the move in date is past the monthly rental payment date, the seller should credit the buyer for a portion of that month's rent.

GST – 5% tax based on the purchase price; generally, only applicable on newly built homes (ie: presale condos).

Inspection – if a property inspection was one of your conditions, you would hire an inspector during the subject period of your contract. Depending on the square footage of the property and whether it's a house or strata, an inspection ranges from \$400 - \$1000.

Home/Fire Insurance – Lenders typically require home buyers with a mortgage to buy home insurance.

DOCUMENTS REQUIRED FOR MORTGAGE APPROVAL

Income Earner – Employee

- Letter of employment dated within the last 30 days
- Most current paystub
- 2018 and 2019 NOA (*Notice of Assessment*)
- 2018 and 2019 T4

Income Earner – Self Employed

- Articles of Incorporation (*if applicable*)
- Most recent 2 years accountant prepared business financials (*if incorporated*)
- 2018 and 2019 T1 Generals (*full package that included Statement of Business Activities*)
- 2018 and 2019 NOA (*Notice of Assessment*)

Other Properties Currently Owned

- 2020 property tax notice & confirmation paid, either a city tax cert. or bank statement
- Most recent mortgage statement
- Confirmation of month strata (*if applicable*)
- Lease agreement for rental property (*if applicable*)
- Strata documents; Form B, AGMs, strata mins, depreciation report (*if applicable*)

Down Payment

- Confirmation of your down payment 90-day history, either a bank or other savings or investment account (*ownership is mandatory, name and account number*)

Subject Property Purchase – provided by Realtors

- *Signed Accepted Offer*
- *Form B (if strata)*
- *MLS feature sheet*
- *Strata minutes*
- *PDS*
- *Other strata documents*

Matrimonial Separation

- Signed separation agreement

Other

- ID – either drivers license or passport to confirm legal name and spelling



CURIOUS ABOUT DOWN PAYMENTS?

Use our Matrix

Scenario One

Purchase Price

Less than or equal to \$500,000

Example: \$475,000

Down Payment Rule

Minimum of 5% is required

\$23,750

Scenario Two

Purchase Price

Greater than \$500,000

& less than \$1,000,000

Example: \$750,000

Down Payment Rule

5% of the first \$500,000 plus

10% of the remaining balance

$\$25,000 + \$25,000 = \$50,000$ (minimum)

Scenario Three

Purchase Price

\$1,000,000 or more

Example: \$1,350,000

Down Payment Rule

Minimum 20%

\$270,000

Scenario Four

Purchase Price – rental or investment

Any amount

Example: \$450,000

Down Payment Rule

Minimum 20%

\$90,000

the DOWN PAYMENT MATRIX



PROPERTY TRANSFER TAX

The calculation is based on the following:

- **1% on the first \$200,000** of the property's fair market value, **2% on the amount between \$200,000 and \$2,000,000**
- **3%** on the amount between **\$2,000,000 and \$3,000,000**
- **5%** of the remaining fair market value.

Fair market value is best described as the price that would be paid for a property on the open market, which is usually the actual purchase price paid for the property.



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