



BUYER'S GUIDE

GUIDING YOUR JOURNEY HOME

Congratulations on your decisions to
purchase a home in Toronto!

This is likely your biggest, and most
exciting investment. Our guide is here to
help simplify and clarify the process for
you.



BENEFITS OF HOMEOWNERSHIP

While there are many benefits of home ownership, these are the main ones:

INVESTMENT

For most homeowners, their residence is their largest asset. It's a solid investment plan, and one that has long yielded better and more predictable results than other investing alternatives. As you make improvements to your home and increase its value, as well as pay off your mortgage, you are increasing your overall equity.

TAX SAVINGS

It's well known that capital gains from a family's principal residence escape taxes unlike gains from other real estate, stocks and personal property.

STEPS FOR PURCHASING A HOME

DETERMINE YOUR BUDGET

How much do you want to spend? How much can you afford? This first step is critical to set a parameter for your search guideline. Our team has access to a preferred list of mortgage specialists and can help you consult a Mortgage Broker to indicate how much the bank will be willing to loan you.

FIND A HOME

It's important to specify your wants and needs to your agent. What do you want to achieve from your living space? What location? What size? What specifics? Parking? Pets? This will enable your agent to narrow your search to the most suitable properties.

On average, most buyers working with an agent will see between 10-20 properties, depending on market conditions and wish lists. Throughout this process, it's important to express your thoughts on the property to your agent so they can fine tune the experience.

NEGOTIATIONS

The negotiability varies from property to property, but one thing is certain, until you have executed agreement by both the sellers and buyers, you don't have the property. A seasoned agent will be communicative and clever throughout the entire negotiation process.

CONTRACT SIGNING

Once you have agreed to terms with the seller, and an agreement of purchase and sale has been executed, you will provide a deposit to the seller's lawyer (typically 5-10% of the purchase price). Until both parties have signed the contract, neither party is bound to the transaction so it is very important that all parties act quickly and in good faith toward contract execution.

CLOSING THE DEAL

Closing is the point at which ownership and possession of the property are transferred from the seller to you. It takes place once all the legal and financial obligations have been met. Closing the purchase will be a team effort: in addition to yourself, your lawyer and your lender will all be involved in helping close the deal.

CLOSING COSTS

BEFORE CLOSING

| | |
|--------------------|---|
| Deposit | 5-10% of purchase price |
| Property Appraisal | \$400- \$500 (often paid by lender) |
| Home Inspection | \$400-500 (paid to Home Inspection company) |

ON CLOSING

| | |
|-------------------------------|---|
| Balance of Purchase Price | Purchase price - initial deposit |
| Legal Fees | Varies depending on purchase price (\$2,500+) |
| Title Insurance | Typically included in legal fees (\$300+) |
| Mortgage Broker Commission | (if applicable, usually paid by the lender) |
| Property Survey | (if required, usually \$1,000-\$2,000) |
| Ontario Land Transfer Tax | Click link for details |
| Toronto Land Transfer Tax | Click link for details |
| Property Tax Adjustment | (Reimbursement to Seller of property taxes they paid beyond the closing date) |
| HST | (generally only applicable on new construction condos and houses) |
| Tarion Warranty Fees | (new construction, not resale, click link for details) |
| Provincial Sales Tax | (only applicable on chattels purchased from the vendor - amount varies) |
| Utility/condo fee adjustments | (reimbursement to Seller for prepaid utilities) |
| CMHC Insurance Premium | (insurance premium charged if you have less than 20% down payment) |

AFTER CLOSING

| | |
|------------------------------|---|
| Moving expenses | \$1,000 + |
| Utility connection charges | (varies) |
| Redecoration /Reno expenses | (contact our partner Urban Blueprint for quote) |
| Immediate repair/maintenance | (contact our partner Urban Blueprint for quote) |

*These are only estimates. Please confirm closing costs for specific transactions with your lawyer, mortgage representative. The Debbie Penzo Team is here to ensure your experience is positive and seamless.



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