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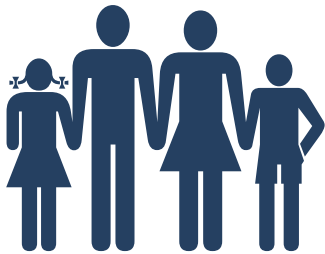
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8 Mistakes to Avoid when Buying a Home

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Canada's Best Mortgage Team

8 Mistakes to Avoid When Buying a Home



You've been saving for awhile, weighing your **options**, looking around casually. Now you've finally decided to do it—you're ready to buy a house. The process of buying a **new home** can be incredibly exciting, yet stressful, all at once. Where do you start?

It is **essential** you do your homework before you begin. **Learn** from the experiences of others, do some research. Of course, with so many **details** involved, slip-ups are inevitable. So be careful: learning from your mistakes may prove **costly**. We at CBM have the experience to help you. Use the following list of pitfalls as a guide to help you **avoid** the most common mistakes.



Searching for houses without getting pre-approved by a lender:

Do not mistake pre-approval by a lender with pre-qualification. Pre-qualification, is when a lender just looks at your GDS Gross Debt Service ratio and gives you a price range, which they may later decline once they factor in your other debts and verify your income. A FULL pre-approval by CBM will take into account all your financial data, so you can shop with confidence.

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Allowing “first impressions” to overly influence your decision:

The first impression of a home has been cited as the single most influential factor guiding many purchasers’ choice to buy. Make a conscious decision beforehand to examine a home as objectively as you can. Don’t let the current owners’ style or lifestyle sway your judgment. Beneath the bad décor or messy rooms, these homes may actually suit your needs and offer you a structurally sound base with which to work. Likewise, don’t jump at a home simply because the walls are painted your favourite colour! Make sure you thoroughly investigate the structure beneath the paint before you come to any serious decisions.



**3**

Not knowing and understanding your rights and obligations as listed in the **Offer to Purchase:**

Make it a priority to know your rights and obligations inside and out. A lack of understanding about your obligations may, at the very least, cause friction between yourself and the people with whom you are about to enter the contract. Wrong assumptions, poorly written/ incomprehensible/ missing clauses, or a lack of awareness of how the clauses apply to the purchase, could also contribute to increased costs. These problems may even lead to a void contract. So, take the time to go through the contract with a fine-tooth comb, making use of the resources and knowledge offered by your Realtor and Lawyer. With their assistance, ensure you thoroughly understand every component of the contract, and are able to fulfill your contractual obligations.

**4**

Failing to have the home inspected before you buy:

Buying a home is a major financial decision that is often made after having spent very little time on the property itself. A home inspection performed by a competent company will help you enter the negotiation process with eyes wide open, offering you added reassurance that the choice you're making is a sound one, or alerting you to underlying problems that could cost you significant money in both the short and long-run. CBM can suggest reputable home inspection companies for you to consider and your Realtor will ensure the appropriate clause is entered into your contract.



5

Making an offer based on the asking price, not the market value:

Don't focus on how much the seller drops the price, focus on the value you are getting for your money. Ask your Realtor for a current Comparative Market Analysis. This will provide you with the information necessary to gauge the market value of a home, and will help you avoid over-paying. What have other similar homes sold for in the area and how long were they on the market? Is the home you're looking at under-priced, over-priced, or fair value? The seller receives a Comparative Market Analysis before deciding upon an asking price, so make sure you have all the same information at your fingertips.

6

Failing to familiarize yourself with the neighbourhood before buying:

Check out the neighbourhood you're considering, and ask around. What amenities does the area have to offer? Are there schools, churches, parks, or grocery stores within reach? Consider visiting schools in the area if you have children. How will you be affected by a new commute to work? Are there infrastructure projects in development? All of these factors will influence the way you experience your new home, so ensure you're well-acquainted with the surrounding area before purchasing. Remember you can always change your home but you can't change your neighbourhood.

**7**

Not looking for home insurance until you are about to move:

If you wait until the last minute, you'll be rushed to find an insurance policy that's the ideal fit for you. CBM will provide you with a very competitive Insurance quote that you can purchase conveniently over the phone.

**8**

Not recognizing different styles and strategies of negotiation:

Many buyers think that the way to negotiate their way to a fair price is by offering a very low price. However, in reality this strategy may actually result in the seller becoming more inflexible, polarizing negotiations. Employ the knowledge and skills of an experienced realtor. They will know which strategies of negotiation will prove most effective for your particular situation.

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