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The Frist Steps to Buying a home in Alberta

A Guide to start you on your purchase journey

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You want to buy a home, consider this first...

There are so many things to think about before making up your mind to buy a home.

Are you ready for such a big step? When you are a renter there are many things that are taken care of for you that you may not even consider. Owning your own home comes with more work and possibly more money than just renting, but it has many upsides as well.

First to consider, owning a home you need to be able to fix and repair any issues that come up, or have the ability to pay a professional to do the things you cannot do. There is regular home maintenance as well as things like yearly property taxes and utilities that are often included in your rent and paid by your landlord.

Often unexpected expenses occur such as leaking roof, broken furnace, etc and you have to have money set aside for such emergencies.

Whats the same and what is different in renting vs. owning



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Cost to Rent:

Rent each month

- Security Deposit- the money you pay to the landlord along with your first months rent. You may get back part when you leave
- Utilities- your electrical and water cab be included in rent or left to you as the tenant to pay
- Tenants Insurance- this is not always mandatory however this is very good to have
- Remember, at the end of your lease rent may also be increased as well
- You do not make any money when you move ever
- BUT the Landlord is the one responsible to repair or replace things that are part of the home so this is never a cost to you as the renter.



You want to buy a home, consider this first...

Cost to Buy:

- Your savings for your downpayment (this is a large sum of money depending on your purchase price
- Your actual Mortgage amount, as well as taxes, mortgage insurance
- Utilities like electric, water, heating, sewer and garbage collection
- Insurance on your home and its contents. You MUST have this if you carry a mortgage
- You are financially responsible for all costs to repair or replace anything in the home
- Your mortgage payments will remain the same for 1,3 or 5 years depending on your mortgage agreement.
- You also have the potential to make a profit when you move or sell for the same as you bought the home for, which means you recoup the mortgage dollars you spent after the sale



You want to buy a home, consider this first...

- If you have been able to look at all these things and you still feel that it is beneficial for you to own your own home you are not alone! Many people want to own a home, they want to no longer deal with a landlord and abide by their rules and restrictions.
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- Owning your own home comes with many emotions such as pride and a sense of accomplishment that is hard to translate into a dollar value.

There are many small steps along the way to purchasing your first home and here is where we will touch on some of those steps.



The Steps to buying your home in Alberta

The Steps:

1. Getting Pre- Approved
2. Choosing a licensed Professional Realtor, Mortgage Broker and Lawyer to create your home buying team.
3. Sitting down in person for your fist consultation
4. The fun process of actually finding your home!
5. Making an offer
6. Working through conditions to make your sale firm
7. Moving Day!



The Steps to buying your home in Alberta

Step 1. Getting Pre Approved and what it means and Why its Important

What's pre-approval?

All pre-approval means is that a mortgage provider does some of the initial background checking in advance and commits to give you a specific interest rate if you're fully approved for a mortgage within 90 days.

You'll want to decide on a mortgage provider before starting the pre-approval process—where the negotiation process (for that promised interest rate) begins.



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When should you seek pre-approval?

Luckily, it's a simple process—just one form to fill out and having your income verified. If everything looks good, you should be granted pre-approval within 24 hours. Pre-approved interest rates apply for a set amount of time. With most lenders it's 90 days for a resale or 180 for a new build. With other financial institutions the rate holds anywhere between 90-120 days.



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Is pre-approval a guarantee?

Pre-approval isn't an all-out guarantee that a mortgage provider will actually fund your loan, but it's as close as you're going to get—and your home seller will want to see it. The lender will make actual loan approval conditional on an appraisal of the property you want to buy, validation of your down payment, a title report and other conditions.



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After I make an offer, what happens next?

After you find your dream home and make an offer, you'll have to wait anywhere for 72 hours to 10 business days for full approval from your mortgage provider, pending a house inspection and an appraisal. Overall, processing time for full approval including house a inspection and appraisal will take between two and three weeks from the time you make the offer to the time you are fully approved



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2. Choosing a licensed Professional Realtor, Mortgage broker and Lawyer to create your home buying team.

Benefits of a REALTOR®

Whether buying or selling a home, you can trust that your REALTOR® will ensure the transaction is completed competently and professionally. You don't have to worry about the details – your REALTOR® can take care of them for you.

You can get advice from someone with an intimate knowledge of the local housing market. And you can count on the help of a professional who has committed to serve with integrity and competence.



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Committed to the REALTOR® Code:

The code is the accepted standard of conduct for all real estate practitioners who are REALTORS®. It's your guarantee of professional conduct and the quality service.

Knowledgeable about developments in real estate:

A REALTOR® can get you the information needed to make an informed decision: comparable prices, neighborhood trends, housing market conditions and more.

(see consumer guide)



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Actively updating education:

Through courses, workshops and other professional development, a REALTOR® maintains a high level of current knowledge about real estate.

Access: REALTORS® have access to Board MLS® Systems, which facilitate the cooperate sale of properties to benefit consumers.



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3. Sitting down in person for your first consultation with the professionals

This is your opportunity to get to know if you and your chosen professional will be on the same page. You will be guided through through a question and answer process where we can work together to determine what your wants, needs, timelines and expectations are.

You will be able to ask questions, be given valuable market information and be able to move forward knowing you have chosen a professional who is going to tailor a plan for you and with their experience and knowledge guide you on likely the largest purchase you will ever make.



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4. The FUN of hitting the ground to find your home!

A) After all that pre-planning and prep time in understanding what you need, what you can afford, and what is available you and your Realtor will book the homes that fit your criteria and actually get out there and go and see them for the first time!

You may be surprised about what you see and how many homes feel different in person than online. You may fall in love with a home that wasn't even on your radar and write off the one you thought was "the one!" To see as many homes as you can back to back will allow you to rate them and decide quickly what will and won't work.



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4. The FUN of hitting the ground to find your home!

B) I recommend spending only 10-15 minutes per home for that first viewing so you can quickly narrow down your focus.

Following that first visit, after time to recover from likely a exhausting day, make your short list of the very best homes for you and go again for a second showing where we will only see your favourite homes for a longer period of time to really get a good feel and a better look!



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5. Making an offer

This part often makes people nervous but this is really a very easy part of the process.

You and your realtor will sit down and talk about comparable sales, what terms and conditions you want in the offer (these will be talked about in detail in your first sit down meeting) and your realtor will present the offer to the seller and likely begin negotiations and hopefully come to an agreement with all parties in where the offer will be accepted and the home will become pending!



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6. Working through Conditions to make your sale FIRM

This period of time can be anywhere from 2-3 weeks long and **this** is the most crucial and intensive part of the process for most people. This is where we send our agreement to your chosen mortgage broker to get the firm approval process started which can result in more paperwork and documents to be sent to them.

We also conduct our own due diligence by having a home inspection and doing our own research on the property to ensure you are fully aware of what you are buying.

Remember the term "buyer beware" this condition period is our time to be very sure this is the home for you



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7. Moving!

I always provide my clients a " Next Steps" Guide to breakdown the "to-dos" so that leading up to your move day you have every detail covered from giving your landlord notice to setting up utilities in your new home so you have power and water when you move in!

On your possession day you would will likely have a LOT to do!

A typical possession happens anywhere from noon to 5pm on the chosen day and this is when the actual funds transfer over and your realtor can hand you over your keys!!

Its a VERY exciting day and will be a very busy one at that!



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