



# HOME BUYER'S GUIDE

PRESENTED BY **BRIGGS & STRATTON** & ASSOCIATES

**Sotheby's** | Canada  
INTERNATIONAL REALTY

# INTRODUCTION

## BRIGGS & STRATTON & ASSOCIATES

Sophia Briggs and Nancy Stratton are just that kind of winning team. With 27 years of combined experience in the Real Estate business, they place a premium on getting to know their clients and ensuring that communications are always clear and consistent. It's a personal approach where both Sophia and Nancy make a point of both attending every meeting with clients together, ensuring a seamless approach to understanding and meeting their client's needs.

The team works with Sotheby's International Realty Canada, a long-respected name in the Real Estate business. But the names of Briggs and Stratton & Associates have developed their own well-deserved reputation for excellence. Sophia is Vancouver-Island born with family history dating back on the island for three generations. Her love of community is unsurpassed and her deep roots give her an understanding of Victoria's neighbourhoods that just can't be duplicated in any other way. Nancy brings a wealth of Real Estate experience to the partnership. Having owned her own Real Estate firm, Nancy's entrepreneurial experience gives her the knowledge and insight needed to make every business relationship positive and successful. And both partners value integrity above all.

Together this dynamic team, offers their clients an in-depth knowledge of Victoria's real estate market and the characteristics of the array of neighborhoods under consideration. Whatever the needs of their clients... whatever their stage of life or the lifestyle they want to accommodate. Briggs and Stratton offer energy, competence and personal attention. It's a winning combination. Together Sophia Briggs and Nancy Stratton have formed an unbeatable team. Their wealth of talent, experience and passionate commitment to quality service is unsurpassed. The result is inevitable... a host of satisfied clients. The two take great pride in using their expertise, resources and global connections to perfectly unite extraordinary places with the extraordinary buyers.

*Buying or selling a home is a daunting task and it's good to have a winning team to support you as you embark on what might be the most important business transaction of your life.*



# INTRODUCTION

## BRIGGS & STRATTON & ASSOCIATES

### Andrew, Mortgage Specialist

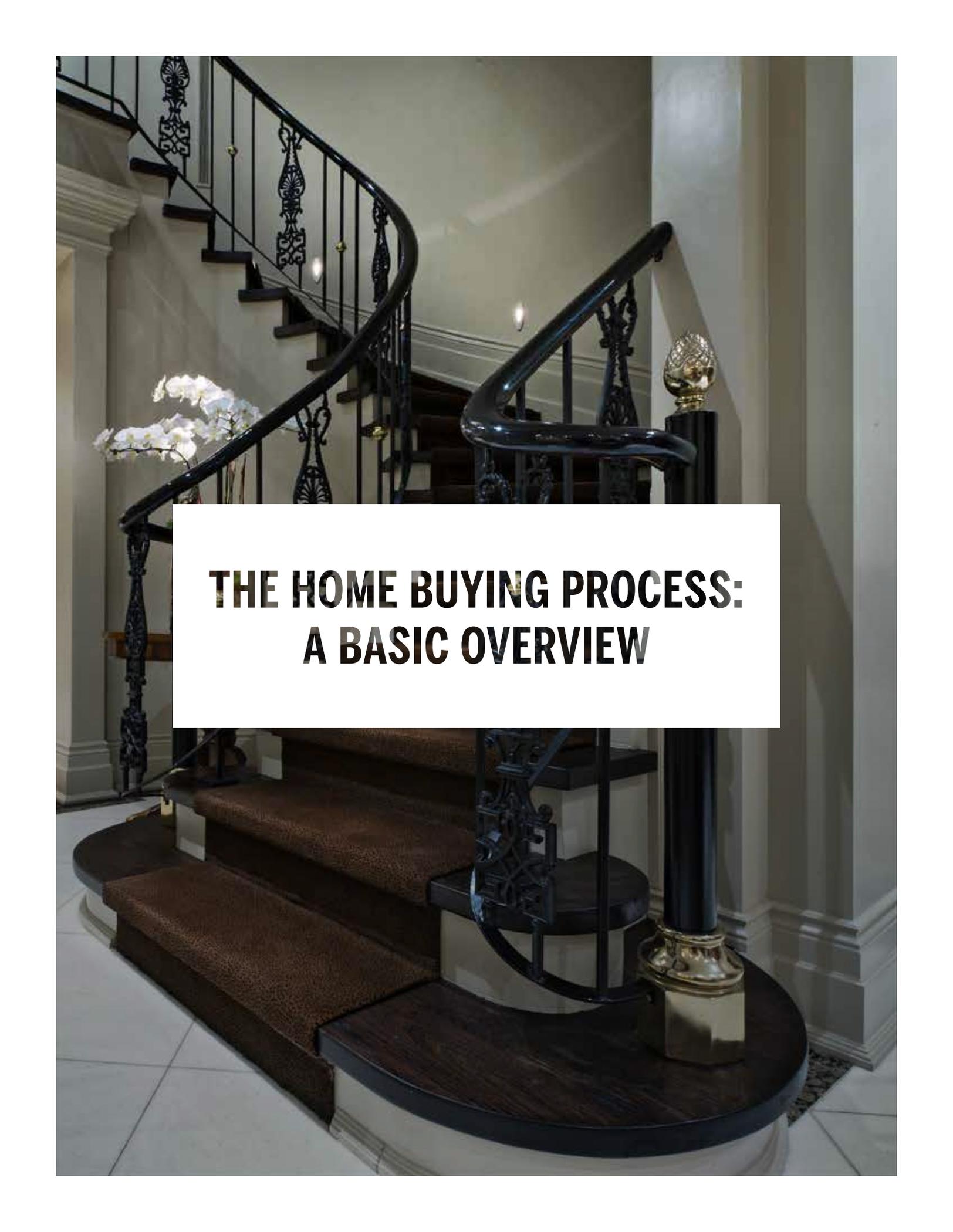
A long-time Islander through-and-through, Andrew was born in Victoria and raised in the surrounding area of Saanich. Loving Victoria for its diversity and adventure, Andrew has over a decade of experience in the local financial services industry but has truly found his calling working as a mortgage professional in the city he has always called home.

Helping people achieve their dreams of homeownership never gets old for Andrew and his passion comes from guiding his clients to the best possible result day-in and day-out. His approach is to educate, advise, and lead his clients to the most suitable option for them and he is constantly learning and finding more innovative ways to help them and grow as a mortgage specialist. Andrew is a down-to-earth Island enthusiast who prides himself in being by your side every step of the way.

As an outdoor adventurer and season maximizer, time off is spent exploring, surfing, SCUBA diving, or riding anything with wheels down the windy back-roads of our beautiful Island. Family is incredibly important to Andrew and the best part of his day is often spending time with his beautiful wife, Sophia, and three adorable pups.

As part of the Briggs & Stratton and Associates Team, Andrew loves being able to work with such a talented, capable Team of real estate professionals. Being so detail-oriented and meticulous in their approaches, Nancy, Sophia, and Andrew are always on the same page regarding client care and business protocol and look forward to helping you with your real estate and mortgage needs.





**THE HOME BUYING PROCESS:  
A BASIC OVERVIEW**

# THE HOME BUYING PROCESS: A BASIC OVERVIEW



Before starting your home search, it's important to evaluate your financial situation, confirm your budget, familiarize yourself with mortgage options and secure pre-approval from your lender. This will help you conduct your search with confidence and negotiate your desired home successfully.

## Establish Your Budget

As a general guideline, total monthly housing costs for your primary home, including mortgage payments, taxes, maintenance fees, insurance, interest charges and utilities, should not exceed 32% of your gross monthly household income.

Many financial advisors also suggest that total monthly debt, including mortgage payments, credit card and car payments, should not exceed 40 per cent of your gross monthly income.

Those purchasing a real estate investment property should consult their real estate and financial advisor to understand tax and financial implications of their purchase.

## Confirm Down Payment

If your down payment amount is less than 20 per cent of the total purchase price, you will need to purchase mortgage loan insurance that guarantees the debt against default. In most cases this will be added to the mortgage loan.

## Check Your Credit Rating

Your credit report plays an important role in your mortgage approval process and in determining the interest rate and other loan terms that a lender offers you. Before meeting with a potential lender, you may wish to confirm your credit rating so you have time to resolve any issues. Contact Andrew for more information.

## Understand Mortgage Basics

### Interest Rates

Mortgage interest rates are fixed, variable or adjustable.

- » Fixed: A fixed mortgage interest rate is a locked-in rate that will not change for the term of the mortgage.
- » Variable: A variable rate fluctuates pending market conditions while the mortgage payment itself remains unchanged.
- » Adjustable Mortgage Interest Rate: With an adjustable rate, both the interest rate and the mortgage payment change based on market conditions.

### Open or Closed Mortgage

**Closed Mortgage:** A closed mortgage cannot be paid off, in whole or in part, before the end of its term. A closed mortgage is a good option if you'd prefer a fixed monthly payment and wish to predict your monthly expenses. However, because there are often penalties or restrictive conditions if you pay an additional amount, a closed mortgage may be a poor choice if you decide to move before the end of the term or if a decrease in interest rates is anticipated.

**Open Mortgage:** An open mortgage is flexible. You can typically pay off part of it or the entire amount at any time without penalty. This may be a good option if you plan to sell your home in the near future or if you intend to off a large sum of your mortgage loan. Most lenders allow open mortgages to be converted to closed mortgages at any time, though often for a small fee.

## Understand Mortgage Basics

### Amortization

Amortization is the length of time the entire mortgage debt will be repaid. Many mortgages are amortized over 25 years, but longer periods are available. The longer the amortization, the lower your scheduled mortgage payments, but the more interest you pay in the long run.

### Conventional vs. High Ratio Mortgages

**Conventional Mortgage:** A conventional mortgage is a mortgage loan that is equal to, or less than, 80 percent of the lending value of the property. The lending value is the property's purchase price or market value — whichever is less. For a conventional mortgage, the down payment is at least 20 percent of the purchase price or market value.

**High-ratio Mortgage:** If your down payment is less than 20% percent of the home price, you will typically need a high-ratio mortgage. A high-ratio mortgage usually requires mortgage loan insurance. CMHC is a major provider of mortgage loan insurance. Your lender may add the mortgage loan insurance premium to your mortgage or ask you to pay it in full upon closing.

### Mortgage Term

The term is the length of time that the mortgage contract conditions, including interest rate, are fixed. The term can be from six months up to ten years.

There are generally several term options for a mortgage and it's important to weigh the benefits and costs of each. A longer term (five years, for example) may allow you to plan ahead and protect you from interest rate increases, but may not offer you flexibility, should interest rates fall.

## Optimizing Your Mortgage

Work with your lender to optimize your mortgage payment schedule for your unique situation. Many primary homeowners aim to pay off their mortgages as quickly as possible, which can be achieved with more frequent installments. Your mortgage may also be structured to allow an increase in payments as cash flow permits, and there may be anniversary lump sum payment opportunities each year to be applied directly to the principal.

If you are purchasing real estate solely for investment purposes, other considerations such as tax implications come into play. Consult your real estate and financial advisor for assistance.

### Get Written Pre-Approval

In markets where there is high demand and a low volume of the type of home you wish to purchase, written pre-approval is essential and will give you the competitive edge in securing your desired home. For example, in a scenario where a seller receives two similar offers, one accompanied by a letter that confirms financing pre-approval, and another other without supporting documents, the former offer is frequently considered first.

# DEFINE YOUR GOALS, NEEDS & BUDGET

Prior to meeting with Nancy and Sophia, it's important to clarify your budget, personal property preferences, and any anticipated life stage and lifestyle requirements that may impact the purchase of your home.

As a starting point for your consultation, complete the worksheet and review with us.

## Budget Range

Target Budget \_\_\_\_\_

Maximum Budget \_\_\_\_\_

## Preferred Property Type

Condo/Apartment

Townhouse

Single-Family Home

Multiplex

Vacation Home

Other \_\_\_\_\_

## Primary Property Usage

Primary Family Home

Vacation/Secondary Property

Investment/Revenue Property

Other \_\_\_\_\_

## Property Features

	Need	Want
How many bedrooms do you need?	_____	_____
How many bathrooms do you need?	_____	_____
Do you need space for a home office?	<input type="checkbox"/>	<input type="checkbox"/>
What kind of parking facilities do you need? For how many cars?	_____	_____
Do you require air conditioning? If so, what type?	_____	_____
Do you require storage or hobby space?	<input type="checkbox"/>	<input type="checkbox"/>
Do you require garden/outdoor space?	<input type="checkbox"/>	<input type="checkbox"/>
Is a fireplace or swimming pool high on your list?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want special features to save energy, enhance indoor air quality, or to reduce environmental impact?	<input type="checkbox"/>	<input type="checkbox"/>

# DEFINE YOUR GOALS, NEEDS & BUDGET

## Lifestyle and Life Stage

Most people aim to find a home and neighbourhood that will meet their needs for the next five to ten years. We can help you assess how your lifestyle and life stage needs may impact the property or neighbourhood that is right for you.

How long do you plan on staying in this home?

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Will you need a home that can accommodate different stages of life?

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Do you have children or plan to have children?

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Do you have teenagers who will be moving away soon?

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Do you have family members with special needs?

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Are you close to retirement?

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Do you have an older relative who might come to live with you?

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Once we have an understanding of your budget and property preferences, you can expect us to provide you with:

## Automatic Property Updates

As soon as a property that meets your desirable home criteria is posted on MLS, your real estate associate will send you an email alert to direct you to that listing.

## Advance Access to Exclusive Properties

In some neighbourhoods, homes are sold within days, or even within hours, of being listed on MLS. Others are marketed and sold within a real estate company's network without ever being made available to the public. In some cases, Sophia and Nancy may be able to arrange for advance access to properties that are represented within their professional and company network.

## Property Tours

Sophia and Nancy will schedule walk-throughs of properties matching your preferences and needs. You may also review properties on [realtor.ca](http://realtor.ca), [sothebysrealty.ca](http://sothebysrealty.ca) or by visiting open houses, then contact Sophia and Nancy to schedule a private tour, should there be one that matches your needs.

## Evaluation of Options

It can be challenging to determine the fair market value of a home and to assess whether it is "good value" for its listed price or for your budget. Variables that impact the value of a home or property include its location, neighbourhood, community plan, proximity to amenities, lot attributes, views, property size, interior and structural condition, construction type, age, unique features, and the state of the local real estate market.

**Nancy and Sophia will assist you in assessing the pros and cons of the home(s) you are interested in, and provide insight on recent comparable property sales so you have the information you need to place an offer and negotiate effectively.**

# SHOWING INSTRUCTIONS

Review the list of available properties and send us an email with the MLS numbers.

Most homes prefer overnight notice. Some homes are vacant and can be easy to view where some homes are tenanted with specific showing times that must be adhered to.

Please ask before taking any photos or video of a home

## Helpful Tips When Viewing Properties

- » Wear comfortable shoes, slip ons or something easy to take on or off
- » Depending on how many homes we view at one time, it's important to keep the showing times to under 30 mins so that we can make the next time slot. If there are one or two properties that are in the top picks, we can plan a second showing
- » Try to plan to view homes during daylight hours, as it's hard to view in the dark.
- » If you have small children, its a good idea to get a babysitter, many homes are not prepared for children and may not be "child friendly"



It's important that you sit down with Sophia and Nancy or your lawyer to prepare your offer. Real estate laws vary widely from region to region, and it's essential that you protect your legal interests and account for any specific contractual contingencies that are unique to your area and desired property. Some general considerations include:

## Legal and Contractual Obligations

In Canada, an offer commits you to legal and contractual obligations as soon as the other party has accepted it. Prior to submitting an offer, ensure you are clear on the legal obligations you are undertaking, should the offer be accepted.

## Valuation

Prior to writing your offer, Sophia and Nancy can provide you with information on recent area sales, local market information and background on whether there are competitive bids, which will help you determine your initial offer as well as your target price for this specific home.

## Background Research

With some investigation, your associate may also be able to assess your seller's background and objectives for selling, which may assist you in crafting a competitive offer.

## Offer Details

The details of an offer typically include: your legal name and that of the vendor, the legal civic address of the property, the price you are offering to pay, inclusions (items in or around the home that you think are included in the sale should be specifically stated in your offer, such as appliances, lighting fixtures or window coverings), amount of your deposit, dates you take legal and physical possession of the home, legal "subjects" or "conditions" upon which the contract becomes final (such as satisfactory home inspection report or financing approval), and the date the offer expires.

Your offer is a legally binding document and should be prepared by a real estate professional or lawyer.

## Professional Inspection

Nancy and Sophia can advise you as to whether a professional inspection should be conducted prior to or after submitting your offer. This will depend on the property age and type, and whether competitive bids are anticipated.

## Time Frame

Ensure that any time frames indicated in your contract are realistic, particularly if your offer is still subject to securing a mortgage loan, a situation we advise against by ensuring you secure pre-approval in advance. Increases in market activity as well as increased vigilance by lenders may mean that mortgage approval requires more time. Consult your with Sophia and Nancy or Andrew for more information.

## Preparation

After submitting an offer, you should be prepared to negotiate, not just on the initial price, but on all key factors impacting the sale of the home including deposit, inclusions, dates for completion and possession, and deadlines for subject removals. Ensure you know your budget and requirements prior to submitting your offer so you don't commit to additional costs in the heat of the process.

## Multiple Offers

In high-demand, low-inventory areas, you may find yourself bidding against other buyers. Some sellers in high-demand niche markets may also intentionally list their home at a low price hoping to stimulate multiple offers. This doesn't necessarily mean that the price will be bid up significantly over the asking price, but it does mean that due diligence is required on your part and the part of Nancy and Sophia to ensure the offer you submit is strategic, competitive and reflective of what are ultimately willing to pay for the property.

Whether you are anticipating competition or not, you should be preapproved for your mortgage prior to your home search and well in advance of writing an offer. Andrew is available available to assist. In a multiple offer situation, this will impact your ability to negotiate successfully, particularly if others making an offer are already preapproved. It also lets you know the maximum you can afford in what may be a stressful situation.

## Potential Responses

You can expect one of three responses to your offer:

- » Accepted as is: the deal is complete and once signed by the seller, the offer becomes a binding legal contract.
- » Counter offer: the seller may make changes to your offer, such as adjustments to the price, closing date or conditions. You may accept the counter offer and close the deal by signing the document. Or, you may make another counter offer back to the seller.
- » Rejection of the offer: the seller may choose to reject the offer and the sale will not go through.

## Offer Acceptance

Once both parties come to an agreement, negotiations conclude and you move on to the next steps in the buying process. You will have a set period of time in which to satisfy the legal conditions ("subjects") agreed to in your contract, such as completing a satisfactory home inspection report or securing financing. Only after your subjects/conditions are removed do you have a legally binding document.

# CLOSE THE DEAL

The closing or completion day is the day you take legal possession of your new property.

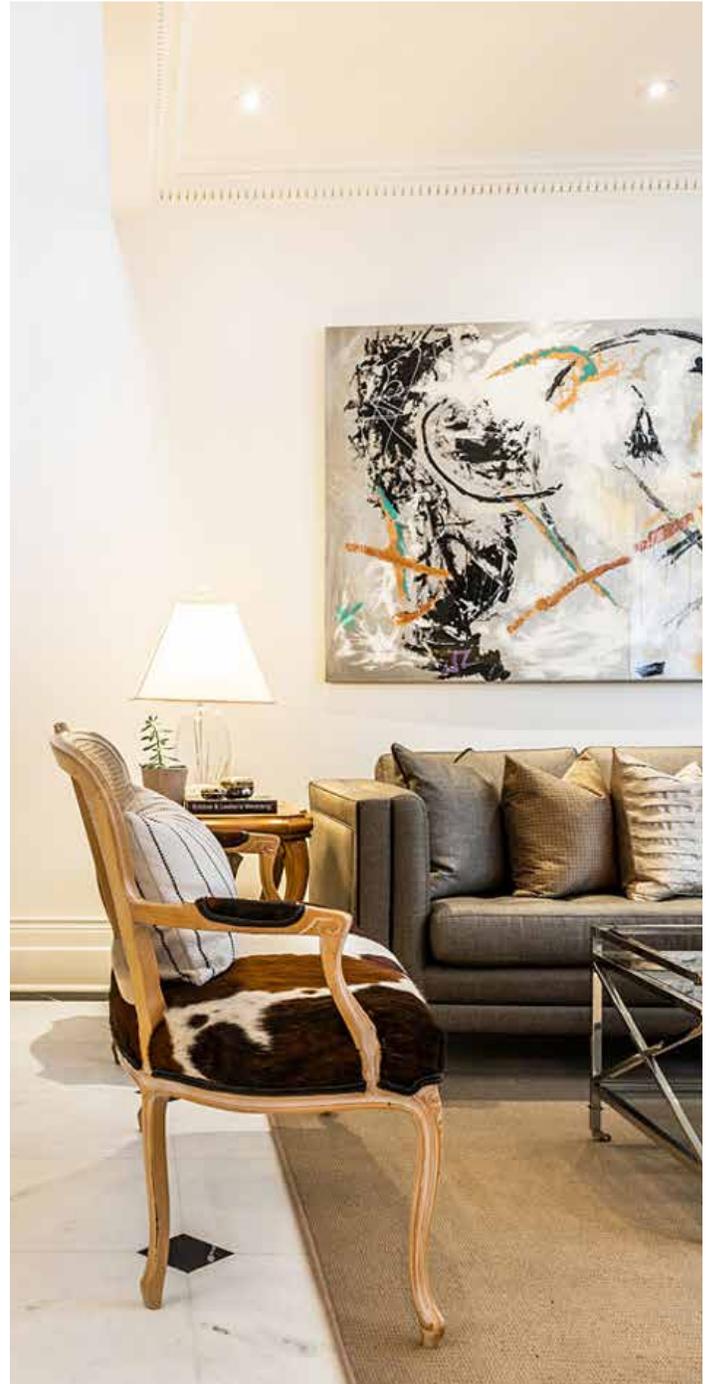
## Preparation

As this day nears, your team and the lender will monitor the progress of your transaction to ensure there are no last minute issues that need to be dealt with.

## Completion (Closing) Day

On completion day itself, legal property ownership is transferred to your name. The mortgage amount is provided to your lawyer or notary by your lender (Andrew) and you will receive a Statement of Adjustments with costs payable, including: balance owing, legal fees, property transfer taxes and other completion costs. Your lawyer or notary will pay the seller, complete necessary documents and register your home at the Land Titles Office in your name.

On your closing day, your lender provides the mortgage money to your lawyer/notary, you provide the down payment (minus your deposit) to your lawyer/notary as well as remaining closing costs. Your lawyer/notary pays the vendor, registers the home in your name and provides you the deed to your new home.



As part of the British Columbia government's release of the 2018 budget, the Province of British Columbia announced changes to the following taxes.

## Property Transfer Tax

An increase in the **Property Transfer Tax** on residential properties from **3% to 5%** on the portion of the fair market **value greater than \$3,000,000 effective February 21, 2018**

Once the fair market value of the property has been ascertained, the following tax rates would be applicable to calculate the PPT payable. As of 2018, the applicable rates are follows:

- 1% on the first \$200,000
- 2% on the portion of the fair market value greater than \$200,000 and up to 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

## Foreign Buyers' Tax

**Effective February 21, 2018** the **foreign buyers' tax** has been increased from **15% to 20%**. The foreign buyers' tax has also been extended outside of the Greater Vancouver Regional District to include the Capital Regional District, Fraser Valley, Central Okanagan and Nanaimo Regional District.

# UTILITIES CONTACT LIST

## Hydro

**1.800.224.9376**

**bchydro.com**

If you're a residential customer, sign up online app.bchydro.com for MyHydro first (if you haven't already).

If you already have an existing BC Hydro account, link it to MyHydro to manage it online.

You will need the following:

- » Your move-in and move-out dates for each address.
- » Your new address.
- » Government Identification
  - Driver's licence number
  - BC identification number
  - Passport number
- » Phone number so they can reach you.

Important:

There is a \$12.40 + GST charge for all new accounts and moves. This charge will appear on your first BC Hydro bill after you move. Accounts may also require a security deposit.

## Fortis

**1.888.224.2710**

**fortisbc.com**

Important: Ensure your request is submitted at least two business days in advance of your move.

You will need the following:

The account holder's birthdate and one of the following pieces of identification:

- Driver's licence number
- BC identification number
- Passport number

Note: if you have both natural gas and electricity accounts with FortisBC, you will need to complete the online form for both accounts.

# UTILITIES CONTACT LIST

## Shaw

**1.800.512.2862**

**shaw.ca/moving**

Tell Shaw if anything's changing. If you're moving to a bigger house or need to add services, give them a heads-up. In many cases, you'll be eligible for a great offer.

Tip: Don't forget your Shaw equipment:

- » TV boxes such as your Shaw Gateway Whole Home HDPVR may be hiding in your electrical room or basement
- » Internet and phone modems may be out of sight in a drawer, cabinet or closet

Tip: Label your Shaw equipment:

- » Place labels on cable cords so you'll remember where they go
- » Coil cables in labelled ziplock bags and tape them to corresponding equipment

## Telus

**1.888.224.2710**

**telus.com**

Call at least 2 weeks before your moving day and choose your preferred installation date .

You can call during these times:

- Monday to Friday, 7:30 a.m. – 10 p.m. MST
- Saturday and Sunday, 9 a.m. – 9 p.m. MST

Note: In most cases they offer a 2 hour appointment window so you don't spend your day waiting.

Have the Following information ready:

- TELUS account number (also have your account PIN and the last 3 digits of your driver's licence or social insurance number, or your account PIN and date of birth)
- Contact number during your move
- Full address of where you're moving from and to. For rural addresses, please supply the rural civic or legal land description and/or the lot block and plan
- Preferred disconnection and connection dates

# UTILITIES CONTACT LIST

## Alpine

**1.800.512.2862**

**[alpinerecycling.ca](http://alpinerecycling.ca)**

## CRD Water

**250.474.9601**

Residents or industries moving into or out of one of a CRD Integrated Water Service Areas should contact the Utility Billing Division to set up or change a water service account.

When speaking with CRD advise them of your name, telephone number, date of move.

Contact the Utility Billing Division as follows:

Telephone: **250.474.9601**

Toll free: **1.800.663.4425** and ask to speak with the Water Billing Staff

In person: 479 Island Highway (on Old Island Highway close to 6 Mile Road)

## Canada Post

**1.866.607.6301**

**[canadapost.ca/mailforward](http://canadapost.ca/mailforward)**

## Update Your Address

**[addresschange.gov.bc.ca](http://addresschange.gov.bc.ca)**



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