

THE BUYER GUIDE

PIERRE CARAPETIAN GROUP
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ADVICE FOR BUYERS IN

If there's one thing we know for sure, the real estate market is always in flux — for better or worse — and right now the Toronto market is seeing major shifts due to government intervention. In a changing market, working with a passionate, experienced Realtor is invaluable for a successful home buying experience as they will be your advocate and competitive advantage as you navigate a successful purchase. In order to feel confident and well informed, you'll want to be cognizant of these key factors before you even begin your property search.

KNOW YOUR BORROWING POWER

In an effort to maintain a stable market, the government has been implementing new rules to lending guidelines. When you're obtaining a mortgage pre-approval, it's also important to ensure your lender is doing their due diligence by getting all of your information before pre-qualifying you for a mortgage. Even with a six figure salary, make sure they're aware of any credit card debt or taxes owed as this will affect your ability to get the loan when the time comes. Knowing what you're working with financially and ensuring you have a solid pre-approval helps get you on the right track before you find your dream home.

IMPORTANT TO REMEMBER

The new **Stress Test** is now in effect for all purchasers. This means you'll need to qualify at a rate of at least 5.19% (July 2019) or 2% higher than your negotiated rate.

A CHANGING MARKET

UNDERSTANDING VALUE

It's important that your Realtor establishes the true value of the property you want to purchase. In a more balanced market, you don't need to expect to offer a premium over-top of the property's market value in order to out-bid your opponent. Compare the listed price to recent sales in the area and be mindful of features like locker, parking, exposure, and outdoor space, all of which will help determine the true value of the property. This is where your Realtor's strategy and advice is key. They should gear you towards an offer price that is appropriate for the market and the property while waiting to negotiate in your favour as unexpected factors can always pop up.

NAVIGATING THE MARKET

In a seller's market, buyers need to be ready to compete for the property they want. With limited inventory, bidding wars become a common tactic and choosing to waive clauses like status certificates or home inspections can prove to the seller you mean business.

However, as the market becomes more balanced, buyers can adjust their tactics as more inventory becomes available and bidding wars are no longer the only course of action. With fewer offers to compete with, it's definitely wise to do your homework and get the home inspection or status certificate in order to get the full scope of your purchase. Knowing the history, condition, and finances affiliated with a building or home helps give you the upper hand in offer negotiations.



BUYING WITH THE PIERRE CARAPETIAN GROUP

SMART REAL ESTATE PURCHASING DECISIONS HAVE THE POWER TO TRANSFORM LIVES

Pierre is passionate about using real estate to not only find the perfect home for your needs, but also to use it as a means to build wealth and ensure your financial independence.

With over 14 years of real estate expertise, Pierre knows how to listen and understand your needs and concerns. He will create and execute a smart strategy that meets your purchasing goals and achieves your home-owning priorities.

His personal success in real estate began when he was 18 and purchased his first home; by the age of 23, he had six investment properties in his portfolio. Now, as a professional real estate broker, he's built upon those excellent investment returns and has helped hundreds of clients make smart real estate purchasing decisions as well. Let Pierre guide you to the same real estate success.

“

I'VE FACILITATED OVER 300 MILLION DOLLARS
IN REAL ESTATE TRANSACTIONS.



BUYING A HOME IN TORONTO

ARRANGE FINANCING

OBTAIN A MORTGAGE PRE-APPROVAL

Offers can be made confidently with uncertainty eliminated, and a pre-approval clarifies your monthly mortgage carrying costs to ensure there are no surprises.

A potential lender will require you to show your income, credit history, and to disclose your debts. Once approved, you will receive a letter that includes an interest rate guarantee that is typically valid for 90 or 120 days.

IMPORTANT TO REMEMBER

A mortgage pre-approval doesn't guarantee the property chosen will be financed. Before advancing your mortgage money, the lender will most likely order an independent appraisal of the property.



PREPARED HOUSE HUNTING

“WHILE YOUR WISH LIST IS CRITICAL, IT’S OUR JOB TO KEEP YOU GROUNDED ENSURING THAT WHAT YOU WANT ALIGNS WITH WHAT YOU CAN AFFORD.”

YOUR LIFESTYLE SHOULD INFLUENCE YOUR SEARCH



When beginning your search, think about your lifestyle, how long you plan to live in the home, and any possible life changes you might foresee in the future. Also consider:

- What neighbourhoods do you love?
- How many bedrooms and bathrooms do you need?
- What are your absolute must-haves in a home?

These considerations help you narrow down the list of potential homes to see and importantly, they keep you focused throughout the search process.

EXCLUSIVE SEARCH TOOLS



Our team will set up a customized search on MLS® tailored to your needs. In addition to sending you daily property matches, you get back end access to our MLS® based search engine, **Collab**. This tool allows you to customize your own search and see live property inventory so you can be as hands-on as you want and stay on top of what’s really happening in the market.

NETWORKING: FINDING THE HIDDEN GEMS



A key strategy Pierre employs is to engage with his network of agents. On countless occasions, he has learned about a property becoming available before it hits the market. Discovering exclusive opportunities allows you the chance to make an offer before the masses ever set eyes on the listing.

MAKE YOUR DEPOSIT MONEY AVAILABLE



In Toronto’s red-hot real estate market, access to your deposit money is essential. Having your deposit funds ready with your offer tells the Seller that you mean business. A deposit of 5% of the purchase price is the norm in our marketplace. Should your offer be accepted, the deposit money is required within 24 hours, unless otherwise indicated.



WE WORK FOR YOU, SO YOU’LL KNOW ABOUT EXCLUSIVE OPPORTUNITIES WHEN THEY PRESENT THEMSELVES.

CONCIERGE SERVICES: SCHEDULING YOUR VIEWINGS

It’s our philosophy that in order for you to make a confident and well-informed purchasing decision, you should see a wide range of properties to truly understand what’s available in your price range. Once you’ve selected the properties you want to view, just let us know. Our team takes care of scheduling and ensures that showings are at times that are convenient for you. This is just one of the many services we provide to make your home buying experience a positive one.

STRATEGIC APPROACH



GOING IN WITH A SOLID OFFER IS NOT OPTIONAL—IT'S ESSENTIAL.

Deciding to purchase a home you love is both exciting and nerve-racking, especially for buyers in Toronto's intensely competitive market. Demand is extremely high, but supply is low with a shortage of available inventory, which means that homes sell very quickly. Depending on the area, a listing can be sold in as little as one day, with multiple offers.

This is why having a custom strategy and a skilled realtor is important to ensure you get the property you want at the best possible price. You can rest assured that we will always represent your best interests and present your offer using strategies that best position you for success.

OFFER NEGOTIATION

COMPARATIVE MARKET ANALYSIS



To determine the true value of a property, we look to see what other similar properties have been trading for in that area. That way you can confidently substantiate your offer price.

CURRENT MARKET CLIMATE



Assessing the state of the market will gear your strategy and determine what approach should be used to get the best price. Do we need to be aggressive or can we negotiate based on excessive inventory?

WHAT LEVERAGE DO WE HAVE



An experienced realtor will look for opportunities to leverage in negotiations. For example, if they know the closing date of the seller is important, then you can use that as a bargaining chip to low-ball your offer.

THE FOUR TYPES OF OFFERS

1

CONDITIONAL SALE AGREE ON THE TERMS WITH CONDITIONS

The transaction enters what is known as the *Conditional Period*. Common conditions include a home inspection, mortgage financing, or status certificate review, among others. If all of the conditions are fulfilled to the buyer's satisfaction, the *Conditional Period* ends and you now have a firm transaction. If the conditions are not fulfilled, the deposit is returned to the buyer and both parties are released from the transaction.

2

COUNTER-OFFER THE SELLER SIGNS BACK A COUNTER-OFFER

This is a common scenario where the Seller signs backs the offer and proposes a different set of terms, such as a higher asking price or a different closing date. Typically, there are a number of back-and-forth negotiations, which is when having a strong realtor on your side is crucial to a successful outcome.

3

FIRM SALE THE BUYER AND SELLER AGREE ON TERMS WITH NO CONDITIONS

If there are no conditions, the agreement is considered firm as soon as the agreement is signed and the deposit paid.

4

NO SALE THE BUYER AND SELLER ARE UNABLE TO AGREE ON TERMS

Sometimes, your offer may be unacceptable to the Seller and they might choose not to pursue further negotiations. In this case, the deposit is returned to you and the search continues.

UNDERSTANDING ADDITIONAL COSTS



ONE COST YOU DON'T HAVE TO WORRY ABOUT IS MY COMMISSION:
100% OF MY FEES ARE PAID FOR BY THE SELLER.

If your down payment is less than 20% of the purchase price, then the lender will charge you mortgage insurance. The insurance amount is based on your purchase price and varies according to your deposit. Mortgage insurance will be highest when your deposit is low and drops as you put more down towards the purchase price. **You can find the CMHC calculator here.**

We also recommend that you keep what we like to call an, “OH, SH*T” Fund to pay for any unexpected maintenance costs that may arise, particularly if you are buying an older home. Even with a thorough home inspection, unexpected sh*t does happen and no one wants to get stuck without the funds needed for repairs.



Other costs to budget for:

Title Insurance,
Land Transfer Tax,
Lawyer Fees, Movers, and
any desired Renovations

IMPORTANT TO REMEMBER

In Toronto, there is a double Land Transfer Tax; one provincial and one municipal. **You can calculate the amount of tax you will be required to pay here.**

CLOSING THE SALE

THE DAYS LEADING UP TO THE CLOSING DATE ARE CRITICAL

It's at this phase where you will be working closely with your mortgage broker and lawyer. Make sure you are working with a team that is well prepared, organized and provides you with a clear understanding of the process to ensure a smooth close. Not sure who to hire? We have a great referral network of professionals to help make this a hassle-free experience.

Once all of the legal and financial obligations have been met, ownership and possession of the property are transferred from the Seller to you, meaning that both you and the

Seller have agreed on price and agreement terms, you've submitted your deposit, and all conditions have been waived.

Once the deal is firm, your mortgage broker and lawyer will handle the closing of the transaction. There will be a lot of paperwork to sign and you will be making final arrangements with your lender to receive a certified cheque with the balance of the funds owed. Once the cheque is delivered, it will be time to pick up your keys.

FIND YOUR DREAM HOME



START YOUR SEARCH TODAY

FULL SERVICE TEAM



CONCIERGE SERVICES

When you buy with the Pierre Carapetian Group, you get the highest level of service. We do everything we can to make your home buying experience positive and hassle-free. We are here to alleviate stress and give you peace of mind knowing that all of the details are taken care of. We have access to an amazing network of professionals from contractors and home inspectors to mortgage brokers and lawyers. Our team is here to assist you with all of your real estate related needs.

To make moving a breeze, we set you up with **Move Snap**, a centralized service that helps organize all of the steps affiliated with moving.



ARRANGE MOVERS



CHANGE YOUR ADDRESS



MOVE YOUR UTILITIES



DECLUTTER YOUR HOME



TOSS/DONATE THE JUNK



PACK YOUR STUFF

Move Snap helps keep you organized and tracks your progress leading up to and during your move. Our service doesn't end there though. We know knowledge is king, and we want you to always be informed. As an additional benefit when you purchase with us, we will send you semi-annual Current Market Analysis reports so you're always up to date with your current property value.

INDUSTRY EXPERT

YOU'RE IN GOOD HANDS

Pierre's expertise in the real estate industry has earned him a reputation as a go-to pro in the market as well as in the media. In addition to appearing on two seasons of HGTV's *Big City Broker*, Pierre was the resident Real Estate Expert on the highly popular CBC series *Steven and Chris*. You can see some appearances on our **Media Page**.

Pierre continues to be one of Toronto's most trusted Real Estate experts. Here are just a few of the reasons why:



Top 100 Agents in Canada



Top office in the GTA



Expert Negotiating Skills



Over 14 years of experience in the Toronto Real Estate Market



Every 3.4 days we sell or lease a property

TESTIMONIALS

Pierre was an incredible ally to have on our side during our first time home buying experience. He has an expert understanding of the market, neighbourhoods and city planning that made us feel confident in our purchase - most importantly he brought a customer first approach to our engagement. As a partner we're excited to continue to work with him for future real estate opportunities.

MIKE JOFFE

We continue to be impressed by Pierre's ongoing service—always making us aware of lucrative opportunities in the marketplace. His approach mirrors that of an investment portfolio manager, ensuring that we assess both the short and long term potential of all our real estate investments to make well-informed decisions.

GABE AND ADAM

Pierre's dedication to helping me find my dream home was exceptional and unlike any of the experiences I've had in the past. His strong knowledge of the real estate market along with his objective and transparent perspective made the process easy and fun! I already look forward to working with Pierre again and can't thank him enough for the wonderful experience!

DR. DOREH BEHZADPOOR, B.SC., D.D.S.

LEARN MORE



We believe knowledge is power. Our blog is a great resource to educate yourself on the Toronto real estate market. Here are a few articles to help you better understand the home buying process.

- ➔ Renting Versus Buying
- ➔ Understanding Closing Costs Before You Buy that Property
- ➔ Finding a Cash Flow Positive Property in Toronto
- ➔ Reno Versus Ready: Your New Home Purchase



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