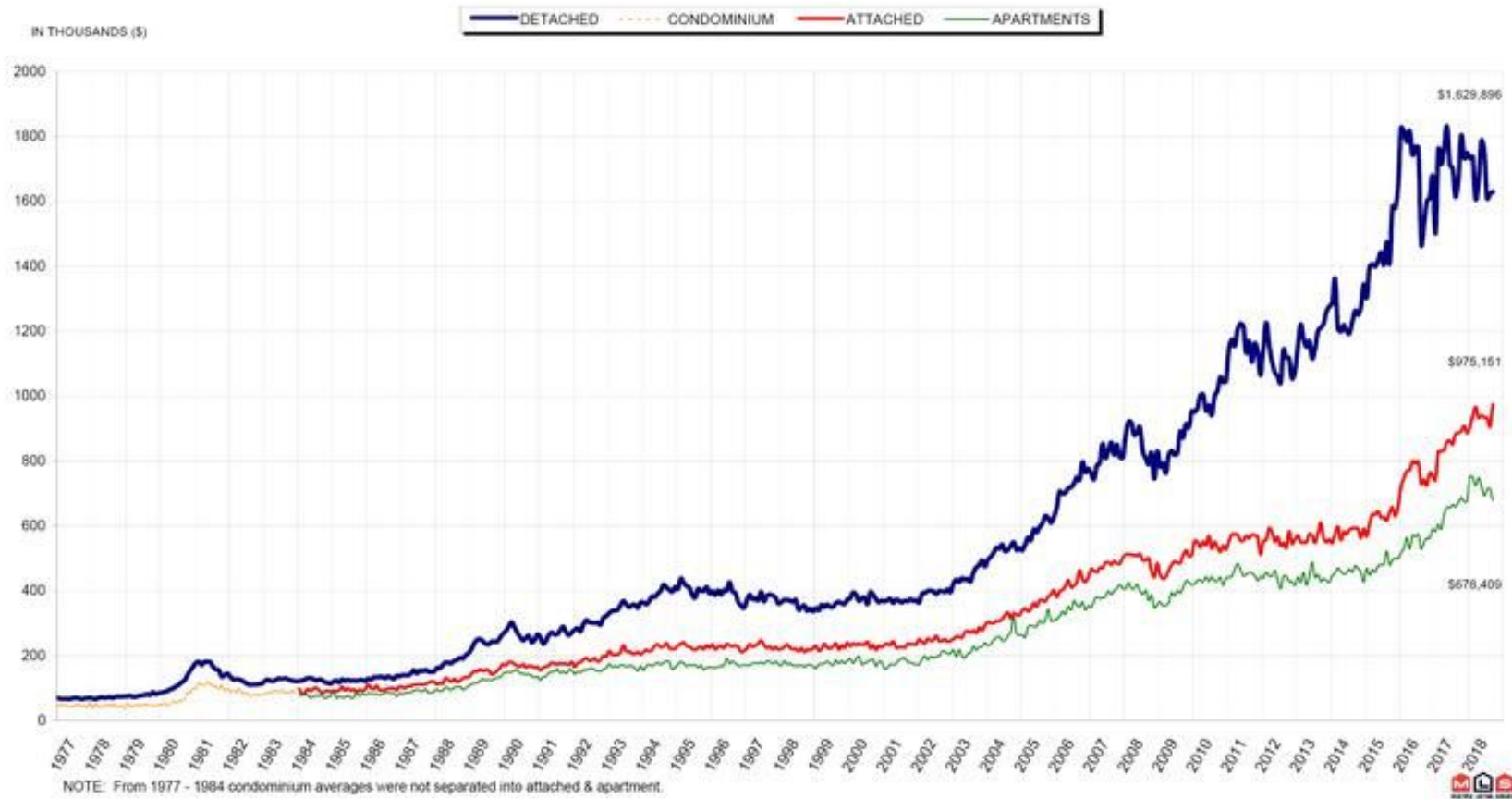


SO YOU WANT TO BUY A HOME?



Yasha Pushak
UDLS 2019-01-11

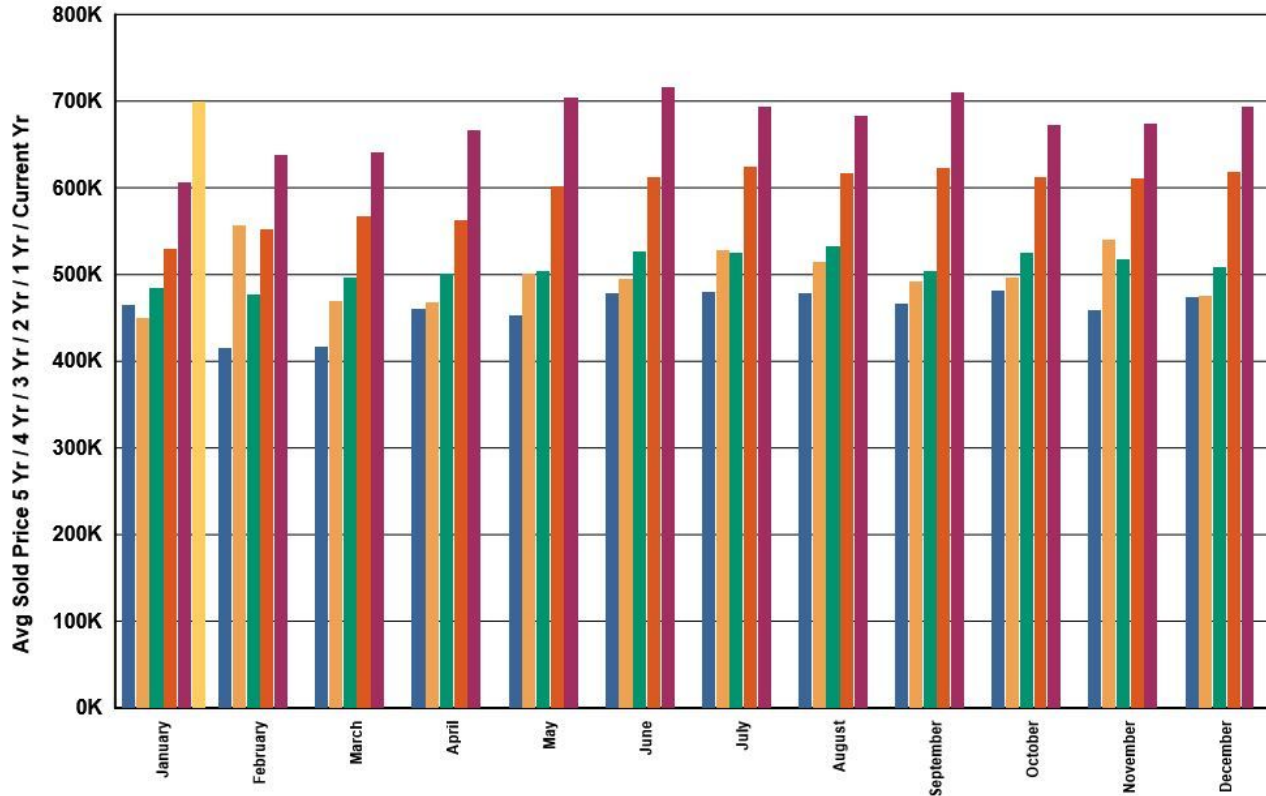
THE HOUSING MARKET - VANCOUVER



THE HOUSING MARKET - KELOWNA

“Average house prices in Kelowna left many people dumbfounded last year [2017]”

THE HOUSING MARKET - KELOWNA



HOW MUCH CAN YOU AFFORD?

- Savings (Down Payment)
- Income (Maximum Debt Ratio)
- Debt (e.g., Student Loans)
- Interest Rate
- Amortization Period

Putting it all together...

Mortgage Affordability Calculators

Gross Annual Household Income Down Payment Amortization Period Product 

EXPENSES:

Monthly Debt Payments Annual Property Taxes Monthly Condominium Fees Monthly Heating Costs Based on these values,
you can afford:

Monthly payment: \$975.00

Mortgage amount: \$198,629.97

Mortgage default insurance: \$5,410.15

Net mortgage amount: \$193,219.82

Purchase price: \$240,219.82

Next step? [Compare mortgage scenarios](#) ▶Ready to go? [Get pre-approved now](#) ▶

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**Mortgage Affordability
Calculators**



GETTING A MORTGAGE (PRE-APPROVAL)

- Stress Testing
 - Debt ratio 40-44%
 - $\max(\text{InterestRate} + 2\%, 5\%)$
 - Minimum Down payment 5%
 - Credit Score
- How do I improve my credit score?
 - Borrow more money! (responsibly)
 - Minimum 2-3 “Trade Lines”
 - Credit cards, student loans, mortgages, etc.
 - Letter of good standing from landlord
 - One year history of bill payments

GETTING A MORTGAGE (PRE-APPROVAL)

- Down Payment
 - Bank statements
 - Name
 - Account number
 - 30 day history
- Income
 - Paystubs
 - Letter of good standing
 - Notice of assessment
- Final result
 - Maximum purchase price
 - Guaranteed interest rate
 - Three months until expiry

WHAT IF I CAN'T AFFORD MY DREAM HOME?

- Wait
 - Save for a down payment
 - Improve your credit score
 - Get a raise
- But I want it now!
 - Rental Income (40%)

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\$\$\$



Yasha
1.22.2017
(modified)

WHAT IF I CAN'T AFFORD MY DREAM HOME?

- Wait
 - Save for a down payment
 - Improve your credit score
 - Get a raise
- But I want it now!
 - Rental Income (40%)
 - Find a co-signer
- Those don't work for me!
 - Leave Vancouver
 - Win the Lottery



Yasha Pushak
1.22.2017
(modified)

REALTORS 101

Do I need a realtor?

No

... But you should get one

Do realtors cost money?

No

... Unless you are the seller

Can I trust my realtor?

Hopefully...

MAKING AN OFFER

- Do I need Pre-Approval?

No

- How much do I offer?

Depends on the Market

- They didn't accept!

Did they counter?

Yes

Haggle!

No

Better luck next time!

CONGRATULATIONS!

You have an accepted offer!

... with subjects.

- What are subjects?
 - Financing
 - Inspection
 - Document revision
 - Title
 - Measurement
 - Create your own! (or don't)

Deadline: Subject removal date

GETTING A MORTGAGE (APPROVAL)

It has subjects too!

- Strata documents
 - AGM minutes
 - Form B
- Accepted offer
 - Addendums (if any)
- Accredited Accountant
- Appraisal \$100-\$500
- Land Survey \$1,000-\$2,000

CHOOSING A MORTGAGE

- Amortization Period
- Term Length
- Variable or fixed?
- Closed or open?
- Bank, credit union or independent broker?
- Mortgage Insurance?
- Life Insurance?

INSPECTORS 101

- Should I trust my realtor?
 - At your own risk
- Arranging an inspection
 - Book inspector first
- How much do they cost?
 - \$350-\$600

WHEW... SUBJECTS REMOVED!

Is the house mine yet?

Not yet.

What's left?

- Deposit ~\$35,000
- Legal Fees \$500-\$1,000
- Completion date
- Adjustment date

WHAT ARE ALL THOSE FEES AGAIN?

- Property Transfer Tax
 - 0.5% on first \$200,000
 - 2% on amount between \$200,000 and \$2,000,000
 - 3% on amount above \$2,000,000
- HST (new homes)
- Legal Fees \$500-\$1,000
- Inspection \$350-\$600
- Appraisal \$100-\$500
- Land Survey \$1,000-\$2,000
- Mortgage Insurance 2%-3%(down payments under 20%)
- Life Insurance
- Moving Costs

CAN I GET HELP WITH THOSE?

- First Time Home Buyer Tax Exemptions
 - Purchase price under \$500,000 -> Full exemption
 - Purchase price under \$550,000 -> Partial exemption
- First Time Home Buyer Down Payment
 - Helps you “borrow your down payment”
 - Match up to \$37,500
 - Interest free for 5 years
 - Payment free for 5 years

HAPPY HUNTING!

AND GOOD LUCK...

