

8 MISTAKES
TO AVOID WHEN BUYING A HOME



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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. But be careful: learning from your mistakes may prove costly. Use the following list of pitfalls as a guide to help you avoid the most common mistakes



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WELCOME HOME



01

SEARCHING BEFORE BEING PRE-APPROVED

Keep in mind that Mortgage Advisors are ready to support and navigate you through the financial aspects of acquiring your next property. These professionals will pre-qualify you for a mortgage, ensuring that you are searching within the appropriate budget. This not only signals to sellers and realtors that you are a committed buyer but also places you in the right financial position.

Additionally, Mortgage Advisors can provide valuable insights, such as information about First-Time Home Buyers Grants and other benefits that you might not be aware of. If you're wondering where to find a mortgage broker advisor, you can typically approach your Bank or Credit Union, which often have their own mortgage advisors. Alternatively, you can seek assistance from an independent mortgage advisor.

Step 1: Get Pre-qualified.



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02

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.

It is important to know and differentiate between your needs and wants!

Don’t let the current owners’ style or lifestyle sway your judgment. Beneath the bad décor or messy rooms, could be a diamond in the rough at a great price! With a bit of work it could perfectly meet all your needs. Likewise, don’t jump at a home simply because it seems ideal. Make sure you thoroughly examine the property beneath the obvious before you come to any serious decisions.

It is advisable to set up a second viewing with your REALTOR® to take a fresh look at the property you are most interested in.

It's advantageous to have your own REALTOR® (not the listing Real Estate Agent) when purchasing a property. They can arrange appointments, provide property advice, and connect you with crucial industry professionals such as home inspectors, lawyers etc.

Step 2: Differentiate between your needs and wants



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03

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 professional home inspector can uncover hidden problems or potential issues with the property that may not be visible during a casual walkthrough. This can include issues with the foundation, roofing, plumbing, electrical systems, and more.

Uncovering significant problems before finalizing the purchase can save you from unexpected financial burdens down the line. It allows you to make an informed decision about whether to proceed with the purchase, renegotiate terms, or walk away.

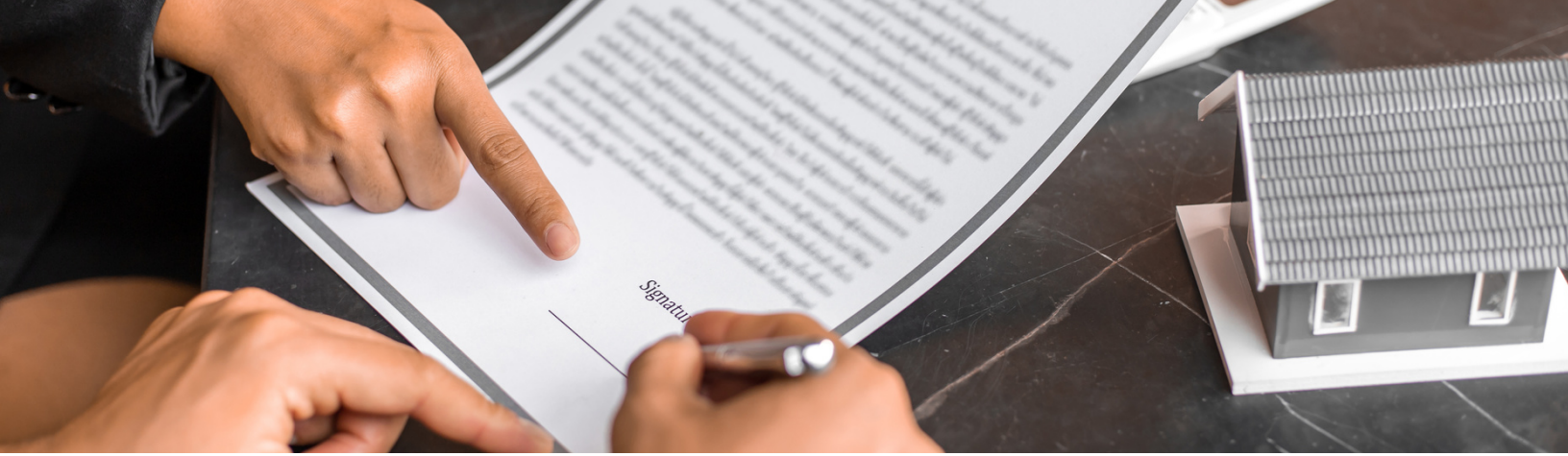
A typical Home Inspection cost you are \$500 a small price to pay considering the overall investment of a home.

Ensure the appropriate condition is entered into your offer to purchase **e.g.:** ***“On condition of a satisfactory home inspection...”***

Step 3: Get a home inspection before you make a final commitment to buy



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04

NOT KNOWING AND UNDERSTANDING YOUR RIGHTS AND OBLIGATIONS AS LISTED IN THE OFFER TO PURCHASE

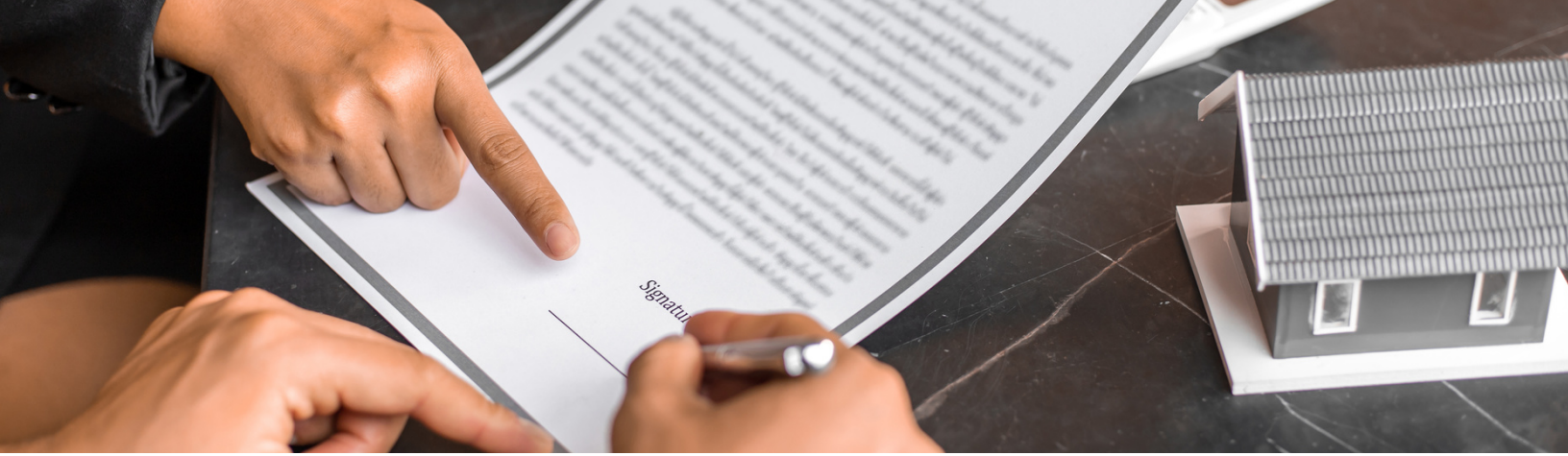
Make it a priority to know your rights and obligations inside and out. A lack of understanding about your obligations may, at the very least, cause friction between yourself and the people with whom you are about to enter the contract. Wrong assumptions, poorly written/ incomprehensible/ missing conditions or terms, or a lack of awareness of how the conditions apply to the purchase, could also contribute to increased costs or cause a deal crash.

Don't be afraid to ask your REALTOR® questions, utilizing their resources and knowledge to ensure you comprehend every aspect and ensuring all parties understand and fulfill obligations. It's important to clearly articulate conditions and terms beforehand as verbal agreements are challenging to prove post-purchase.

Specify what is included in the purchase and discuss the Agency Agreement and Ancillary Services with your REALTOR® to avoid complications. Clearly articulate terms beforehand as verbal agreements are challenging to prove post-purchase.

Step 4 - Clearly Contract





05

MAKING AN OFFER BASED ON THE ASKING PRICE, NOT THE MARKET VALUE

We often form emotional bonds with our belongings, especially those close to our hearts. Homes, filled with cherished memories, can be particularly challenging to let go of. Sellers might unintentionally set an inflated price for their homes influenced by emotions rather than realistic market values.

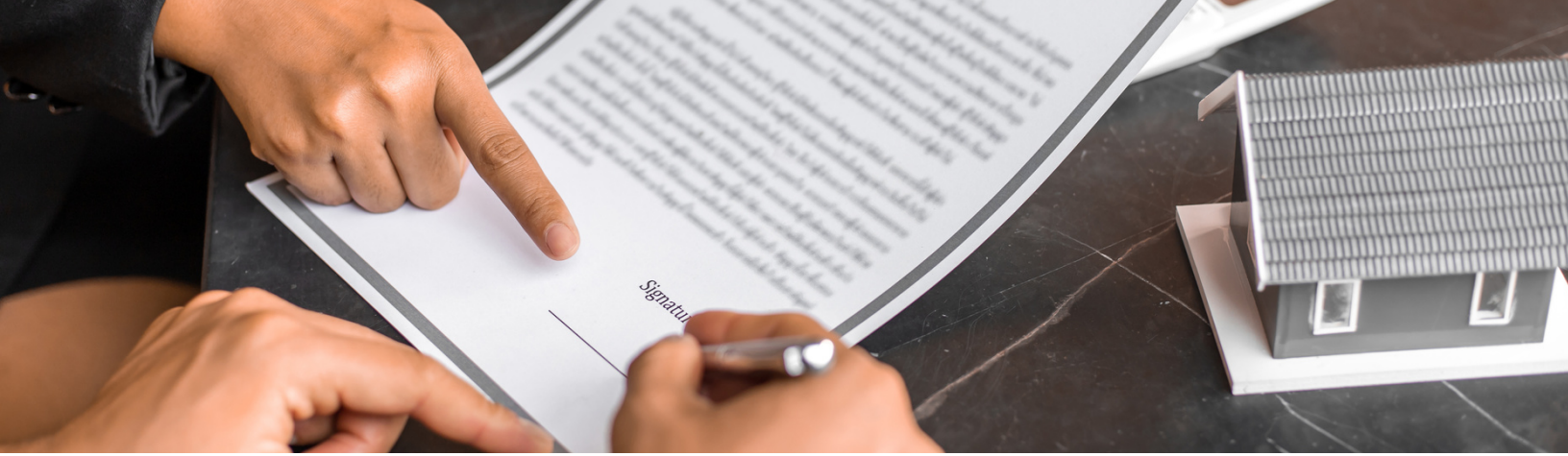
To ensure a fair deal, request a current Comparative Market Analysis from your REALTOR®. This information will help you gauge the market value, preventing overpayment. Consider the selling prices and time on the market for similar homes in the area. Assess if the home you're interested in is underpriced, overpriced, or at fair value.

Despite receiving a Comparative Market Analysis, some sellers may disagree with the market valuation based on certain factors e.g. recent renovations or upgrades that may hold genuine value. Expect to pay more than the CMA suggested price when there are obvious and expensive upgrades to a home e.g. new shingles, new kitchen, flooring etc.

Step 4 - Ask your REALTOR® for a CMA (Comparative Market Analysis)



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06

FAILING TO FAMILIARIZE YOURSELF WITH THE NEIGHBOURHOOD BEFORE BUYING

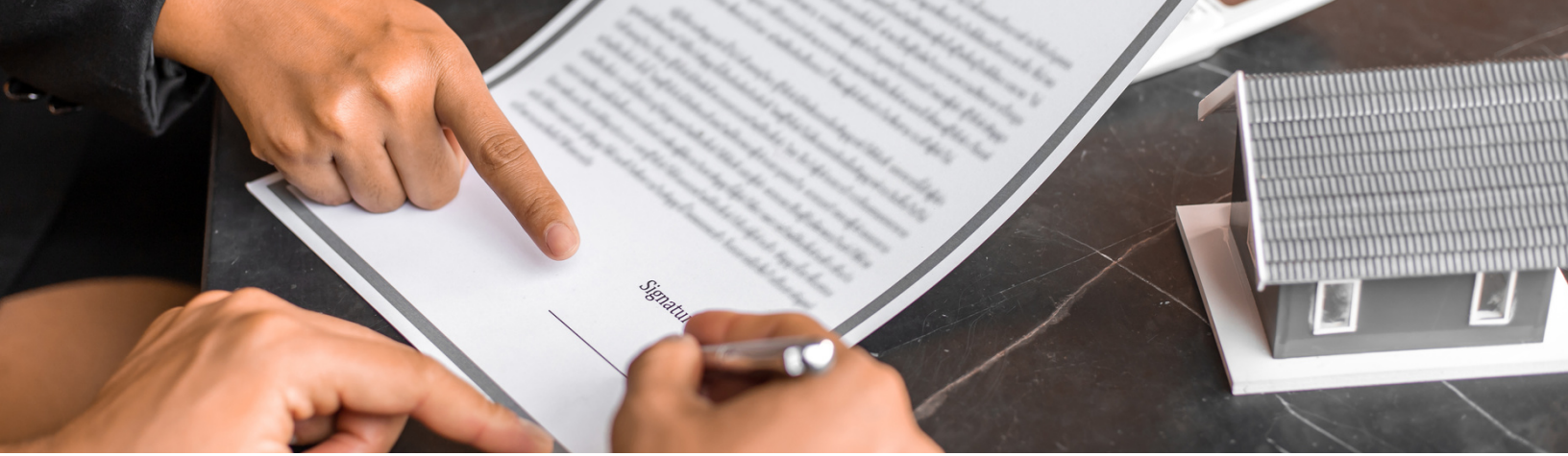
It's easier to upgrade a home than a neighbourhood!

Evaluate what you consider essential amenities. Check for nearby schools, churches, parks, medical centers or grocery stores. If you have children, visit local schools. Drive around and consider the impact of a new commute to work.

Be aware of ongoing infrastructure projects that might lead to additional tax levies or traffic. Familiarize yourself with the surrounding area and the general yearly taxes as this is an added monthly or yearly expense when purchasing a home. Its easy to overlook some of these smaller yet impactful details when purchasing a home. The MLS® typically provides information about the yearly property taxes for homes listed. It is wise to familiarize yourself with the property taxes in the area of interest. Understanding the annual property tax obligations is crucial for budgeting and assessing the overall cost of homeownership.

Step 6 - Know the Neighbourhood Dynamics and Taxes





07

NOT LOOKING FOR HOME INSURANCE UNTIL YOU ARE ABOUT TO MOVE

Life can be unpredictable - often stranger than fiction

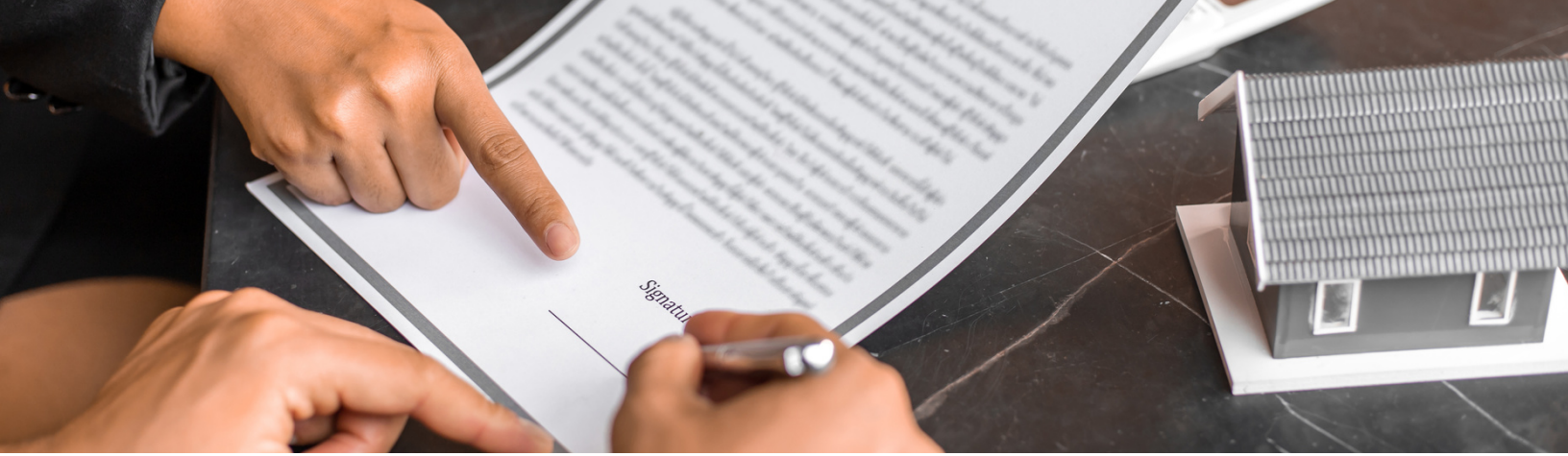
It's comprehensible but frequently overlooked that obtaining a mortgage for your home includes a contractual mandate for adequate insurance. Financiers aim to safeguard their investment, and without proper home insurance, securing a mortgage becomes uncertain, putting your deal and potentially your deposit at risk. It is your a vital component and your responsibility to ensure that you have adequate insurance that will satisfy your mortgage lender

In summary, home insurance is a fundamental aspect of responsible homeownership, offering financial protection, meeting mortgage requirements, and providing peace of mind for you and your family.

Step 7 - Speak to your Insurance Broker about Home Insurance



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08

NOT EMPLOYING A REALTOR® AND UNDERSTANDING THE IMPORTANCE OF AGENT RELATIONSHIP

While REALTORS® has a fiduciary duty to ensure a fair transaction for all parties involved, it's crucial to recognize that the listing agent primarily serves the seller as their client, while the buyer is considered a customer. This distinction is significant, as it can be challenging to balance the interests of both parties in a complex deal.

This underscores the importance of having a buyer's agent who specifically represents your interests in a real estate transaction. A buyer's agent helps you navigate the process, negotiates favorable terms on your behalf, and provides access to valuable market information. This ensures that you can make informed decisions and secure the best possible deal in a real estate transaction.

Keep in mind that, in most cases (unless otherwise agreed), buyer's agents offer their services for free, as their compensation comes from the selling commission.

Step 8 - Secure your own REALTOR® - It's crucial to understand and openly discuss the agency relationship.



THANK YOU



Thank you!



Thank you for downloading the brochure. It is my hope that you have found the information valuable. If you are in the market to buy a home please feel free to reach out to me Conrad Kruger is a REALTOR® with eXp Realty serving Prince Albert and surrounding areas and Lakes

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