

THE BUYING GAME

How To Avoid Nine Costly (But Common) Homebuying Mistakes

Let's face it, buying a home is a major expense. But why make it more expensive than necessary? Play the buying game right and you can cut costs AND buy the house that's best for you. I can help you watch out for these nine common, but costly, pitfalls:

1 THE WRONG HOUSE

One costly mistake is choosing the wrong house: maybe one too big or too small for future needs, or a fixer-upper if you're not handy, a house too far from work or too close to traffic, one likely to need extensive fixing up, or a home in the wrong price range. Avoid this #1 trap by working with us to define your present and future needs, what location is more suitable, what level of fixing-up is comfortable, and how much you can afford for maintenance, utilities and everyday life after moving in.

2 BIDDING BLIND

Some buyers offer a contract above the true market value of the property or fail to bid on a great value because they don't know the market. Don't try to go it alone. Ask us for a comparative market analysis to avoid overpaying or underbidding on the home you choose.

3 TITLE TROUBLE TRAPS

A title search may reveal encumbrances on the property title like tax liens, easements, leases or an undisclosed co-owner. Avoid this trap by having the title search done early, if possible.

4 SURVEY SURPRISES

The property survey may show the lot boundaries are different from the property plot, a neighbor's fence is over the line, or zoning regulations have been violated. Avoid the trap by asking to see the seller's survey made back when the seller bought the house, and go over any additions or variations with your real estate agent. Title insurance is also an option.

5 LAST-MINUTE DEFECTS

During the final re-visit, some defects may become apparent that were not noticed before. Avoid surprises by first doing a careful inspection of the house, then consider an independent home inspector to check the house inside and out. Have the inspector report to you any items needing attention, the cost to fix them or the repercussions if they are left as is. Contract settlement should be contingent upon the inspector's report.

6 PRE-PAID SHOCKERS

Some items such as real estate taxes and condo fees get pro-rated at settlement, while others - including insurance and furnace oil - have to be paid ahead a few months. Avoid inaccuracies by asking for these figures a day or two in advance, and check the charges. Remember, if the closing date changes, so do some of these pre-paid costs.

7 SELLER SLIP-UPS

Repairs not made, items that fail to convey, or other contractual hang-ups can delay closing. To avoid these traps, take the list of agreed-upon items to the final re-visit and check them off. If items that were agreed upon haven't been completed, contact your lawyer.

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8 HIDDEN JUNK FEES

Some lenders and lawyers may add questionable charges at the closing that were not disclosed previously, "underwriting fee", "loan disbursement charges", "tax service fee", "courier fees" or mark-ups on court documentation fees. Avoid these fees by asking the lawyer and lender what fees are included and what additional fees may be charged at closing. Some of these fees can be negotiated down or waived for the customer who negotiates.

9 CLOSING RUSH

Insist on seeing the statements of adjustments the day before closing. That way, you'll avoid last minute problems - such as an interest rate or points other than you agreed to showing up on the paperwork. Sometimes missing the closing date because of an eleventh-hour snag endangers the locked-in interest rate or the entire sale. Don't get trapped by a too-close closing. Get a 90-day lock in for your mortgage interest rate, if possible, and give yourself that much time to close the sale.



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Danielle Quilty* Jennifer Sargeant* Ray Chesher*** Karen Pedersen**

Holly Light** Brenda Hamilton*

* Sales Representative ** Broker *** Broker of Record

Your Home Today Realty Inc., Brokerage

75 Guelph Street, Georgetown L7G 3Z8

Direct Line: 905-877-9001

Toll Free: 1-877-893-9001

Fax: 905-877-4855