Tyler KOELLER REAL ESTATE

TORONTO & THE GTA
RE/MAX PREMIER INC.
BROKERAGE INTERNATIONAL

BUYER GUIDE

8 MISTAKES TO AVOID WHEN BUYING A HOME

Learn from other buyers' missteps, not your own

Buying a home in Toronto and the GTA moves quickly, and small oversights can turn into expensive ones. These are the eight mistakes I see most often, and how to avoid each of them.

01 SHOPPING BEFORE YOU'RE PREAPPROVED

A prequalification is only an estimate. A **preapproval** means a lender has reviewed your income, credit and down payment, and it usually holds an interest rate for a set period. It tells you what you can really afford and shows sellers you're a serious buyer. Remember that lenders must also qualify you under the federal **stress test**, at a rate higher than the one you'll actually pay.

02 FORGETTING ABOUT CLOSING COSTS

Your down payment isn't the only cash you need on closing day. Land transfer tax, legal fees, title insurance and adjustments add up, and in the City of Toronto you pay **both** the Ontario and Toronto land transfer tax. Use my **Land Transfer Tax Calculator** at tylerkoeller.com to estimate yours.

03 LETTING FIRST IMPRESSIONS DECIDE

Fresh paint and good staging are designed to win you over, while dated décor can hide a great house. Look past the furniture and focus on what's expensive to change: location, layout, light, the roof, windows, mechanical systems and the foundation.

04 SKIPPING YOUR DUE DILIGENCE

Even when competition makes it tempting, don't buy blind. For a house, arrange a **home inspection**, ideally before an offer date if the seller hasn't provided one. For a condo, make sure your lawyer reviews the **status certificate**, which shows the building's finances, reserve fund and any special assessments or lawsuits.

05 OFFERING BASED ON THE LIST PRICE, NOT MARKET VALUE

In the GTA, some homes are priced low to attract multiple offers, while others are priced high and sit. The asking price tells you little on its own. Before you offer, review recent **sold** prices for comparable homes nearby, how long they took to sell and how close they came to asking.

06 NOT GETTING TO KNOW THE NEIGHBOURHOOD

Visit at different times of day and on different days of the week. Try the commute, walk to the nearest transit stop, check school boundaries and look into planned construction or transit projects. A great house in the wrong spot for your life is still the wrong house.

07 MAKING BIG FINANCIAL CHANGES BEFORE CLOSING

Your lender can recheck your file right up to closing. Avoid taking on new loans or credit cards, financing a car, changing jobs or moving large sums of money without talking to your mortgage specialist first. Leave your down payment where your lender can verify it.

08 NOT READING THE AGREEMENT OF PURCHASE AND SALE

Your offer becomes a binding contract once it's accepted. Know your deposit amount and due date, any conditions and their deadlines, which fixtures and chattels are included, the closing date and how HST applies. Ask questions before you sign. Your Realtor® and real estate lawyer are there to help.

> **TYLER'S TIP**
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> Write down your three must haves before you start viewing homes. It keeps you focused when a beautifully staged home tries to pull you off course.



TYLER KOELLER

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Questions about buying in Toronto or the GTA? Let's talk. I reply within 24 hours.

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