

ANYMORE
QUESTIONS
.CA

SELLING OR BUYING YOUR HOUSE IN 4 STEPS

1 2 3 4

All you need to know about selling or buying a property.



**Proprio
Direct**

REAL ESTATE AGENCY

*For sale by the owner
... and his broker!*

SELLING OR BUYING YOUR HOUSE IN 4 STEPS

FOR AN INTERACTIVE EXPERIENCE, VISIT :





WE KNOW ALL ABOUT BUYING AND SELLING PROPERTIES: IT'S OUR FIELD OF BUSINESS.

*In an environment where supply is abundant, searching for or marketing a property can be quite demanding. Furthermore, the ability to negotiate as well as the complexity of certain legal and financial aspects cannot be overlooked. For this reason, **Proprio Direct** brokers are fully authorized professionals who are able to assist you through every step of the way for a transaction to your full satisfaction.*

*In the pages that follow, you will find a simplified guide prepared by **Proprio Direct** consisting of all the key elements you need to consider for a successful real estate transaction.*

**For questions or comments
contact us at 1-844-PROPRIO (776-7746) or at info@propriodirect.com.**



SELLING



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I'M THINKING OF SELLING

Quickly discover a few things to consider in your thought process.



A

CHOOSING THE RIGHT MOMENT



The selling price of your home may vary over time, even from one season to the next.



BROKER'S ADVICE

A Proprio Direct a broker can help you determine the most appropriate time for you to put your house up for sale.

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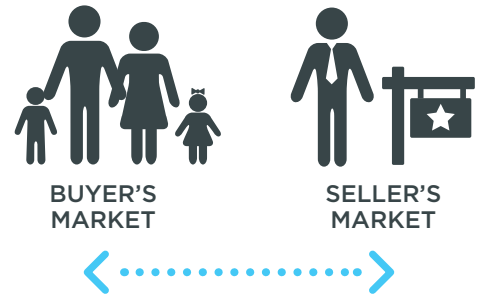
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A BUYER'S MARKET OR A SELLER'S MARKET?

In a seller's market, supply is low and demand high. Most buyers are therefore interested in the same property, which gives sellers the advantage of a quick sale provided that the asking price has been properly listed from the start.

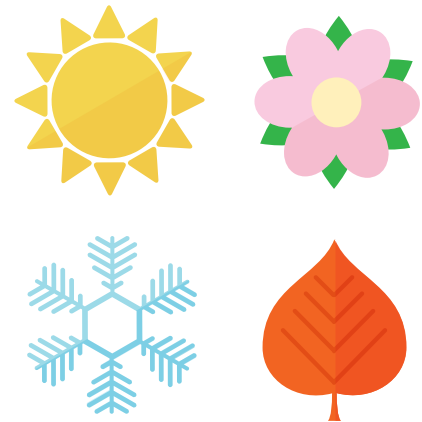
In a buyer's market, supply is high and demand is low. Sellers have fewer visits but buyers have a fair amount of properties to choose from and are therefore in a better position to negotiate lower prices. If you need to sell quickly, consider slightly lowering your asking price since this will help speed things up.



JUST LIKE SEASONS CHANGE, SO DOES THE MARKET

Some periods of the year are more favorable for selling than others. For example, buyers are more active in the spring when the weather is nicer, whereas winter months are typically quieter.

That being said, there are buyers year-round and seasons are only one of the many factors to take into account.





B

HOW MUCH DOES SELLING COST?

You should know that selling a property involves various fees, such as the repayment of the mortgage loan.



BROKER'S ADVICE

Your Proprio Direct broker will ask you to provide him information about your mortgage in order to help you better predict any repayment fees and to develop a marketing and negotiation strategy for minimizing the adverse impact of those fees.

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REPAYING YOUR MORTGAGE

An “open” mortgage allows you to repay your entire balance at any time without penalty. If you have a “closed” mortgage, expect to pay a penalty. This amount will depend on several factors, including the remaining term of the mortgage.

Whatever your type of mortgage, you may also have to pay a closing fee at the signing of the deed of sale in relation with the discharge of your loan.



TRANSFERRING YOUR MORTGAGE WHEN BUYING A NEW HOME

A “portable” mortgage is a mortgage that can be transferred from one property to another without penalty.

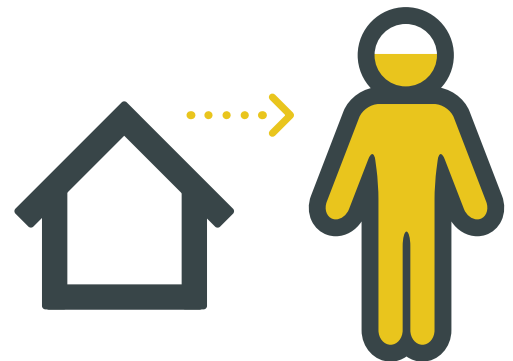
This is ideal when the interest rate on your mortgage is lower than the current market rate.

If interest rates drop it may be best to obtain a new loan.



TRANSFERRING YOUR MORTGAGE TO THE BUYER

If the interest rate on your mortgage loan is lower than the current market rate, this may be an attractive opportunity for buyers who are willing to take over your loan.



SEEKING PROFESSIONALS

Be prepared to incur additional expenses since it's very likely that you may require the services of various other professionals, **such as a building inspector, a licensed appraiser or a surveyor.**



PAYING YOUR BROKER

Investing in a broker is the safest way to sell quickly for the price you want and at your terms and conditions.

A real estate broker is paid on commission and his remuneration is normally due at the signing of the deed of sale. Because the commission rate can vary from one property to another, it's your responsibility to determine your broker's commission at the signing of the brokerage contract.



BROKER'S ADVICE

With Proprio Direct, there is no deposit or other fees to pay in advance. You pay only once your home is sold. The best part is that if you find the buyer yourself, you get a reduced commission rate starting at only 2%*.

Furthermore, your broker will coordinate the work of all other professionals you'll be using during the transaction process and help you benefit from his network of qualified contacts.

* 2% of the sale price in the event of a direct sale or \$ 2 000 plus taxes when the selling price is inferior to \$ 100 000.



EXPLORE OTHER FINANCIAL ELEMENTS YOU MAY NEED TO CONSIDER

CAPITAL GAINS TAX

If the property you're selling is your primary residence and has appreciated in value from the time you purchased it, you will not have to pay tax on capital gains.

However, if you're renting part of the property you will have to pay tax on a portion of capital gains.

When selling a vacation or revenue property there's a possibility that you may have to pay tax on capital gains. It's best to consult an accountant for more information about this issue.

TAXES APPLICABLE TO PROFESSIONAL SERVICES (GST / QST)

All professional services are subject to GST and QST.



© TO SELL OR TO BUY FIRST?



Selling a property often involves buying another one. In such case, proper planning is required given the financial implications at hand.



BROKER'S ADVICE

Your Proprio Direct broker is an essential reference to help guide you throughout this process.

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BUYING BEFORE SELLING

If you're the buyer, you can make a conditional offer upon the sale of your current property so that way you don't get stuck paying two mortgages at the same time.

In order to purchase another house before having sold your current one, it's possible for you to obtain provisional financing from your financial institution. This will allow you to have the required down payment for your new house.



SELLING BEFORE BUYING

If you're the seller, you can try postponing the occupancy date so as to give yourself more time to find your next property.



D SHOULD I SELL PRIVATELY OR WITH A BROKER?



If you choose to sell privately and all goes well, you could possibly save a little bit of money. However you will have to face many difficult decisions on your own and will have to devote a lot of time and effort to manage every step of the sale.

On the flip side, here are some advantages of choosing to sell with a real estate broker:

- 1. He has the expertise and necessary tools for negotiating the right price.*
- 2. He masters brokerage and legal forms and can thus provide sound advice to all parties in order to help them avoid unwanted problems.*
- 3. He can increase your property's visibility and therefore generate more action on it.*
- 4. Buyers and sellers are protected because brokers are subject to the Real Estate Brokerage Act, Rules and Code of Ethics.*

As a certified real estate specialist, your broker has the knowledge, the resources and the experience to assist you when buying or selling a property.

BROKER'S ADVICE

The Proprio Direct concept meets the needs of all clients: those who wish to buy or sell without being represented by a broker, as well as those who prefer the services of a broker.

By entrusting the sale of your property to a Proprio Direct broker, you have the possibility of finding your own buyer and saving on the commission all while benefiting from the services of a real estate broker throughout the whole process. It's the best of both worlds!

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WHEN IT COMES TO SELLING A PROPERTY, THE BROKER'S JOB IS TO:

- 1 Inform you of current market conditions and those of your area.
- 2 Assess the market value of your property.
- 3 Prepare a personalized marketing plan for you.



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BROKER'S ADVICE

Even if other real estate firms claim of offering you the opportunity of finding your own buyer, only Proprio Direct actively and publically promotes this service. Besides, the name speaks for itself: Proprio Direct!



4

Publish and showcase your property on the MLS® and Centris networks which are exclusive to realtors.

5

Assure the coordination of all calls and visits.

6

Harmonize the work of all other professionals you will be using during the transaction and help you fully benefit from his network of qualified contacts.

7

Present you all promises to purchase and negotiate on your behalf with the buyer and his broker.

8

Make sure that all required documents are in accordance with the law, that they're properly completed, and that deadlines and requirements are respected.

9

In addition to saving you money on your real estate transaction, a broker can save you even more by helping you find the best mortgage available.

10

Accompany you at the notary for the signing of the deed of sale.

BROKER'S ADVICE

By choosing Proprio Direct, you benefit from the know-how and experience of a banner that's 100% from Quebec, whose effectiveness has been recognized for over 25 years - a company that still achieves its clients' goals of buying or selling at the best possible conditions!

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SELLING

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I HAVE DECIDED TO SELL

*Quickly discover the final details you need to know about
before putting your property on the market.*





A ESTABLISH THE ASKING PRICE

How much? That's what everyone wants to know.



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BROKER'S ADVICE

Your Proprio Direct broker has access to advanced techniques for determining the fair market value of your property. In his personalized report he will suggest a price range in which your property should fall into so that it gets sold within a reasonable time frame.

FIND THE RIGHT PRICE

To attract buyers' attention and maximize your chances of selling, you must establish a fair price for your property. In such a competitive market, it's the market's law that prevails.

If you set the price too **low**, you might miss out on thousands of dollars that a buyer might be willing to pay you.

If you set the price too **high**, you may scare off potential buyers and risk having your home stuck on the market for too long. This could backfire if you later decide to reduce your price because potential buyers perceive this as an act of desperation and will try taking advantage of the situation by submitting low offers.



ESTIMATING A PROPERTY'S VALUE

Through their Real Estate Board's MLS® system, brokers can compare your home to a group of similar properties that have recently been sold in your area. There are obviously no two properties that are identical, so it's your broker's job to adjust calculations based on those differences.



A CRUCIAL STAGE

A new listing on the market generates lots of interest and often has a greater level of activity than older ones. Realtors usually want to visit new listings as quickly as possible in order to propose them to their buyers. For this reason, it's important you make sure that your asking price is properly set so that you can take full advantage of this first wave of enthusiasm.



B

MAKE A GOOD IMPRESSION



Get your mop out along with some paintbrushes. It's time to give your property a little makeover. Here are some small things you can do to ensure productive visits.

CONSIDER THE BUYER'S POINT OF VIEW

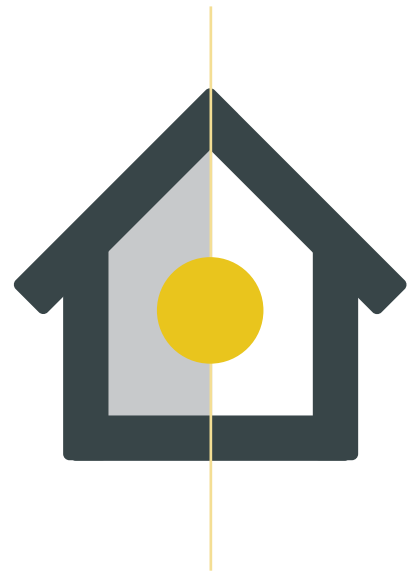
Now is the time to address your property's minor imperfections: the hole on your door's screen, the chipped paint on the baseboards and the clutter in the basement. Thoroughly inspect your property.

DECLUTTER YOUR HOME

Your property will look much bigger and more attractive if you organize your closets, remove any bulky furniture and rearrange rooms in a way to maximize their space as much as possible. Discard or sell any items that you have not used in over a year or just donate them to charity.

IT'S TIME FOR A MAJOR CLEAN UP

Cleaning is the most money savvy way to make your property more attractive to potential buyers. Clean absolutely everything: floors, windows, walls, doors and baseboards! Roll up your sleeves and polish the kitchen and bathroom. Once your house is squeaky clean make sure you keep it that way! You never know when the right buyer could show up.



MAKE AS MANY REPAIRS AS POSSIBLE

Some repairs are essential, such as a leaky roof, a cracked foundation, and dangerous electrical issues. Don't forget to tend to the little things as well, like leaky faucets, squeaky doors and cracks on the ceiling. Besides, it's very likely that a prospective buyer will request a building inspection and any problem with the property will eventually be uncovered.

DEPERSONALIZE YOUR HOME

You want buyers to feel as if it's their home, not yours! Remove family photos and your trophy collection, as well as any other things that may prevent buyers from feeling "at home". Store away any personal items that could be distracting to buyers.

NEVER UNDERESTIMATE THE POWER OF PAINT

Walls painted in strong colors or with busy wall coverings can make it difficult for buyers to envision their belongings in your house. Consider repainting walls in neutral and bright colors that will enhance the size of the rooms and make them more attractive. After a thorough cleaning, paint is the second most economical way to beautify a home.



ADD A TOUCH OF ELEGANCE

You can make a big difference without spending a fortune by simply replacing worn curtains with new ones or by hanging some mirrors to increase the size of the rooms. Additional appeal can be added with indoor plants. As for the outside, make sure to trim trees, weed flowerbeds and consider adding flowering plants for a prettier impression at first glance.

COMPARE COSTS OF IMPROVEMENTS VS POTENTIAL RETURN ON INVESTMENT

Don't get too carried away with preparations that you lose sight of your goal of making money! Here are some things you need to ask yourself before undertaking any improvements:

1. Will this upgrade make my house more attractive to buyers?
2. Will the cost of this upgrade/renovation outweigh the increase in the value of the house?

Your real estate broker will gladly give you more tips on how to properly prepare your home.





SIGNING THE BROKERAGE CONTRACT



By signing the brokerage contract, you're officially giving your broker the green light to put your house up for sale.

The brokerage contract grants your approval to your broker's real estate agency to market and sell your property. This contract:

- *Defines your relationship with your broker, including his limitation of power.*
- *Provides detailed information about your property to be published on the Real Estate Board's MLS® network with the intent for potential buyers to find your house.*
- *Constitutes as the basis for the preparation of any promise to purchase on your property.*

WHAT YOU NEED TO KNOW ABOUT THE BROKERAGE CONTRACT



THE GENERAL FRAMEWORK

This describes the legal connection between you and the real estate agency and sets the period within which your real estate broker must sell your property.

THE EXCLUSIVE CONTRACT AND THE MLS®/CENTRIS NETWORK

Under an “exclusive contract” only the brokerage agency you are listed with can find a buyer for your property. Realtors typically recommend an MLS® listing which allows them to publish your property on the Real Estate Board’s MLS®/Centris network - the ultimate marketing tool that will help you find buyers.

THE PRICE

Although you have the last word on that magic number, your real estate broker will provide you with valuable recommendations on a fair price for attracting buyers. Refer to Section A “Establish the asking price”.

THE COMMISSION

This may be a flat fee or a percentage of the final selling price. It’s up to you and the real estate agency to agree on the commission.



THE DESCRIPTION OF YOUR PROPERTY

Your real estate broker will set out your property's characteristics: lot size, year and style of construction, number of rooms and their dimensions, as well as any other particular selling assets.

LEGAL INFORMATION

This is the lot number, the land survey and the zoning code.

FINANCIAL DATA

Let buyers know about important financial data, such as tax accounts and municipal evaluation.

OCCUPANCY DATE

This gives buyers an idea of the time you need to move out once your home is sold. The typical period is 60-90 days, but having some flexibility could accelerate the sale of your property.

SHOWING YOUR PROPERTY

Your real estate broker will arrange visits by appointment as per your instructions.

WHAT'S INCLUDED

Personal property consists of items that can be moved, like a washer, a dryer, a microwave oven and curtains. These items are not typically included in the asking price. However, sellers sometimes choose to include such items in order to set their listing apart from others so that it generates more interest.

On the other hand, fixtures are comprised of permanent additions or improvements to a property, such as central air conditioning, chandeliers and wall to wall carpeting. Unless otherwise specified by the seller, fixtures are automatically included in the asking price.

Because there's a fine line between personal property and fixtures, you should go through all of your belongings with the help of your real estate broker.

CANADIAN REPORTING REQUIREMENTS IN THE FIGHT AGAINST MONEY LAUNDERING

At the signing of the brokerage contract, your broker will inform you about the FINTRAC reporting requirements. FINTRAC is the federal agency responsible for the administration of laws and regulations on money laundering and terrorist financing in Canada.

As required by federal law, your real estate broker must complete a Client Identification Form and request identification.

For more information:

<http://www.fintrac-canafe.gc.ca/re-ed/real-fra.asp>



SELLING

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I'M SELLING

Discover how to attract potential buyers and the best way to greet them.





A

MARKETING PREPARATION

Marketing plays a crucial role when selling a property. Discover all the tools that are at your disposal.

BROKER'S ADVICE

Proprio Direct has developed a range of exclusive programs which support all critical aspects of the selling process.

Visibili

Offered for free, the exclusive Proprio Direct Visibili-T program is an exceptional showcase outlet for selling of your property. This program allows your ad to be seen simultaneously on the most popular real estate websites visited daily by thousands of potential homebuyers. With Visibili-T, the more your property is seen, the faster it will sell!



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THE « FOR SALE » SIGN

Despite all the technological advances, the “For Sale” sign still remains a highly effective means of advertising. It helps provide visibility to the immediate vicinity as well as to passerbys. Demand to have it installed as soon as your property is listed for sale.



PICTURES SPEAK A THOUSAND WORDS

A good way to add value to your listing and make it as attractive as possible to potential buyers is to include pictures – the goal is to generate visits. Several choices are available to you ranging from high definition pictures to 3D Virtual Tours.



ADVERTISING YOUR PROPERTY

Publishing your property on the MLS®/Centris network (exclusive to realtors) is among one of the many advantages allowing you to reach a large audience of interested buyers.



With our exclusive ActiViT program, your Proprio Direct broker offers you a complete personalized report of all activity surrounding the sale of your property. With just one click you get to:

- See the number of visits your property has generated.
- Consult the latest market data, including that of your specific area.
- Go to your broker’s logbook and see reports of all recent activity on your property.

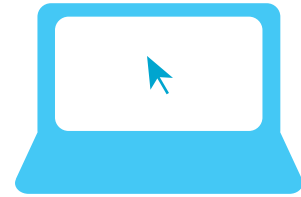
Your Proprio Direct broker is a networking pro

Your Proprio Direct broker is part of an extensive network of real estate brokers who collectively represent hundreds of interested buyers. In addition, all real estate brokers use a common and exclusive database (MLS®) from which more than 15,000 members share information on all properties that are for sale.



THE POWER OF THE INTERNET

Nowadays, the Web has become an indispensable tool for selling houses. Thanks to the Internet, there are many specialized house-searching websites that offer online display services by providing a large number of buyers easy and instant access to information on properties that are for sale.



TRADITIONAL MEDIA

Your real estate broker can advertise in the following media: newspaper classified ads (often accompanied by photos) or in field-related publications and direct mass mailings.



PUBLIC BILLBOARDS

Chances are that the people interested in your property happen to already live in your area. Feel free to post your ad at work, at the corner store or your child's soccer club.



WORD OF MOUTH

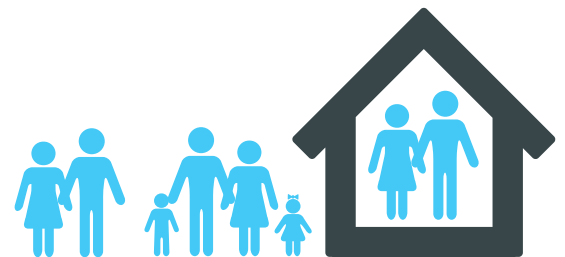
Here's a technique that's been around forever and one that's still very effective to this day. Your mother mentions your property to a friend who then talks about it to someone else at the corner store, and it just so happens that this conversation is overheard by a potential buyer.



THE OPEN HOUSE

An open house for realtors (commonly referred to as caravan), is an effective way of encouraging brokers to visit your home. If they feel that your property suits one of their buyers' needs you can be sure they'll be eager to book an appointment for a visit.

Open houses are ideal for attracting buyers who want to become more familiar with your area before opting for the services of a realtor. An open house can last two or three hours and is usually held on Sundays. However, there are a few simple but important rules that should be followed.



B GREETING VISITORS



Here are some valuable tips to ensure that visits go smoothly.



MAKE SURE YOUR HOUSE SPARKLES AND VERIFY THAT ALL LIGHTBULBS ARE IN WORKING ORDER

Remember the old saying that you never get a second chance to make a good first impression.



HIDE YOUR VALUABLES

Although most people are respectable, courteous and honest, it's wise to put away your jewelry, cameras and other small valuables. For added security, your broker will obtain the name and phone number of every visitor.



AVOID COOKING FOOD WITH STRONG ODORS

A house that smells like smoked herring can be off-putting to some people.



ALLOW VISITORS TO CIRCULATE FREELY

You want visitors to feel relaxed and to be able to visualize your property as being their own. Be courteous but don't force conversation. It's not you they came to see, it's your house.

Stay back and let your broker take care of visitors. He knows what features buyers are looking for and how to promote them. Try not to make anyone feel awkward. Avoid having too many people in the house during showings, as this could make buyers uncomfortable and tempt them to hurry through the house without seeing the entire property.



DON'T RUSH ANYTHING!

If a potential buyer has not yet decided to purchase your house, you shouldn't try to persuade him to buy your furniture or other objects. If you do so, you risk compromising the transaction. It's best to wait for the appropriate time.



DON'T NEGOTIATE WITH THE BUYER

It may be tempting to discuss the selling price or occupancy date with potential buyers, but it's best that you don't. It's preferable you let your broker handle such topics since he has the professional knowledge and expertise to negotiate the best price and conditions for you.

Be patient, with a little bit of luck, an open house can turn up an extraordinary offer.



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I'VE SOLD

Discover the final steps in selling a property; this is where negotiations take center stage.





A

PROMISE TO PURCHASE AND NEGOTIATIONS

Your hard work has paid off, but you'll only get to know the fruits of your success once you see the actual offer. This is often an exciting and emotional time, so it's important you try and remain objective.



BROKER'S ADVICE

Your Proprio Direct broker will guide you throughout the process even when it's you that finds the buyer.

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ACKNOWLEDGE ALL OFFERS

Your broker will present you every promise to purchase that's been submitted. The buyer's broker may also be present during negotiations since he's representing the buyer's interests. However, it's unlikely for buyers to be present. This way, you can review their offers and reply without feeling uncomfortable.



DON'T GET DISTRACTED BY THE PRICE

This is usually the moment when things tend to get emotional, but you must remain objective. Your real estate broker will advise you as to the interpretation of the overall offer.



DISCUSS THE OFFER

You can ask your real estate broker's advice on the merits of the offer. This may be the moment you either congratulate yourself or prepare a counter-offer. Maybe you require some more time to think things through and discuss with your partner.



THREE WAYS TO REPLY TO AN OFFER



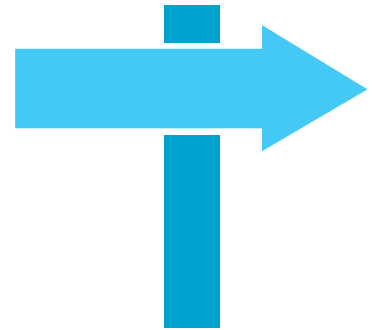
YOU CAN ACCEPT THE OFFER

You have been offered the price you were hoping for or more than you were expecting. The closing date suits you and there are no complicated conditions. It's a done deal.



YOU CAN REFUSE THE OFFER

The offer is nowhere near your asking price.



YOU CAN MAKE A COUNTER-OFFER

The offer is close to your asking price, but you're not fully satisfied with all the conditions. It's time to begin negotiations with a counter-offer.



REASONS FOR A COUNTER-OFFER

YOU WANT MORE MONEY

This is the most common reason why people make counter-offers. Everyone wants the best price for their house.



YOU WANT TO MODIFY THE OCCUPANCY DATE

It could happen that a buyer may want to move in sooner than you had hoped for. It may also be that you have not yet started looking for your next property. You can make a counter-offer by proposing a compromise. Perhaps the buyer may compensate you for the inconvenience of having to temporarily stay in a hotel for a few weeks.



THE OFFER MAY CONTAIN UNDESIRABLE CONDITIONS

THE PURCHASE IS CONDITIONAL UPON OBTAINING FINANCING

Here's a condition that buyers often opt for when they have not yet received a mortgage pre-approval. The sale will go through only if the buyer can obtain a mortgage approval.



THE BUYER WANTS TO TAKE OVER YOUR EXISTING MORTGAGE

You have a great mortgage rate and the buyer will consider your house only if he can benefit from your low monthly payments.



THE PURCHASE IS CONTINGENT ON THE SALE OF THE BUYER'S HOUSE

The buyer has not yet sold his house and does not want to be stuck with the cost of owning two properties. Ask the buyer's broker about his clients' house to find out what the chances are of it selling rather quickly.



THE PURCHASE IS SUBJECT UPON THE INSPECTION OF THE PROPERTY

This condition is becoming common practice. If you refuse to have your home inspected, buyers may suspect something is wrong and the sale could collapse.



THE ART OF MAKING COUNTER-OFFERS AND NEGOTIATING

Make sure you keep your cool and ask about the importance of any detail, no matter how small it may seem. Some pending home sales don't close or fall through over little things. Remember that once you make a counter-offer you release the buyer's offer and free him of any obligation towards you.



B FINALIZING THE SALE AT THE NOTARY



Congratulations, negotiations were successful. However, before your property can be considered as being sold it must pass through some final crucial “closing” stages.

CHOOSING A NOTARY

The notary is normally designated by the buyer. His role is to verify and prepare legal documents and titles that will be transferred to the buyer.

It's also the notary's responsibility to receive the proceeds of the sale, to calculate and make adjustments to those proceeds, to subtract your broker's commission, and to refund the balance of your mortgage to your financial institution.



REQUIRED DOCUMENTS FOR THE DEED OF SALE

For the notary to do the necessary research required to finalize the sale, you must provide him the following documents:

- Copy of the promise to purchase and its annexes
- Valid certificate of location
- Recent tax accounts
- Property's deeds of sale
- Marriage contract or divorce certificate
- Insurance policy
- Copy of mortgage loan or release

If applicable:

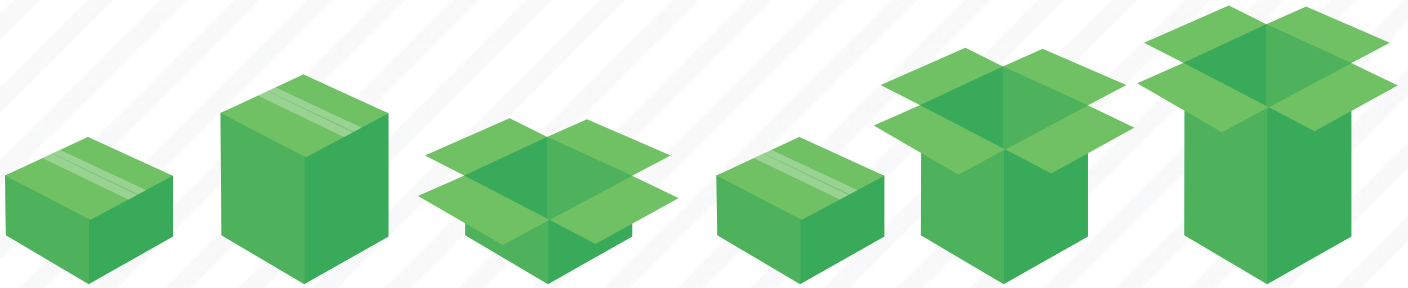
- Declaration of co-ownership
- Contact information of condo's union administrators
- Service and leasing contracts on appliances and equipment (water heater, alarm system, etc.)
- Copies of any lease

If any major work has been done to the property, it's preferable to include receipts and warranties.

The notary will contact you to confirm the date and time for the signing of the deed of sale.



© MOVING



All that's left now is getting ready to move.

1

PUBLIC SERVICES

Contact your utility companies (telephone, cable, heating, etc.) to have your services either cancelled or transferred.

2

GOVERNMENT AGENCIES

Notify all federal and provincial government departments and agencies of your change of address (Canada Post, the SAAQ, Québec pensions, Child Assistance, Régie de l'assurance maladie du Québec, etc.).

3

INSURANCE

Call your insurance company to either cancel or transfer your homeowner's policy.

4

PROFESSIONAL SERVICES

Notify your professional services (realtor, accountant, lawyer, doctor, dentist, clinic and hospital) as well as your professional associations.

5

OTHER CONTACTS

Notify your bank, credit card providers, pharmacist and car dealership of your change of address.

6

CONTACTS FROM YOUR IMMEDIATE CIRCLE

Don't forget to also Inform the school, day care, library, sports center, friends and relatives.



BUYING

STEP

1 2 3 4





I'M THINKING OF BUYING

Quickly discover what you need to consider in your reflection process.



A

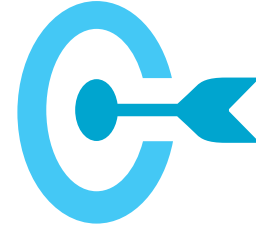
DETERMINE WHAT YOU WANT



Before you begin your research, you must first determine what you want and identify what seems relevant to your situation.

YOUR NEEDS

Identify essential characteristics such as number of bedrooms or proximity to your workplace.



YOUR WISH LIST

Make a list of features you would like to have: a pool, living by the waterfront, etc.



YOUR MEANS

Determine a price range according to your current financial situation (see the “Establishing a budget” form).





B

HOW MUCH DOES BUYING COST?

Buying a property involves certain expenses you might not know existed, among them are:

ONE-TIME FEES

- Cash down
- Professional fees
- Title insurance
- Inspection fees
- Transfer taxes
- GST/QST on professional fees



MONTHLY FEES

- Mortgage
- Utilities (ex.: electricity)
- Maintenance
- Insurance
- Property taxes
(municipal and school taxes)



C

SELECTING A TYPE OF PROPERTY AND ITS LOCATION



Nowadays, there's a wide selection of properties and locations to choose from, each consisting its own advantages and disadvantages. Therefore, it's important you take your lifestyle into consideration so you can identify the type of property that suits you best. Here's a list of the most common options found on the market.

FIRST AND FOREMOST, DETERMINE WHERE YOU WANT TO LIVE.

THE CITY

Prices of downtown properties are much higher than those in the suburbs. In exchange, you are within walking distance to almost everything, maybe even your work. A wide range of services and amenities are also available nearby.



THE SUBURBS

It's no wonder so many people adopt the suburbs: schools are more modern, shopping centers are bigger and newer, backyards are larger in size, and homes are more spacious.



RURAL AREAS

Why not consider making the purchase of a few acres of land? This is not necessarily everyone's first choice, but for some it's a nice opportunity to realize their dream of becoming land owners.



YOU CAN THEN DECIDE ON THE TYPE OF HOME YOU WANT TO PURCHASE

You probably already have a good idea of the kind of property that appeals to you. To familiarize yourself with the terminology, here's a brief overview of the different types of properties.

SINGLE-FAMILY HOUSE

The building consists of just one dwelling that is built on its own lot. Styles range from single storey homes to multi-level ones.



SEMI-DETACHED HOUSE

This too consists of just one dwelling but is connected to another house by an adjoining wall and usually costs less than a detached house.



DUPLEX

A duplex contains two individual units.



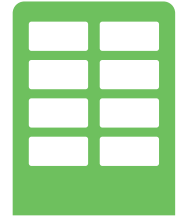
TOWNHOUSE

A townhouse is located in a continuous row of adjacent houses interconnected by adjoining side walls.



THE CONDOMINIUM FORMULA

You're the sole owner of your housing unit but share condominium fees for facilities and common areas such as the plumbing, the electrical system, hallways and elevators. A condominium may also include other interesting advantages, such as a gym or a private reception hall.



NEW OR EXISTING CONSTRUCTION?

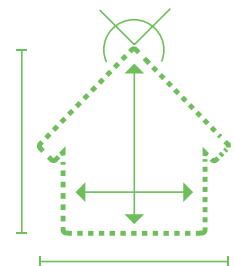
EXISTING CONSTRUCTION

The charm and character of an older home can be very appealing. Many older homes have been remodeled or have had upgrades done to them over the years, such as landscaping and other major renovations. Be careful not to get easily distracted by the house's character as it could be camouflaging underlying defects or other problems. Before purchasing an older home, you should first have it inspected by a professional.



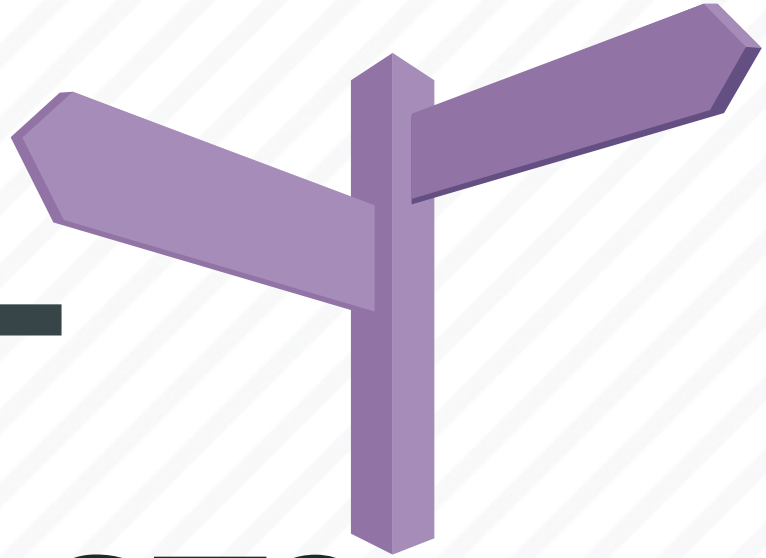
NEW CONSTRUCTION

If you choose to build a new house, be sure to carefully inspect the property and all the plans. You should also visit other homes that were built by the builder you plan to hire. Have your real estate broker and/or notary review all documents before signing them and, most importantly, make sure you follow the construction process very closely. Prior to officially taking possession of the house, you have the legal right to conduct a comprehensive inspection.



D

TO SELL OR TO BUY FIRST?



For some people, buying another house means they have to first sell the one they currently own and in this case good planning is required. It's not uncommon to end up buying and selling simultaneously without much difficulty.



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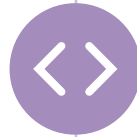
BROKER'S ADVICE

Your Proprio Direct broker is an essential reference to help guide you throughout this process.

BUYING BEFORE SELLING

If you're the buyer, you can make a conditional offer upon the sale of your current property so as to not get stuck paying for two mortgages at once.

In order to be able to purchase another house before having sold your current one, you should consider obtaining provisional financing from your financial institution. This will allow you to have the required down payment for your new house.



SELLING BEFORE BUYING

If you're the seller, you can try postponing the occupancy date so as to give yourself more time to find your next property.



E

SHOULD YOU BUY WITH OR WITHOUT THE HELP OF A BROKER?



As a certified real estate specialist, your broker has the knowledge, the resources and the experience to assist you when buying or selling a property.

In addition, as it's usually the seller who pays the commission, the use of a broker is often at no charge for buyers.

WHEN IT COMES TO BUYING A PROPERTY, THE BROKER'S JOB IS TO:

- 1 Inform you of current market conditions and those of the area you are looking into.
- 2 Discuss your needs and analyze them to ensure they are aligned with your budget.
- 3 Direct you to properties that match your criteria and provide you with privileged information.

4

Organize visits according to your availability.

5

Harmonize the work of all other professionals you will be using during the transaction process and help you fully benefit from his network of qualified contacts.

6

Prepare your promise to purchase and negotiate on your behalf with the seller and/or his broker.

7

Make sure that all required documents are in accordance with the law, that they're properly completed, and that deadlines and requirements are respected.

8

Assist you with mortgage financing in order to get you the best deal.

9

Inform you about government programs for which you may be eligible, such as the Home Buyers Plan (HBP) and propose legal solutions for your lease.

10

Accompany you at the notary for the closing of the transaction.

BUYING

STEP

1

2

3

4





**I'M READY
TO BUY**



A

MAKE A LIST OF CRITERIA AND PREFERENCES



A milestone for what will happen next.

YOU KNOW WHAT YOU WANT

Due to the substantial number of properties available for sale on the market, your research should target those that are within your price range and that also meet all of your requirements, and possibly the little extras you have your heart set on. To help you in this process we recommend that you prepare your own list of criteria and preferences (see “List of criteria and preferences” form).



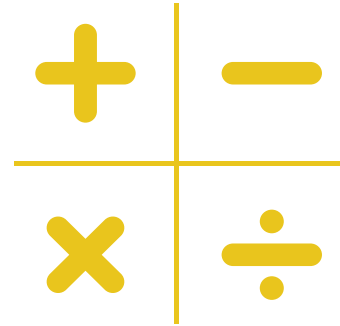
B PLAN YOUR FINANCES

To determine the amount that a bank can lend you, you must define your monthly borrowing capacity. You can do this by using the following two affordability calculations.



CALCULATION OF THE GROSS DEBT SERVICE RATIO (GDS)

According to this lending principle, the monthly payments of owning a particular house must not exceed 32% of your gross household monthly income.



CALCULATION OF THE TOTAL DEBT SERVICE RATIO (TDS)

With this lending principle, the monthly payments of owning a particular house and all other liabilities (including car loan, credit card and lease payments) should not exceed 40% of your gross monthly income.

Our mortgage affordability calculator will help you quickly estimate the mortgage payments (principal and interest) you can afford (refer to the “Mortgage affordability calculator” form).

Once you have estimated the maximum monthly mortgage payment you can afford with the help of the mortgage affordability calculator, compare it with monthly payments corresponding to different mortgage amounts. Simply enter the loan amount in the mortgage calculator and the monthly amount of principal and interest will be automatically calculated.

A MORTGAGE PRE-APPROVAL

A mortgage pre-approval is very practical to have and is highly recommended by brokers. This tool is valuable for determining the price range of the properties you should visit and protects the mortgage rate you have negotiated with your lender. In addition, it's free and without any obligation on your part.



© MORTGAGE OPTIONS

What type of mortgage best suits your needs?



A FIXED RATE MORTGAGE

Your interest rate does not change during a given period known as the term of the mortgage. Your payments remain the same for the duration of the term so you don't have to pay more if interest rates rise over time.



A VARIABLE RATE MORTGAGE

The interest rate can fluctuate based on any changes in the market's interest rates



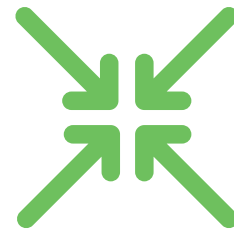
A REGULAR MORTGAGE

You are not required to obtain mortgage insurance with a regular mortgage since it requires a down payment of over 20% of the value of the property.



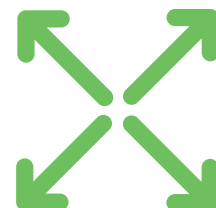
A CLOSED MORTGAGE

Closed means you are locked into the mortgage for a specific term. This type of mortgage cannot be repaid in full before its term is up otherwise you pay a penalty for early prepayment.



AN OPEN MORTGAGE

The mortgage can be repaid at any time before term and without any penalty fees. The interest rate for an open mortgage may be higher than that of a comparable term of a closed mortgage.



WHICH MORTGAGE OPTIONS ARE BEST FOR YOU?

A PORTABLE MORTGAGE

You can transfer the terms of your mortgage from one property to another. This feature allows you to carry on with your interest rate so that you don't incur any penalties for breaking your interest rate contract.



PREPAYMENT PRIVILEGES

You can make lump sum mortgage payments or increase your monthly payments at no extra fees. This will allow you to pay off your mortgage faster and save on interest fees.



WHAT SHOULD THE FREQUENCY OF THE INSTALMENTS BE?

By opting for accelerated bi-weekly or weekly payments instead of monthly ones, you can pay off your mortgage much faster. Explore your repayment options with the mortgage calculator to discover how much you can save on interest fees.



HOW MUCH MONEY TO SAVE FOR A DOWN PAYMENT?

The down payment is a portion of the price of the property that is not financed by a mortgage. It must represent at least 5% of the purchase price. For example, when you buy a \$200,000 home, you need to have a down payment of at least \$10,000. Mortgage insurance is required when the down payment is less than 20%.

CMHC INSURANCE PREMIUM ON THE MORTGAGE LOAN

Mortgage insurance is mandatory when a borrower makes a down payment of less than 20% of the purchase price of the property.

The insurance premium is typically added to the cost of the mortgage. The amount varies between 0.5% and 3% and is based on the size of your down payment.





D GOVERNMENT PROGRAMS

The federal government offers financial assistance programs to homebuyers. These programs can vary with time. For up to date information, visit the Service Canada website [www.servicecanada.gc.ca].

FIRST-TIME HOME BUYERS TAX CREDIT (HBTC)

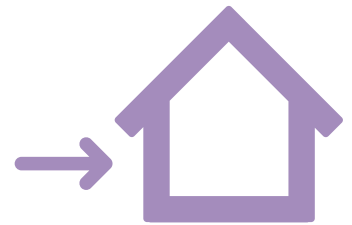
A \$5,000 non-refundable HBTC amount applies to qualifying homes acquired after January 27, 2009, and provides up to \$750 in federal tax relief. For more information, visit the Canada Revenue Agency (CRA) website www.cra-arc.gc.ca.



THE HOME BUYERS' PLAN (HBP)

To help you buy or build your first home, the Home Buyers' Plan (HBP) allows you to make a single withdrawal of up to \$25,000 from your Registered Retirement Savings Plan (RRSP). The amount can range up to \$50,000 if your spouse or partner is also admissible.

Generally, you are given 15 years to repay all withdrawals to your RRSP. For more information, visit the Canada Revenue Agency (CRA) website for the Home Buyers' Plan (HBP). [www.cra-arc.gc.ca]



CMHC GREEN HOME PROGRAM

Homes built under the Green Home Program qualify for a 10% mortgage loan insurance premium refund and a premium refund for a longer amortization period (if applicable) when CMHC Mortgage Loan Insurance is used to finance the purchase or construction. For more information, visit the CMHC website - CMHC Green Home program. [www.schl.ca].



BROKER'S ADVICE

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Ask your Proprio Direct broker how you can benefit from these programs.



E

SIGNING THE PROMISE TO PURCHASE



Buyers also have the option of signing a real estate brokerage contract with a realtor. By signing this contract, you officially entrust your broker with a mandate to:

- Find properties that most likely match your criteria and your needs (including properties that are for sale privately, as well as exclusive unpublished ones).
- Advise and inform you with objectiveness.
- Represent you in negotiations and obtain optimal acquisition conditions for you.
- Carry out all the appropriate verifications for your protection against possible damages caused by costly errors and / or omissions.

Also, if a broker represents you at the time of purchase, it's the seller's broker (listing broker) that will compensate your broker from his own commission. When there's an existing contract to purchase in effect, the brokerage compensation will then be adjusted accordingly.

CANADIAN REPORTING REQUIREMENTS IN THE FIGHT AGAINST MONEY LAUNDERING

At the signing of the promise to purchase, your broker will inform you about the FINTRAC reporting requirements. FINTRAC is the federal agency responsible for the administration of laws and regulations on money laundering and terrorist financing in Canada.

As required by federal law, your real estate broker must complete a Client Identification Form and request identification.

For more information:
<http://www.fintrac-canafe.gc.ca/re-ed/real-fra.asp>



BUYING

STEP

1

2

3

4





I'M LOOKING FOR A PROPERTY

Finding the perfect house requires time.



A COMMON RESEARCH TOOLS



It's good to know that there are ways to simplify this task.

YOUR BROKER

Your broker is a valuable ally for identifying properties that meet your criteria and to guide you towards them. He has at his disposal detailed and constantly updated information on all the properties that are available on the market.



INTERNET

Thanks to the Internet, consumers now have quick and easy access to information. There are many house-searching websites, but the most popular ones are still the websites of various real estate agencies such as propriodirect.com and other websites operated by real estate boards across Canada, like MLS.ca and Centris.ca.



SMART PHONES

Real estate boards and agencies such as Proprio Direct offer free applications designed for smart phones. These tools are very useful when visiting neighborhoods.



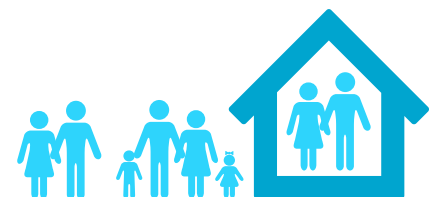
LOCAL NEWSPAPERS

Each week, local and regional papers publish listings of properties for sale in the area.



OPEN HOUSES

Open houses are a great way to discover properties that are located in your chosen area.





B PRIVILEGED INFORMATION

Oftentimes, an ad does not tell us the whole story, especially if there's any information that would be useful to know sooner rather than later.

On top of having access to newly-listed properties of all real estate agencies, your broker also has access to exclusive information and other properties.

During their daily research and numerous visits, brokers regularly collect privileged information which can benefit their own customers before anyone else.



BROKER'S ADVICE

Your Proprio Direct broker can help find you the best deals available on the market and will constantly keep you informed on his research of new listings in neighborhoods that best meet your needs.





THE WAY TO SUCCESSFUL VISITS



Some valuable tips for productive visits.

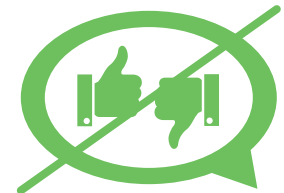
DON'T NEGOTIATE WITH THE SELLER

While it may be tempting to discuss the selling price or occupancy date with the home seller, it's best to let your broker handle these topics since he has the professional knowledge and expertise to negotiate the best price and conditions for you.



REMAIN OBJECTIVE DURING THE VISIT

Visiting a potential property can sometimes be a very exciting experience. However, don't allow yourself to get carried away or distracted from one particular item you see, like an incredible jetted bathtub for instance, to the point that you forget all about your other needs or your budget.



TAKE NOTES

Make sure you complete the evaluation form during your visits (see "Visit Evaluation" form). The information you provide may be helpful to you in the days that follow.



BUYING

STEP

1 2 3 4





I'M BUYING





A PROMISE TO PURCHASE AND NEGOTIATIONS

*After visiting different properties, you finally find one that's worth making an offer on.
So what are the next steps?*

CONTENTS REPORT

THE OFFER

This is the formal legal agreement to purchase a property. Once the seller accepts the offer, it then becomes official. The offer may be conditional, meaning it's subject to factors such as financing or inspection. If either condition is not met you then have the right to modify or cancel your offer even if the seller has already accepted it.



PREPARING AN OFFER

Some wording you'll likely find on the promise to purchase form.

THE BUYER

That's you.

THE SELLER

The actual home seller.



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BROKER'S ADVICE

Your Proprio Direct broker will always be with you to help you make the right decisions and to complete the offer.





THE PURCHASE PRICE

The amount offered, hoping that the seller will accept it.

PERSONAL BELONGINGS AND FIXTURES

Make sure you know what's included in the sale (washer, dryer, microwave oven, curtains, fixtures, etc.). Leave nothing up to chance.

THE IRREVOCABILITY OF THE BID

Usually less than 48 hours, this is the delay you give the seller to respond to your offer.

THE TRANSACTION DATE

Usually 30, 60 or 90 days after the signing of the offer, this refers to the date you take possession of your new house.

CLAUSES SPECIFIC TO THE CONTRACT

Since each transaction is unique, you will probably want to add important conditions such as a thorough home inspection.



BROKER'S ADVICE

Your Proprio Direct broker is there to make sure no detail is left out in your offer.

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PRESENTING THE OFFER

You signed the deal, now your real estate broker is responsible for presenting it to the home seller and/or his broker, when applicable.

THE SELLER ACCEPTS YOUR OFFER

That's fantastic, congratulations! You have the right to modify or cancel the promise to purchase, even if the seller has already accepted it.

THE SELLER REJECTS YOUR OFFER

Although it rarely happens, an offer can be rejected. In such case, your real estate broker will attempt to find out why and to establish whether there has been a misunderstanding.

THE SELLER WISHES TO MODIFY PART OF YOUR OFFER

In general, sellers attempt to change the offered price for a higher amount; they may even remove or adjust certain conditions. Afterwards, it will be your turn to bid again by indicating further changes or simply accepting the counter-offer.



B THE INSPECTION

Avoid surprises!



THE INSPECTION REPORT: ADVICE FROM AN EXPERT

This is something not to be overlooked since it can help detect any defects or malfunctions in the building's structure, systems, and physical components. To properly identify any potential structural damage, the inspector will check the property and do an in-depth examination of the following: heating and cooling system, plumbing and electrical, roof, attic, walls, ceilings, floors, windows, doors, foundation, basement and more. He will then prepare a comprehensive report detailing all his findings.

Barely costing more than a few hundred dollars, a property inspection can protect your from unpleasant surprises.



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BROKER'S ADVICE

Your Proprio Direct broker can recommend you several home inspection specialists.





FINALIZING THE SALE AT THE NOTARY



Congratulations! Negotiations were successful, but for the property to be considered officially sold, there are some crucial “closing” stages that must be finalized.

CHOOSING A NOTARY

The notary is normally designated by the buyer. His role is to verify and prepare legal documents and titles that will be transferred to the buyer.

Furthermore, it is also the notary's responsibility to receive the proceeds of the sale, to calculate and make adjustments to those proceeds, to subtract your broker's commission, and to refund the balance of your mortgage to your financial institution.

REQUIRED DOCUMENTS FOR THE DEED OF SALE

For the notary to do the necessary research required to finalize the sale, you must provide him the following documents:

- Copy of the promise to purchase and its annexes
- Valid certificate of location
- Recent tax accounts
- Property's deeds of sale
- Marriage contract or divorce certificate
- Insurance policy
- Copy of mortgage loan or release

If applicable:

- Declaration of co-ownership
- Contact information of condo's union administrators
- Service and leasing contracts of appliances and equipment (water heater, alarm system, etc.).
- Copies of any lease

If any major work has been done to the property, it's preferable to include receipts and warranties.

The notary will contact you to confirm the date and the time for the signing of the deed of sale.

PROPERTY TRANSFER

Under provincial legislation, the transfer of any property is subject to the billing of a land transfer - also known as the famous Welcome Tax (see "Property Transfer Calculation" form).



D

MOVING



All that's left now is getting ready to move.



1

PUBLIC SERVICES

Contact your utility companies (telephone, cable, heating, etc.) to have your services either cancelled or transferred.

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GOVERNMENT AGENCIES

Notify all federal and provincial government departments and agencies of your change of address (Canada Post, the SAAQ, Québec pensions, Child Assistance, Régie de l'assurance maladie du Québec, etc.).

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INSURANCE

Call your insurance company to either cancel or transfer your homeowners policy.

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PROFESSIONAL SERVICES

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OTHER CONTACTS

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Don't forget to also inform the school, day care, library, sports center, friends and relatives.



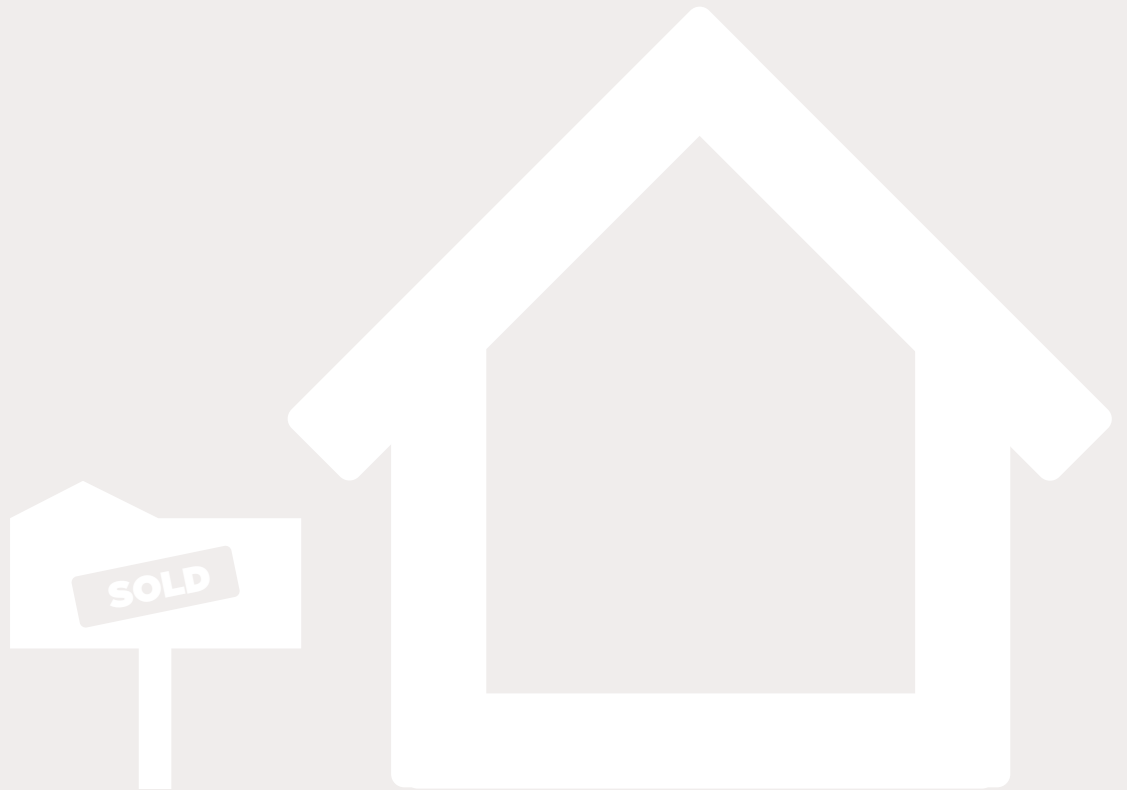
SELLING OR BUYING YOUR HOUSE IN 4 STEPS

FOR AN INTERACTIVE EXPERIENCE, VISIT :



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QUESTIONS
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*For sale by the owner
... and his broker!*

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