

Chatham-Kent Home Buyer's Guide



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How to Choose a Neighbourhood in Chatham for Your Home Search

Narrow your home search by identifying neighborhoods in Chatham-Kent that are right for you. This helps keep your search focused and efficient. As an experienced realtor, I can provide you with plenty of neighbourhood information to guide you in your search.

When evaluating a neighbourhood you should investigate local conditions. Depending on your own particular needs and tastes, some of the following factors may be more important considerations than others:

- quality of schools
- property values
- traffic
- crime rate
- future construction
- proximity to schools, employment, Chatham hospitals, shops, public transportation, access to the 401 highway, Erieau beach, provincial and municipal parks, the Chatham-Kent Cultural Centre, museums, and theatres

Neighbourhood Search Strategies for Limited Budgets

If you're a first time-buyer with limited financial resources, it's wise to buy a home that meets your primary needs in the best neighbourhood that fits within your price range. You can maximize your home purchase location by incorporating some of the following strategies into your Chatham-Kent neighbourhood search:

- **Upcoming neighbourhoods** - Look for communities that are likely to become "hot neighbourhoods" in the coming years. They can often be discovered on the periphery of the most continuously desirable areas. Check for planned future development such as additional transit; new community services such as pools and theatres; and chain stores planning to move in.

Look for a home in a good neighbourhood that is a bit farther outside of Chatham. Chatham-Kent is made up of 23 communities, and each has something unique to offer. If commuting is a concern, purchase a home that is close to public transportation.

- **Neighbourhood demand** - Look at the neighbourhood demand by asking your Chatham-Kent real estate agent whether multiple offers are being made, whether the gap between the list price and sale price is decreasing, and whether there is active community involvement. You can also drive around neighbourhoods and see how many "sale pending" and "sold" signs there are in a particular area.



- **Co-ownership** - Look into purchasing a condominium or co-op, rather than a house, in a desirable Chatham-Kent neighbourhood.

This way you still may be able to purchase in a prime area that you otherwise could not afford.

How to Choose a Home in Chatham, Ontario

Once you've settled on a couple of preferred neighborhoods in Chatham-Kent, it's time to pick out a few homes to view. Having a house features "wish list" keeps you focused on which features are most important to you.

When narrowing down your home search, consider the following:

- know what types of home you want to buy
- determine what age and condition of the house you want to buy
- consider resale potential
- use a features wish list to keep focused
- use a home search comparison chart to keep organized
- act decisively when you find the right home

Determine What Type of Home You Want to Buy

There are several forms of home ownership in Chatham, Ontario: single-family homes, multiple-family homes, condominiums and co-ops.

1. **Single-family homes** - One home per lot.
2. **Multiple-family homes** - Some buyers, particularly first-timers, start with multiple-family dwellings, so they'll have rental income to help with their costs. Many mortgage plans, including VA and FHA loans, can be used for buildings with up to four units, if the buyer intends to occupy one of them.
3. **Condominiums** - With a Chatham-Kent condo, you own "from the plaster in." You also own a certain percentage of the "common elements" - staircases, sidewalks, roofs, etc. Monthly charges pay your share of taxes and insurance on those elements, as well as repairs and maintenance. A homeowner's association administers the development.
4. **Co-ops** - With co-ops, you purchase shares in a corporation that owns the whole building, and you receive a lease to your own unit. A board of directors, comprised of owners and elected by owners, supervises the building management. Monthly charges include your share of an overall mortgage on the building.



Decide What Age and Condition of Home You Want to Purchase

Weigh your needs, budget and personal tastes in deciding whether you want to buy a newly constructed home, an older home or a "fixer-upper" that requires some work.

Consider Resale Potential

As you look at homes in Chatham-Kent, you may want to keep in mind these resale considerations.

1. One-bedroom condos are more difficult to resell than two-bedroom condos.
2. Two-bedroom/one-bath single houses generally have less appeal than houses with three or more bedrooms, and therefore have less appreciation potential.
3. Homes with "curb appeal," i.e., well-maintained, attractive and with a charming appearance from the street, are the easiest to resell.
4. The most expensive houses on the street, or ones with anything unusual or unique are not suited for resale. The best investment potential is traditionally found in a less expensive, more moderately sized home.

Use a Features Wish List to Keep Your Search Focused

Make a features wish list to clarify which features are most and least important to you when looking for a home. Using this features wish list will keep your house hunt focused and effective.

Use a Home Comparison Chart to Keep Your Observations Organized

While house hunting, it's a good idea to make notes about what you see because viewing several houses at a time can be confusing. Use a home comparison chart to help you keep track of your search, organize your thoughts, and record your impressions. I also encourage my Chatham-Kent real estate clients to take pictures of potential homes. This way, you'll be able to review the photos after the initial excitement of the viewing has worn off.

Act Decisively When You Find the Right Home

Before you begin the home buying process, resolve to act promptly when you do find the right house. Every real estate agent has stories to tell about a couple who looked far and wide for their dream home, finally found it, and then said, "We always promised my Dad we'd sleep on it, so we'll make an offer tomorrow." Many times the story had a sad ending - someone else came in that evening with an offer that was accepted.



Resolve that you will act decisively when you find the house that's clearly right for you. This is particularly important after a long search or if the house is newly listed and/or underpriced.

Take Charge When Buying a Home

If you approach the home buying process intelligently and with confidence, you are much more likely to buy a house you'll be proud to call home.

Approaching the task of buying a home can be overwhelming; there's so much to consider:

- How much house can I afford?
- How can I find the best loan?
- Where will I come up with a down payment, and how much will I need?
- Should I buy a new or resale home, and which will go up in value?
- Should I work with an agent or look at homes on my own?

And these questions are just the beginning. Buying a home is one of the largest financial transactions in your lifetime - do your research so you know what you're doing.

Here are the two most important things to remember no matter where you are on the road to home ownership:

1. You can and should understand everything that is happening in the home buying process.

Understanding the real estate process isn't as hard as you think. Like anything else, you simply have to take the time to learn how the Chatham-Kent real estate market works. Whether you need help understanding property taxes, mortgage rates, or resale value, I'd be happy to help. I've been selling real estate in Chatham-Kent for more than 15 years, and would be happy to answer any questions you might have. After you've taken the time to learn some new terms, and apply some new concepts you'll be well on your way to understanding Chatham-Kent real estate.

If, at any point, something happens that doesn't make sense to you, simply demand a full and complete explanation. If it still doesn't make sense, seek help from someone you trust, like your banker or lawyer. There are also plenty of great online resources discussing real estate, including blogs, resource directories, and videos.

2. In the world of real estate sales, YOU are the most important person in the entire process.



It's easy to think that everyone else carries more weight than you. The lender may decline your loan application, and competing real estate agents may compete for your business. But the truth is that you, the buyer, are the one person in the transaction that makes it all happen. If you decide to not buy, the entire process comes to a grinding halt.

So flex your consumer muscle and take command of this process. Surround yourself with a team of professionals that you have confidence in and make them work for you.

So do your homework and approach the Chatham-Kent real estate market with confidence. The more you know, the more likely you are to buy a house you're happy with and to know that you made the right decision.

Why Use a Realtor When Buying a Home in Chatham?

Did you know that not all Chatham-Kent real estate agents are the same? Only those agents who are members of the National Association of Realtors are properly called realtors. These agents are committed to treat all parties to a transaction honestly. An accredited Chatham-Kent realtor subscribes to a strict Code of Ethics and is expected to maintain a higher level of knowledge of the process of buying and selling real estate.

Real estate transactions are one of the biggest financial dealings of most people's lifetime. Transactions today usually exceed \$250,000. If you had a \$250,000 income tax problem, would you attempt to deal with it without the help of a certified professional accountant? If you had a \$250,000 legal question, would you deal with it without the help of an attorney? Considering the small upside cost and the large downside risk, it would be wise to work with a professional Chatham-Kent realtor when you are selling a home.

If you're still not convinced of the value of working with a Chatham realtor, here are just a few more reasons:

1. **Your Chatham realtor can help you determine your buying power** - that is, your financial reserves plus your borrowing capacity. With just some basic information about your available savings, incomes, and current debt, I can help refer you to the lenders that are best qualified to help you. Most lenders - banks and mortgage companies - offer limited choices.
2. **Your realtor has many resources to assist you in your Chatham, Ontario home search.** Sometimes the property you are seeking is available, but not actively advertised in the market. When this is the case, a Chatham-Kent realtor will do some investing to find all available properties.



3. **A Chatham-Kent realtor can assist you in the selection process by providing objective information about each property.** Agents who are realtors have access to a variety of informational resources. Chatham-Kent realtors can provide you with community information on utilities, zoning, schools, etc. There are two things you'll want to know: First, will the property provide the environment I want for a home or investment? Second, will the property have resale value when I am ready to sell?
4. **Your realtor can help you with negotiations and inspections.** There are many negotiating factors, including but not limited to price, financing, terms, date of possession, and often the inclusion or exclusion of repairs, furnishings, or appliances. The purchase agreement should allow time for you to complete appropriate inspections and investigations of the property before you are bound to complete the purchase. Your agent can advise you as to which investigations and inspections are recommended or required.
5. **Your realtor provides due diligence during the property evaluation.** Depending on the area and property, this could include inspections for termites, dry rot, asbestos, faulty structure, roof condition, septic tank and well tests, just to name a few. Your Chatham-Kent realtor can assist you in finding qualified responsible professionals to do most of these investigations and provide you with written reports. You will also want to see a preliminary report on the property title. Title indicates ownership of property and can be mired in confusing status of past owners or rights of access. The title to most properties will have some limitations; for example, easements (access rights) for utilities. Your realtor, title search company or attorney can help you resolve issues that might cause problems at a later date.

As a realtor, I can help you understand different financing options and identify qualified lenders. I can also guide you through the closing process and make sure everything flows together smoothly.

Avoid Future Headaches with a Home Inspection

Suppose you bought a house and later discovered, to your dismay, that the stucco exterior concealed a nasty case of dry rot. Or suppose that when you fired up the furnace in the winter, you discovered a cracked heat exchanger leaking gas into your home. The best way to avoid unpleasant surprises like these is to arrange for a home inspection before you buy.

Home Inspections Help You Avoid Unpleasant Surprises

A good home inspection is an objective, top-to-bottom examination of a home and everything that comes with it. The standard inspection report includes a review of the home's heating and air-conditioning systems; plumbing and wiring; roof, attic, walls, ceilings, floors, windows, doors, foundation, and basement.



Getting a professional inspection is crucial for older Chatham-Kent homes because age often takes its toll on roofs, foundation, and other hard-to-reach areas. Problems can also be the result of neglect or hazardous repair work, such as a past owner's failed attempt to install lights, or an outlet in a linen closet.

A home inspection is also a wise investment when buying a new home in Chatham-Kent. In fact, new homes frequently have defects, whether caused by an oversight during construction or simply human error.

Getting an Inspector

Real estate agents can usually recommend an experienced home inspector. Make sure to get an unbiased inspector. You can find one through word-of-mouth referrals, or look in the Yellow Pages or online under "Building Inspection" or "Home Inspection." Home inspections cost about a few hundred dollars, depending on the size of the house and location. Inspection fees tend to be higher in urban areas than in rural areas. You may find the cost of inspection high, but it is money well spent. Think of it as an investment in your investment – your future home.

Beware: Some builders in Chatham-Kent may try to dissuade you from getting a home inspection on a home they've built. They may not necessarily be trying to hide anything, however; in fact, most builders guarantee their work and will fix any problems in your new home before you move in. It isn't uncommon for some builders to offer to do their own inspections. While this may seem like a convenient option, it's still best to have an objective professional appraisal. I recommend insisting on a third-party inspector.

An Inspection Will Educate You About Your House

Education is another good reason for getting an inspection. Most buyers want to learn as much as they can about their purchase so they can protect their investment. An examination by an impartial home inspector helps in this learning process. Ask if you can follow the home inspector on his or her rounds. Most inspectors are glad to share their knowledge, and you'll be able to ask plenty of questions.

Inspection Timing and Results

Home buyers usually arrange for an inspection after signing a contract or purchase agreement with the seller. The results may be available immediately or within a few days. The home inspector will review his or her findings with you and alert you to any costly or potentially hazardous conditions. In some cases, you may be advised not to buy the home unless such problems are remedied.



Tip: It's not uncommon for Chatham-Kent home buyers to include a clause in their purchase agreement that makes a sale contingent upon satisfactory inspection results. If major problems are found, you can back out of the deal. If costly repairs are warranted, the seller may be willing to adjust the home's price or the contract's terms. But when only minor repairs are needed, the buyer and seller can usually work out an agreement that won't affect the sale price.

The Basics of Making an Offer

A written proposal is the foundation of a real estate transaction. Oral promises are not legally enforceable when it comes to the sale of real estate. Therefore, you need to enter into a written contract, which starts with your written proposal. This proposal not only specifies price, but also all the terms and conditions of the purchase. For example, if the seller offered to help with \$2,000 toward your closing costs, make sure that's included in your written offer and in the final completed contract, or you won't have grounds for collecting it later.

Accredited Chatham-Kent realtors have standard purchase agreements and will help you put together a written, legally binding offer that reflects the price as well as terms and conditions that are right for you. Your realtor will guide you through the offer, counteroffer, negotiating and closing processes.

If you are not working with a Chatham-Kent real estate agent, keep in mind that you must draw up a purchase offer on your own. This contract must conform to local laws, as well as incorporate any key agreements and negotiations. Chatham-Kent also has certain provisions that must be taken into consideration.

After the offer is drawn up and signed, it is usually presented to the seller by your Chatham-Kent real estate agent, by the seller's real estate agent, (if that's a different agent), or often by the two together. In a few areas, sales contracts are drawn up by the parties' lawyers.

What is in an Offer?

The purchase offer you submit, if accepted as it stands, will become a binding sales contract (known in some areas as a purchase agreement, earnest money agreement or deposit receipt). So it's important that the purchase offer contains all the items that will serve as a "blueprint for the final sale." The purchase offer includes items such as:

- address and the legal description of the property
- sale price
- terms: for example, all cash or subject to you obtaining a mortgage for a given amount
- seller's promise to provide clear title (ownership)



- Target date for closing (the actual sale)
- Amount of earnest money deposit accompanying the offer, whether it's a check, cash or promissory note, and how it's to be returned to you if the offer is rejected - or kept as damages if you later back out for no good reason
- Method by which real estate taxes, rents, fuel, water bills and utilities payments are to be adjusted (prorated) between buyer and seller
- Provisions about who will pay for title insurance, survey, termite inspections, etc.
- Type of deed to be given
- Other requirements specific to your state, which might include a chance for an attorney to review the contract, disclosure of specific environmental hazards or other area-specific clauses
- A provision that the buyer may make a last-minute walkthrough inspection of the property just before the closing
- A time limit (preferably short) after which the offer will expire
- Contingencies, which are an extremely important matter and that are discussed in detail below

Contingencies - “Subject to” Clauses

If your offer says "this offer is contingent upon (or subject to) a certain event," you're saying that you will only go through with the purchase if that event occurs. Here are two common contingencies contained in a purchase offer:

1. The buyer obtaining specific financing from a lending institution: If the loan can't be found, the buyer won't be bound by the contract.
2. A satisfactory report by a home inspector: for example, "within 10 days after acceptance of the offer." The seller must wait 10 days to see if the inspector submits a report that satisfies the buyer. If not, the contract would become void. Again, make sure that all the details are explicitly stated in the written contract.

Negotiating Tips

You're in a strong bargaining position, that is, you look particularly welcome to a seller, if:

- You're an all-cash buyer.
- You already have a preapproved mortgage and you don't have a present house that has to be sold before you can afford to buy.
- You're able to close and take possession at a time that is especially convenient for the seller.

In these circumstances, you may be able to negotiate some discount from the listed price.

On the other hand, in a "hot" seller's market, if the perfect house comes on the market, you may want to offer the list price (or more) to beat out other early offers.

It's very helpful to find out why the house is being sold and whether the seller is under pressure. Keep the following considerations in mind:



- Every month a vacant house remains unsold represents considerable extra expense for the seller.
- If the sellers are divorcing, they may want to sell quickly.
- Estate sales often yield a bargain in return for a prompt deal.

Earnest Money

This is a deposit that you give when making an offer on a house. A seller is understandably suspicious of a written offer that is not accompanied by a cash deposit to show "good faith." A real estate agent or an attorney usually holds the deposit, the amount of which varies from community to community. This will become part of your down payment.

Buyers: the Seller's Response to Your Offer

You will have a binding contract if the seller, upon receiving your written offer, signs an acceptance just as it stands, unconditionally. The offer becomes a firm contract as soon as you are notified of acceptance. If the offer is rejected, that's that - the sellers cannot change their mind at a later date.

If the seller likes everything except the sale price, or the proposed closing date, or the basement pool table you want left with the property, you may receive a written counteroffer including the changes the seller prefers. You are then free to accept it, reject it or even make your own counteroffer. For example, "We accept the counteroffer with the higher price, except that we still insist on having the pool table."

Each time either party makes any change in the terms, the other side is free to accept, reject or counter again. The document becomes a binding contract only when one party finally signs an unconditional acceptance of the other side's proposal.

Buyers: Withdrawing an Offer

Can you take back an offer? In most cases the answer is yes, right up until the moment it is accepted, or even in some cases, if you haven't yet been notified of acceptance. If you do want to revoke your offer, be sure to do so only after consulting a lawyer who is experienced in real estate matters. You don't want to lose your earnest money deposit or find yourself being sued for damages the seller may have suffered by relying on your actions.