

JOHANNSEN

group real estate

We Sell The Cowichan Valley!

Buyer Orientation Guide



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THE PROCESS OF BUYING A HOME OR PROPERTY

Buying a home is a complex process. Using a real estate professional can simplify this process and make it quite enjoyable. Every agent at the Johannsen Group endeavors to make your home or property buying experience a pleasant one.

The most important thing you can do as the buyer is to provide us with the information we need to help you. To assist you on your home buying, we will provide you with detailed information on the following:

- Pre-qualifying for your home or property purchase
- Financing and financing options
- The search for the right home or property
- The offer process
- Resource information

Here's what a Buyer's Agent will do for you:

- Prepare an estimate of value to ensure the true value of the property with a comparative market analysis or CMA
- Advise and counsel you with unrestricted assistance including negotiating strategy
- Give you accurate information on any property on the market, even FSBO's (For Sale By Owner), without prejudice
- Explain and write your offer to purchase and act as a mediator between you and the seller
- Negotiate with seller (and seller's agent) to obtain the best investment possible for you*
- Explain financing alternatives and direct you to the best possible financing sources
- Let you know about all closing costs
- Help point out concerns you should have about the property and help coordinate third party approval to satisfy those concerns before committing to the purchase.
- Confirm details about the property as required (municipal bylaws, health permit issues, etc.)
- Liase with your lawyer and prepare conveyancing documentation
- Keep you up to date with the progress of your offer right through to closing
- Provide after sale follow up to make sure all your needs have been met to your satisfaction

TEAM BENEFITS & SERVICES

Our business demands teamwork! It would be impossible to handle all aspects of the complicated buying and selling process, and do all of them extremely well. A team approach allows us to provide unprecedented quality client service including:

- Constant Service. We're available 7 days a week!
- Instant notification via email of any home new to the MLS system that fits your criteria
- Instant email notifications of any Johannsen Group listings
- Our buyer's agents are checking over new listings daily, keeping their eyes open for anything that might suit you
- Information regarding neighbourhood schools and services
- Showings of any listings that fit your criteria, from MLS and For Sale By Owner (if co-operating with agents)
- Search for suitable properties that are not currently listed
- Buyer tips and market orientation (very helpful especially for 1st time buyers)
- Detailed review of listing information prior to offer including opinion of value*
- Strong negotiating on your behalf
- Full Buyer representation as a Buyer Agent*
- Assistance with mortgage pre-qualification
- Property inspection information and walk through with the inspector
- Research and insight into a property's potential (renovations, subdivision, etc.)
- Relocation Services (Military Relocation is a specialty of ours)

And much, much more!

All of our informational services are provided **free of charge and with no obligation** unless otherwise specified. If you wish to have any of the information mentioned here, please call our office and provide us with your contact information.

We look forward to working with you to find your next dream home!

How We Can Help!



Kim Johannsen
Team Leader

Kim was licensed in 1993 and joined RE/MAX in 1994. Kim is consistently in the top 1% of all Realtors selling in the Cowichan Valley. Formal education & a 10 year career with the Canadian Navy have helped him immensely with his career in Real Estate. A personal

background in both investment and property development gives him an edge in providing his clients with helpful information and tips in market preparation & renovations. Kim enjoys a challenge and uses innovative techniques to bring offers together that work for both sellers and buyers.



Rod Macintosh
Sales Associate

Rod joined the team in 2011 & brings with him 20 years of local knowledge. An experienced small business owner, ex-Infantry Officer & a member on his local area APC, Rod is familiar with local planning & development issues. He looks forward to building relationships &

guiding you through the intricacies of the market.



Jitka Johannsen
Office Coordinator

Jitka is not only Kim's wife, she is also an integral part of the Team. As the Office Coordinator, Jitka has a key role in keeping the flow of information and business activities on track, and coordinates our advertising and marketing efforts.



Theresa Carter
Sales Associate

Theresa Carter joined the Johannsen Group in 2007 as an administrative assistant & became a licensed agent in 2012. Theresa plays an important role on the team in assisting Kim to ensure Johannsen Group clients always receive service that is second to none.



Clint Hiles
Sales Associate

Clint brings to the team over 23 years of Real Estate, financial and banking experience. Clint works diligently for his clients to get them the best deal out there & find them just the right home!



Paul Cowbig
Sales Associate

Born and raised in Vancouver, Paul was first licensed in 1980 and spent the next 30 plus years living in Abbotsford and selling Real Estate in the Fraser Valley. He has served 7 years as a Director and as a Past President of the Fraser Valley Real Estate Board (2001-2002). He has gained extensive experience in all aspects of the sometimes complicated process of buying and selling Real Estate. Paul just moved to the Cowichan Valley and is excited to use his experience to help make your association with Re/max of Duncan and the Johannsen Group the best Real Estate experience of your life.



Renee Behnen
Office Administrator

Renee joined the Johannsen Group in 2003. Her role is to ensure all the paperwork involved with your offer is in order & to assist the licensed staff in keeping you informed of important dates such as inspections, subject removals & closing dates.



Karen Kusz
Administrative Assistant

Karen joined the Johannsen Group in 2013 as a part-time administrative assistant. Her role is assist Renee and the licensed staff, to ensure that all the paperwork involved with your listing is in order & to assist the licensed staff in

keeping you informed of important dates & information such as showings and feedback.

Team Work Makes The Dream Work!

Many buyers do not fully understand the home buying process and what role a real estate agent plays. Here are some of the most frequently asked questions that buyers ask or don't fully understand.

WHAT DOES IT COST AS A BUYER TO USE AN AGENT?

There is no cost for a buyer to use an agent in a traditional agent/buyer relationship. The compensation that a sales agent receives typically comes from the seller's proceeds. In a buyer agency agreement, there may be some cost to the buyer, but even these agreements are usually worded so that the agent is compensated from the seller.

CAN MY AGENT GIVE ME INFORMATION ON PROPERTIES LISTED WITH OTHER AGENTS?

Yes, if that other company is a member of the Multiple Listing Service (MLS) which most real estate companies are. For Sale By Owner (FSBO) properties are not listed in MLS so an agent likely would not be able to provide information regarding them. However, with a buyer agency agreement, your agent may be able to help you purchase a FSBO.

WHAT IF I FIND A PROPERTY ON MY OWN?

Contact your agent and not the property owner or the agent listing. Provide the address or the MLS number to your agent and they will make contact and gather any important information regarding the property for you.

WHAT TYPE OF INFORMATION WILL MY AGENT NEED FROM ME?

You will need to provide as much detailed information about the home or property you are looking for as you can. For example, the number of bedrooms, garage size, price, location and number of bathrooms are common criteria. The more information you can provide, the better equipped your agent will be to recognize properties that will suit your needs. Other considerations include the school district, type of home (ranch, tri-level, etc.) and room sizes. Keep in mind that a search that is too specific may narrow your list of properties too much while one that is too broad may give you more properties to look at than you have time to go through!

An agent may also ask you for other information such as hobbies or activities you enjoy, children's names, birthdays, etc. in order to get a better feel for your family needs and get to know you better.

CAN I GO TO OPEN HOUSES WITHOUT MY AGENT?

Certainly! Just make sure you let the host (agent or owner) know that you are working with a buyer's agent who may contact them on your behalf if you like what you see.

HOW CAN I FIND OUT ABOUT NEW PROPERTIES?

Your agent will be able to set you up for Private Client Services (using your search criteria) and email you updated listings as they come on the market. They can also arrange for you to receive Johanssen Group "Just Listed" notifications. In addition, they will notify you of potential listings that may not yet be on the Market.

WHAT IF I AM UNHAPPY AND WANT TO SWITCH AGENTS?

Let the first agent know that you are unhappy and the reasons why. See if you can work out the issues with them. If not, tell the agent you no longer want to work with them and find another agent.

SUMMARY

When purchasing real estate, a sales agent can be an invaluable resource if you remember your responsibilities:

- Work with just one agent
- Make sure you tell your agent everything
- Always tell other agents you are already working with an agent
- Consider your agent a friend

If you have any questions regarding purchasing a home, please give us a call. We want your home buying experience to be as easy and enjoyable as possible and will do everything we can to ensure you find the home that is right for you.

THE HOME FINDING PROCESS

The purchase of a home or property is one of the biggest investments most of us will make in our lifetime. The first step is to identify your requirements. These can be put into three categories:

Needs -The absolute necessities.

Wants - Features that you would like to have.

Wish List - Added bonuses but not essential

Put your list, in order of importance. The list may be quite long, so be sure to put the practical and attainable needs on top. When it comes to finally viewing the properties for sale you may find that some of those “wants” may have to be abandoned in order to satisfy your needs or your budget.

Next, make a checklist of things to consider in your next home keeping in mind you’re identified wants and needs.

- Price Range
- Location
- Style/type of house
- Number of bedrooms & bathrooms
- Size of rooms
- Basement
- Square Footage
- Garage
- House Age
- Yard/acreage
- Local services, amenities & special needs

When you have all your requirements (and financial arrangements sorted out) you are ready to see what is available. Giving us full details of your requirements will help sort, search and select the right homes for you to view,.

THE TOUR

You’ve probably reviewed homes available thru MLS & have some in mind you’d like to view. Once your agent knows your requirements, they can also forward listings to you that meet your needs. If possible, do a “Drive-by” to get a feel for the neighborhoods and the appeal of the homes. “Short List” the properties you wish to view.

The tour of prospective properties can be made easier and more enjoyable if you consider the following:

- Limit your tour - after about 6 viewings it will be difficult to recall what you first looked at.
- Wear comfortable clothes and “slip-on” shoes (we are expected to remove them).
- Bring writing material or tape recorder to make notes.
- If possible leave small children with a sitter for the first few tours.
- Let us know well in advance of the properties you wish to view so that we can verify that they are still available and we can book an appointment to view with the sellers (tenanted properties require 24 hours notice by law).
- If viewing a large number of properties, pick houses in the same areas to view together to make efficient use of your time.

1 to 10 GAME

Simplify the process of evaluating each property after a viewing by playing the 1 to 10 Game. Simply rate each property you view on a scale from one to ten with a ten, of course, being “outstanding”.

Jot down notes independently from your significant other. At the end of the tour discuss your findings with one another and see if you both feel the same way. This has proven to be extremely helpful particularly in helping to “zero in” on the most suitable properties. Sometimes it’s easier to pin down what you don’t want rather than what you want.

Once we’ve been out on one or two tours it will be very evident to everyone what will work and what will not. Your short list will become shorter until you ultimately find the one property that suits you best and will be ready to make an offer. Prior to writing the offer we will collect all the material information needed (ie. title search, well log, site survey, etc.) and discuss any conditions you wish to include.

THE PROCESS OF MAKING THE OFFER



Once you've found the right home, which best suits your needs and budget; the next step is to investigate the property in depth and then have an offer to purchase drawn up. We will prepare a written offer to be presented to the seller. Typically there are standard forms supplied by the Real Estate

Board that are filled out to make a formal offer from you to the seller. The intent of the offer (also referred to Contract of Purchase and Sale or Interim Agreement) is to make a binding contract between the buyer and the seller with each parties obligations spelled out clearly.

How do you determine your proposed purchase price? That decision will depend on a combination of factors including the number of homes available, both in general and in that neighborhood; the asking price of other comparable homes in the area; the recent history of sales of comparable properties in the area; unique selling features; the general condition of the property and the area; and the immediacy of your need to purchase and the vendor's (seller) need to sell. We're here to advise you and provide you with the information you require to make this important decision.

The offer should clearly outline all terms and conditions of the sale including, among other details, the following;

- The proposed purchase price
- A list of all items included in the purchase price (e.g. appliances, window coverings, fixtures, etc.)
- Explicit details of all financial arrangements
- Completion date (closing date) for the sale of the property
- Possession date (date of occupancy)
- Any conditions attached to the sale (e.g. satisfactory house inspection, mortgage approval, sale of an existing home, etc.)

- Any specific obligations to be fulfilled by the vendor before the completion date (e.g. repair)
- Full details concerning the vendor's mortgage if you are assuming it (e.g. balance, interest rate, term, repayment privileges etc.)
- Amount of deposit (as a token of the buyer's commitment to buy the property)

The offer will become your obligation if accepted. Be certain you can perform everything you say you can, and if there is anything you are unsure of such as getting a mortgage, make the offer conditional on arranging for financing, and give yourself plenty of time to meet that condition. We will advise you on typical time lines to satisfy conditions in the contract.

An offer is generally not open-ended and expires at a documented date and time (as set forth in the written offer). This usually protects all the parties involved. Once the offer has been presented to the sellers, they should get back to you within the specified time. Before a final agreement is reached, you and the vendor will likely go through a series of negotiations over the price and/or other selling conditions. It is not uncommon for the vendor to respond to your preliminary offer with a counter offer, detailing specific changes. You, in turn, are free to present your own counter offer. This process continues until an agreement is reached. If the deal has been negotiated and all parties agree to the terms and conditions, both parties are bound to the agreement and can begin satisfying the conditions or "Subject to's".

"SUBJECT TO" CONDITIONS PRECEDENT

"Subject to" conditions afford you the opportunity to check and verify information regarding the property to ensure you are buying what you think you are buying. Buyer Beware is still very much alive and all we can do is try to take every precaution available to ensure you are making an informed purchase. A Property Condition Disclosure Statement is normally provided to the buyer from the seller in the process of the offer but it should not be relied upon solely and independent verification of information (such as conducting a building inspection, reviewing strata documentation, and contacting the local municipality, etc) is strongly encouraged.

FINANCING

Financing is a third party approval requiring the bank or lender to officially approve your purchase. When pre-qualified, the process is typically the required approval of a satisfactory appraisal of the property and meeting CMHC criteria if applicable.

VERIFICATION OF MUNICIPAL/REGIONAL DISTRICT ZONING BYLAWS

This may be introduced as a subject condition if you require specific bylaw latitude if you wish to have a small suite, dog kennel, home based business, etc.

APPROVAL BY BUYER'S SOLICITOR

If you have certain concerns you wish to have addressed by your lawyer you may wish to consider a subject condition of this nature

VERIFICATION OF STRATA INFORMATION

Strata developments such as town homes, condominiums and patio homes have become quite popular and have a number of items to be discussed and verified prior to an unconditional sale. It is prudent to review all the necessary material and you may even wish to review the information with your lawyer to ensure you are satisfied with the set-up and operation of the Strata Corporation. Remember anything you have a concern about can be made a "subject to" condition.

NEW CONSTRUCTION

New construction offers additional areas of concern in an offer but the enjoyment of owning a new home can easily outweigh these concerns, which can be satisfied quite readily.

HST is applicable in all new housing. If the home is to be occupied by the purchaser as a principle residence the HST can be offset by an HST Homeowner's Rebate. Your agent can assist you with calculating the amount of an anticipated rebate and will encourage you to seek independent advice to ensure you qualify.

The Homeowner Protection Act requires that all builders of new homes for resale be licensed and carry an approved New Home Warranty. The New Home Warranty details as well as a deficiency list to identify any finishing touches that need to be taken care of by the builder will form part of your offer.

Ensure you have accounted for any additional costs that you will be required to take care of in a new home. Costs for blinds, landscaping, retaining walls, etc. can add up!

REMOVAL OF SUBJECT CONDITIONS

Once you satisfy all your concerns you are ready to remove your subject conditions and make your offer unconditional. Once unconditional the house is technically SOLD and the sale can proceed to completion. At this point both you and the seller are legally bound to the sale and either of you can be sued for failing to complete.

You can now make plans for your move on the possession date. Lawyers for both buyer and seller will receive letters of instruction and copies of the contract so that the property can be registered in your name on the day of completion.

LEGAL

Generally, in a real estate transaction the parties involved each have their own lawyers/notaries. You, as a buyer, are responsible for hiring your own legal counsel to act for you in the purchase and mortgaging of the property, and you will be responsible for payment of the legal or notary fees and disbursements. Fees for these services may vary, so shop around before you make your decision. When looking for a lawyer/notary make sure it's a lawyer/notary who is familiar with real estate deals. As with any other professional, quality and experience are the key, not just price.

By the time you arrive at the lawyer or notary's office much of the documentation has already been completed. Check beforehand to ensure that he or she has all the appropriate documentation needed to complete the sale. The contract of purchase and sale as well as all subject condition removal addenda will be forwarded from our office to your lawyer's/notary's (upon an unconditional offer).

Your lawyer or notary will review the Statement of Adjustments with you detailing the exact amount you owe the vendor on closing. This will include the balance of the purchase price (less deposit and down payment) and reimbursement for any prepaid utilities or other expenses paid by the vendor. You should be prepared to have a cheque or draft payable to the lawyer or notary to cover these costs. Legal fees and disbursements are also due at the closing.

Your financial institution will have also arranged to make the mortgage funds available to your lawyer or notary. The lawyer or notary will issue payment to the vendor on your behalf and register the property (at the land titles office) in your name. On the date of possession (as per the contract of purchase and sale) you will receive the keys and the property is officially yours!

GETTING PRE-QUALIFIED FOR A MORTGAGE

For most people buying a home means taking out a mortgage. Today it is important to shop for a mortgage before you purchase a home since most lenders will “pre-approve” buyers for a mortgage (at fixed interest rate for a period of time). Pre-qualification is generally a good idea for home buyers because it is a no-cost, no-obligation deal that lets you know before you go house hunting how much you can afford to buy based on how much you can afford to borrow.

With a pre-approved mortgage you can shop and negotiate with confidence, already knowing just how much you are able to spend. In a market where interest rates are rising it is also a good idea to re-qualify for a new time period to ensure you do not get stuck at a higher rate.

A mortgage lender will determine exactly how much you can borrow and thus exactly what you have available to pay for a house. As part of qualifying you for a mortgage, your lender will look at the income (or incomes) you can apply to mortgage payments and at your debt load. The rule of thumb is that all debts, including house payments, should not consume more than about 40% of your gross family income.

The mortgage loan approval process may require the following from buyers:

- Details of employment including proof of income
- Other sources of income (e.g. rental income, pensions, etc.)
- Current banking information (statements of balances)
- Current debts (what you owe)
- Past debts (to check your credit)
- Verification of down payment (cash, bonds, gift, etc.)
- Consent to run a credit investigation
- List of assets (what you own)
- Fee for appraisal (and/or CMHC fees if applicable)
- Other miscellaneous personal data (marital status, dependants)
- Purchase and Sale Agreement (upon making an offer)

CMHC CANADA MORTGAGE AND HOUSING CORPORATION

For most people the hardest thing about buying a home, especially a first home, is saving the necessary down payment. If you have less than 25% to put down on the property, you may need Mortgage Loan Insurance. Buyers with CMHC mortgage Loan Insurance can buy a property with as little as 5% down. By providing default insurance to financial institutions, CMHC limits the risk to Approved Lenders, and they respond with loans of up to 95% of the purchase price at competitive interest rates. Talk with your lender or mortgage broker to find out more about CMHC requirements.

CLOSING COSTS

Potential homeowners often overlook the other initial costs associated with the actual purchase. These costs can add up, so it's important to have a good understanding of the types of expense you're likely to incur. For a resale home, these extras can easily add up. Below is a list of possible closing costs:

- Home inspection fee (typically \$350-\$450)
- Legal/Notary Fees and disbursements can vary greatly. Shop around for quotes. Typically \$600-\$1200
- Land Transfer Tax (1% up to \$200,000 & 2% on balance after that. May be waived in some cases)
- Appraisal fee (usually folded into the mortgage but typically \$200-\$300)
- Adjustments (property taxes, utility payments, interest)
- Mortgage fees (broker's fees, Mortgage Loan Insurance application fee)
- House Insurance
- Moving costs
- GST (usually only on new housing, 5% less rebate for qualified buyers)
- Renovations/repairs
- Service hook-up fees
- New Home Costs (appliances, blinds/curtains etc.)
- Survey fee (if applicable)
- Miscellaneous other costs

HOME INSPECTION

It is strongly recommended that the offer to purchase is conditional on the buyer being satisfied with a home inspection. The home inspection should be done by a qualified property inspector whose job it is to look over very major part of a home and write a detailed report that states the home's quality and condition. The cost of the home inspection is the buyer's responsibility (usually \$350-\$450) and is a small price to pay for the information provided. Following please find a list of Home Inspection Services that we would recommend in our area:

Amerispec Home Inspections
David Firth (250) 748-4500

Corner Stones Home Inspections
Greg Sparkes (250) 245-7171

Housemasters
(250) 746-4772

Pillar To Post
(250) 748-3330

OTHER INSPECTIONS

The inspection of a property should not be limited to a house inspection especially if you are looking at rural property. Consider the following as well:

Septic System It is difficult to examine the entire septic disposal system, as much of it lies buried under ground.

Coast Environmental
(250) 748-4611

Save-On Septic
(250) 748-5676 or (250) 743-5676

Well System The water quality and quantity can be checked by a qualified professional to ensure that adequate potable water is available for household use. Water conditioning can be discussed as well.

BC Aquifier (250) 748-4041

Other Contacts

Island Indoor Air Quality Investigations
George Staples (250) 746-0382

Madrone Environmental Service
Gordon Butt (250) 746-5545

MORTGAGE REPRESENTATIVES

Pro Link Mortgages Inc
Marla Daniels (250) 733-2201

Royal Bank of Canada
Brett Hopwo (250) 715-5201
Charlene Conn (250) 715-6316

Lighthouse Mortgages
Jeanne Posey (250) 748-9742

LAWYERS/NOTARY PUBLICS

Orchard & Co
(250) 746-5899

Joanne Zipser
(250) 748-7155

Michael Genge
(250) 746-8779

Hugh Armstrong
(250) 746-4354

Jack Hicks
(250) 743-3245

APPRAISERS

Astro Appraisals

Kevin Mitchell (250) 748-3159

Benson Appraisals

Connie Kirk (250-715-5940)

MUNICIPAL/REGIONAL DISTRICTS

City of Duncan

City Administrator (250) 746-6126

PO Box 820, Duncan, BC V9L 3Y2

Municipality of North Cowichan

Main Office (250) 746-3100

7030 Trans Canada Highway, Duncan, BC

Cowichan Valley Regional District

Main Office (250) 746-2500

175 Ingram Street, Duncan, BC

Town of Ladysmith

City Hall (250) 245-6400

410 Esplanade Street, Ladysmith, BC

Town of Lake Cowichan

Town Office (250) 749-6681

39 South Shore Road, Lake Cowichan, BC

HEALTH AUTHORITIES

Vancouver Island Health Authority

1-888-791-1133

Duncan Environmental Health

(250) 746-1414

UTILITIES

Telus

Residential Service (250) 310-2255

BC Hydro

Customer Service 1-800-222-4357

Shaw Cable

Residential Service (250) 748-9113

Terasen Gas

Customer Service 1-888-224-2710

Columbia Fuels

(250) 746-5533

Cowichan Petroleum Sales

(250) 746-5411

OTHER

Cowichan District Hospital

(250) 746-4141

3045 Gibbins Road, Duncan, BC

School District 79 (Cowichan Valley)

(250) 748-0321

CVRD Regional Transit System

(250) 746-9899

Vancouver Island University (Cowichan Campus)

(250) 746-3500

Cowichan Career Resource Centre

(250) 748-9880

Children's Miracle Network

RE/MAX International, Inc and Kim Johannsen participate in the Children's Miracle Network which is a charity that supports the numerous Children's Hospitals throughout Canada. Children's Hospitals provide medical service to thousands of children every year without regard to cost. This most worthwhile charity has become the official charity of RE/MAX International, Inc and its over 50,000 real estate professionals. Kim & Jitka have been touched personally by the CMN, when their twin Boys Erik & Kyle were born in 1999. Erik received life saving heart surgery in BC Children's Hospital at 10 days old, and Kyle needed treatment for a clubfoot. We all respect and understand how important it is to support such a worthwhile charity.



I hereby pledge a portion of the proceeds from the sale of your property that will be donated to the Children's Miracle Network on your behalf. This truly makes your home a "Miracle Home"