

# FIRST-TIME BUYER GUIDE

\ EVERYTHING YOU NEED TO KNOW ABOUT BUYING

Understanding the process is imperative to a  
successful real estate transaction



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## ABOUT US

# MARLON & EMMY

### ABOUT MARLON



- Marlon Deogracias started his Real Estate career in 2006 and has been an active award winning Realtor since 2007.
- The Deogracias Real Estate Group was formed in 2011.
- Our mission was to provide an superior experience that can only be provided from a Team.

### ABOUT EMMY



- Emmy Ha started her Real Estate career in 2020 working with the Deogracias Real Estate Group.
- Initially the Teams Client Coordinator, she brings a higher level of customer service, offer preparation and documentation and the process to the client experience.



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ABOUT US

# OUR MISSION



"Our mission is to assist clients in achieving their real estate goals through a professional and personal approach, ensuring they feel confident and satisfied enough to recommend our services to their friends and loved ones."



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## ABOUT US

# ACHIEVEMENTS

1

An award-winning Realtor since 2007.

2

Certified Negotiation Expert with the C.N.E designation

3

Inducted into the RE/MAX Hall of Fame in 2022

4

Recipient of the RE/MAX Titan, Chairman, Platinum Recipient of the Lifetime Achievement Award

5

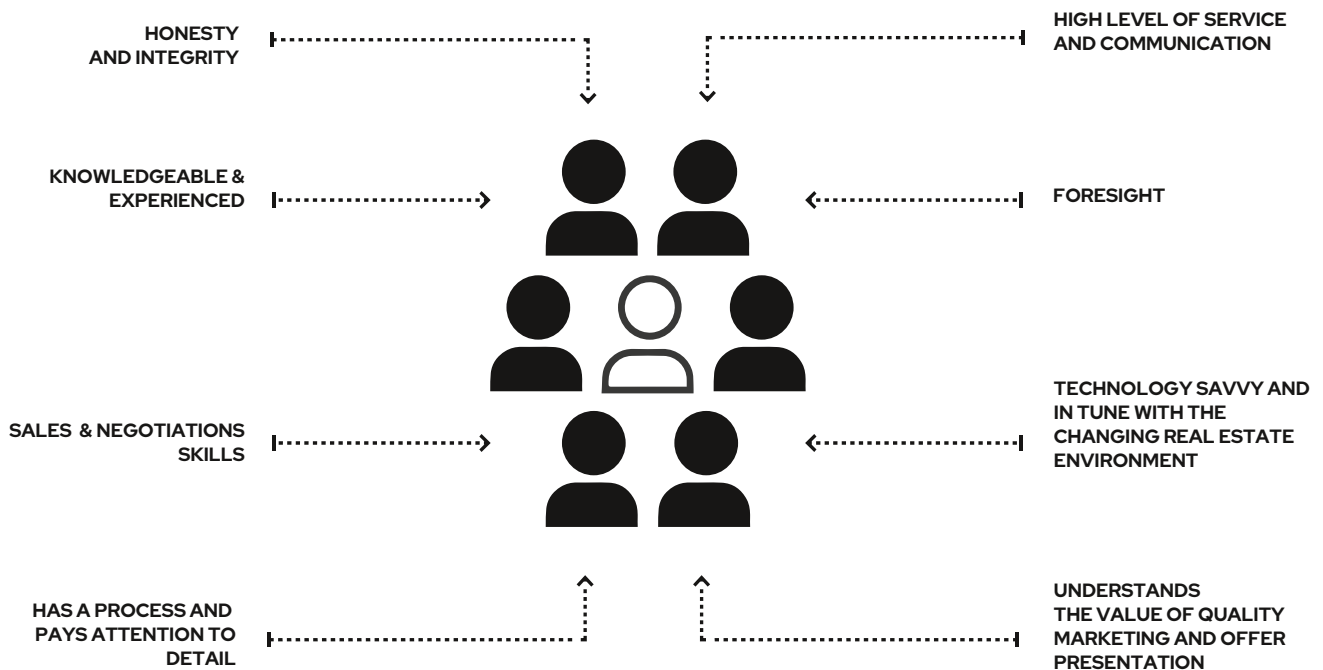
Perfect 5-Star Client Reviews on Google



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ABOUT US

# WHY OUR CLIENTS WORK WITH US?



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## INTRODUCTION TO BUYING

# TRESA

\ TRUST IN REAL ESTATE SERVICES ACT

1

TRESA (Trust in Real Estate Services Act) replaces the old REBBA (Real Estate and Business Brokers Act) in Ontario.

2

It modernizes real estate rules to improve consumer protection, transparency, and professionalism.

3

Key Benefits Are:

- More flexibility in disclosing competing offers (if the seller allows).
- Stronger disciplinary measures for unethical conduct.
- Allows realtors to form Personal Real Estate Corporations (PREC's) for tax benefits.
- Ensures buyers and sellers get better service and more informed choices in real estate transactions.

4

- The full TRESA guide is available for download from the Ontario Real Estate Association (OREA) website or the Government of Ontario website.
- Direct link: <https://www.recoinfoguide.ca/>



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## INTRODUCTION TO BUYING

# REPRESENTATION

### \ WHAT IS BUYER REPRESENTATION?

1

Means that you are working with one brokerage, and the designated representative(s) within that brokerage.

2

Crucial for effective representation and negotiation.

3

As your Buyer Agent we negotiate so you the least amount

4

A Buyer's Agent makes it easier to look at multiple homes

5

And when submitting an offer will provide comparable sales data, and negotiation strategy and support.

6

The best part is that the buyer's agent fees are typically covered by the seller.



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## INTRODUCTION TO BUYING

# THE REALTOR'S ROLE

\ KNOW WHAT YOUR TEAM WILL DO FOR YOU

1

Helps determine budget and financing options by guiding buyers through mortgage pre-approval.

2

Provides access to listings and market insights.

3

Schedules and coordinates property showings based on the buyer's needs.

4

Evaluates properties and provides expert advice on pricing, condition, and potential resale value.

5

Negotiates offers to secure the best price and terms for the buyer.



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## INTRODUCTION TO BUYING

# THE MORTGAGE AGENT'S ROLE

\ KNOW WHAT YOUR TEAM WILL DO FOR YOU

1

Helps buyers get pre-approved for a mortgage.

2

Shops around for the best mortgage rates and terms.

3

Explains different loan options and which best suits the buyer's needs.

4

Assists with paperwork and lender requirements for approval.

5

Guides buyers through the final mortgage process before closing.



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## INTRODUCTION TO BUYING

# TOP 5 BUYER'S TIPS

1

**Get Pre-Approved First:** Know your budget before you start house hunting. This gives you an edge in competitive situations and helps you move quickly on a property.

2

**Work with a Realtor Who Knows the Market:** A strong agent can help you navigate bidding wars, negotiate better terms, and spot good (or bad) deals.

3

**Don't Skip the Home Inspection:** Even in competitive markets, knowing a home's condition can save you from unexpected costs down the road.

4

**Be Ready to Act Fast –** Homes in high-demand areas sell quickly. Have your financing and decision-making process in place so you don't miss out.

5

**Beware of Unrealistically Low Listing Prices:** Some sellers price homes artificially low to trigger bidding wars and push buyers into overpaying. Always analyze recent comparable sales to determine a home's true market value before making an offer.



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# CREATING A PLAN

## \ HOW TO CREATE A REALISTIC PLAN

1

Determine what areas and home types best fit your budget.

2

Set realistic expectations based on market conditions.

3

Plan when to start viewing properties.

4

Establish effective communication between you and your realtor.

5

Most importantly, understand Multiple Offers and how to avoid being the losing competitor



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## INTRODUCTION TO BUYING

# GETTING PRE-APPROVED

1

Know exactly how much you qualify for.

2

Avoid disappointment in finding homes you can't afford.

3

Set monthly payments for better budgeting.

4

Understand down payment and closing costs upfront.

5

First-time buyers may access special programs for more affordability.



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INTRODUCTION TO BUYING

# THE DISCOVERY MEETING

\ UNDERSTANDING YOUR GOALS IS IMPERATIVE TO OUR SUCCESS

1

What's the main reason you're thinking about buying a house?

2

When do you think you'll be ready to make this big investment?

3

What are the most important things you want in your future home?

4

Are there any worries or challenges you're worried about when buying a house?

5

What do you hope to do after you buy a house? Do you want to buy another one, move somewhere else, or do something else?



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# THE COSTS OF BUYING

\ HOW MUCH MONEY DO YOU NEED TO BUY A HOME

1

Down Payment: Minimum 5% (up to \$500K), 10% (for \$500K–\$999K), or 20% (for \$1M+).

2

Deposit: Typically 5% of the purchase price, paid shortly after offer acceptance.

3

Home Inspection: \$400–\$700, depending on the property size and location.

4

Appraisal Fee: \$300–\$500, sometimes covered by the lender.

5

Legal Fees & Disbursements: \$1,500–\$3,000, including title search and registration.



FINANCIAL REFRESHER

# FIRST-TIME HOME BUYERS' PLAN (HBP)

1

Allows you to withdraw up to \$60,000 from your RRSP tax-free. Couples are allowed to withdraw \$120,000

2

Repayment starts after 5 years

3

After the 5th year, the amount must be repaid within 15 years.

4

Great option if you've been saving in your RRSP.

5

You must be a first-time homebuyer (haven't owned a home in the past four years).

7

The home must be your principal residence within a year of purchase.

8

The RRSP funds must have been in the account for at least 90 days before withdrawal.



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# HOW TO WITHDRAW FUND FROM RRSP HBP

1

## Complete the RRSP Withdrawal Form (T1036)

- **Submit Form T1036:** Home Buyers' Plan (HBP) Request to Withdraw Funds from an RRSP to your financial institution.
- You can withdraw from multiple RRSP accounts, but total withdrawals cannot exceed \$60,000.

2

## Receive the Funds

- Your bank will process the withdrawal tax-free, provided it follows HBP rules.
- The withdrawn amount does not count as income, so no tax is deducted.

# FIRST HOME SAVINGS ACCOUNT (FHSA)

1

The First Home Savings Account (FHSA) is a tax-advantaged savings account designed to help first-time homebuyers save up to \$40,000 for their first home. When you're ready to buy, you can withdraw funds tax-free as long as you meet the requirements:

2

You must be a first-time homebuyer (haven't owned a home in the past four years).

3

The home must be your principal residence within a year of purchase.

4

The purchase must be in Canada.

5

You must have a written agreement to buy or build a home before October 1 of the year following the withdrawal.



# HOW TO WITHDRAW FUND FROM FHSA

1

## **Submit a Withdrawal Request**

- Contact your bank or financial institution to request a qualifying withdrawal from your FHSA
- Complete and submit Form RC725 – Request to Make a Qualifying Withdrawal from your FHSA to your bank

2

## **Receive the Funds**

- Your bank will process the withdrawal completely tax-free if all conditions are met.
- There is no requirement to repay withdrawn funds, unlike the Home Buyers' Plan (HBP).



FINANCIAL REFRESHER

# FINANCIAL HELP FROM FAMILY

1

Gifted Funds: Parents can gift money for your down payment (must be documented).

2

Co-signing a Mortgage: Helps if your income or credit score isn't strong enough.

3

Family Loans: Parents lend you the money, often interest-free.

4

If accepting gifted funds, ensure there's a clear agreement on whether it's a loan or gift.



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MORTGAGE FINANCING

# DOWN PAYMENT REQUIREMENTS IN CANADA

1

**Less than \$500,000:** Minimum 5% down.

2

**Between \$500,000 - \$1,499,999:** 5% on the first \$500K, 10% on the rest.

3

**OVER \$1.5 MILLION:** 20% minimum down.

4

Mortgage default insurance is required for down payments under 20%.



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# CREDIT SCORE & ELIGIBILITY

1

**Credit Score:** Aim for 680+ for best rates (some lenders accept lower).

2

**Debt Service Ratios:** Lenders look at your income vs. debts. (GDS & TDS)

3

**Stable Employment or Income:** Proof of steady income is key.

4

**Pro Tip:** Check your credit report for errors before applying for a mortgage!



MORTGAGE FINANCING

# REQUIRED DOCUMENTATION

1

Proof of Income & Employment

2

Proof of Assets & Savings

3

Debt & Financial Obligation

4

Credit Score History

5

Pro Tip: If you own your own business or are on a commission based income structure you will need other documentation to prove your income and ownership of the business.



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# KEY MORTGAGE TERMS YOU SHOULD KNOW

1

**Fixed vs. Variable Rate:** Fixed offers stability, variable can save money over time.

2

**Amortization:** Length of time to pay off your mortgage (e.g., 25 years).

3

**Closing Costs:** Are approximately 1.5-4% of purchase price, for legal fees and land transfer tax.

4

**Pro Tip:** Factor in closing costs early to avoid last-minute surprises!





## SUBMITTING AN OFFER

# WHAT IS AN OFFER?

1

**Documents:** (Offer Summary, Confirmation of Cooperation, Agreement of Purchase and Sale, Schedule A, Schedule B)

2

**Components of an Offer:** Price, Deposit, Closing Date, Conditions, Clauses

3

**Common Conditions:** Financing, Home Inspection, and Status Certificate.

4

**Irrevocable:** Time given to the other party to respond to then offer.

5

Normal Response Window is 24 hours to 48 hours for the other party to accept, counter offer, or reject.



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## SUBMITTING AN OFFER

# NEGOTIATIONS



- When negotiating it is extremely important to have a strategy in place that both you and your Realtor believe in.
- Once the strategy is in place, it is important to stick to the plan.
- You need to set limits and know when to counteroffer and when to stand firm.
- Understand what is important to you and the seller .
- Don't get emotional.

### **Our role as your realtor in guiding negotiations effectively:**

- Provide you with an understanding of value
- Provide you with an understanding of the negotiating landscape
- Uncover information that will help us in our negotiations
- Negotiate the best terms for you
- Negotiate the best price for you.



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# MULTIPLE OFFERS



Bidding wars happen when a multiple buyers view the property is listed lower than the perceived Market Value. These scenarios often happen in Buyers Market, but can still be proven to be successful in other markets if the property is unique, located in highly sought after areas with high Buyer demand.

## **What happens in a Multiple Offer Scenario?**

- Increased Perception of Value
- Increased Demand
- Increased Price
- We as your Realtor will advise you on how to make your offer stand out.



## THE CONDITIONAL PERIOD

# WHAT IS THE CONDITIONAL PERIOD?

1

Once an offer is accepted, you will have a 5 to 10 day period in which you have to waive or fulfill the conditions on your agreement (if any).

2

Hire a home inspector to check for issues.

3

Have your Mortgage Broker complete the final mortgage approval.

4

If all checks out, you waive conditions and move to closing!

5

**Pro Tip:** Even in competitive markets, don't skip the home inspection!



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## THE CONDITIONAL PERIOD

# THE REALTORS ROLE

\ KNOW WHAT YOUR TEAM WILL DO FOR YOU AT CLOSING

6

Reviews contracts and ensures buyers understand all legal terms and conditions.

7

Connects buyers with trusted professionals (lawyers, home inspectors, mortgage brokers, etc.).

8

Manages the offer process, conditions, and paperwork to ensure a smooth transaction.

9

Supports buyers through the closing process, including final walkthroughs and key handover.

10

Provides ongoing support even after closing to answer questions and assist with future needs.



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## THE CONDITIONAL PERIOD

# THE HOME INSPECTION

1

Conducts a detailed inspection of the purchased home's structure, systems, and safety, on behalf of the Buyer(s).

2

Identifies and informs Buyer's of potential issues like foundation cracks, leaks, or outdated wiring.

3

Provides the Buyer with a comprehensive report outlining necessary repairs or concerns.

4

Helps buyers understand maintenance costs and future expenses.

5

Offers professional advice to a Buyer the costs to bring the purchased property to safe conditions, so the Buyer may decide to proceed, negotiate, or walk away.



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## THE CONDITIONAL PERIOD

# THE STATUS REVIEW

If your purchase is a condominium and you have a condition for your lawyer to review the condominium's status certificate.

1

A Status Certificate is a document provided by a condominium corporation that gives a detailed snapshot of the financial and legal health of a condo unit and the building as a whole.

2

Your lawyer will review the status certificate and all its attachments to assess any risks before purchasing the unit.

3

Lawyers review it to spot red flags (like a building that's low on reserves or facing major repairs).

4

Mortgage lenders may require it before approving financing.

5

Buyers will need it to understand their legal rights, limitations and responsibilities as owners.



THE CONDITIONAL PERIOD

# THE MORTGAGE APPROVAL

1

Help you secure financing that fits your needs.

2

Lock in an interest rate and confirm mortgage approval.

3

Provide advice on fixed vs. variable rates and term lengths.

4

Collaborate with your lawyer to ensure timely funding on closing day.



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## THE CLOSING PERIOD

# CLOSING COSTS

1

Land Transfer Tax – Provincial tax plus Toronto's additional municipal tax if applicable. (Rebates available for first-time buyers.)

2

Title Insurance – \$250–\$500, protects against title fraud and other legal risks.

3

Property Tax Adjustment – Buyers may need to reimburse sellers for prepaid property taxes.

4

Mortgage Insurance (CMHC) – Required if down payment is less than 20%, added to mortgage.



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## THE CLOSING PERIOD

# THE LAWYER'S ROLE

1

Reviews the Agreement of Purchase and Sale to ensure legal protection.

2

Conducts a Title Search on the property's title

3

Manages the transfer of ownership and funds on closing day.

4

Reviews and explains all the legal documents

5

Ensures buyers understand their legal rights and responsibilities.



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# About Us:

We believe that every buyer and seller deserves professional service from a skilled and knowledgeable Realtor, that truly puts their clients' priorities over their own.

As your Realtors, our priority is your success. We want to help make your dreams become reality and be there for you throughout your real estate journey. To learn more about our signature process and how we can help you move, please contact us today!



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