



Seminar educates buyers

People wanting to enter the housing market help house others.

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Several Langley residents, interested in buying their first homes, found out the dos and don'ts of home shopping at a seminar Tuesday to benefit Habitat for Humanity.

Five local experts teamed up to offer perspectives to the first-timers in exchange for a modest donation to help the house-building charity.

And what the first-time buyers heard was they need to do their homework - before, during and after a sale.

"When they start in on the process, they're really not educated on how it works," said Bill Noy, of Hugh and McKinnon Realty.

Before even setting foot in a house up for sale, buyers should get a pre-arranged mortgage.

"It's pointless to see a realtor without knowing how much you can afford," he explained.

And affordability includes many factors - the mortgage itself, the interest rate of that mortgage, mortgage insurance, closing costs (up to \$2,000), amount of down payment, credit history, income, health, and more.

Tracy LaChance of Investors Group said first-timers can use up to \$25,000 from their retirement savings towards their downpayment but there are strict rules. She also outlined private mortgage insurance versus lender-controlled and the benefits and drawbacks of each.

Kelly Jewitt of Dominion Lending said lenders look at three key components of a person's financial state: credit, down payment amount, and income. And they look at them much more closely since the global financial crash.

"A year or two ago, it was a lot easier to get a mortgage," she noted.

She took the first-timers through some basic calculations to determine what they can afford based on all their other expenses (car loans, credit card debt, etc) and typical household expenses (heating, property taxes etc) that must be included in any number crunching.

Once buyers find a home they would like to buy and submit an offer, they include conditions in that offer, such as a requirement for a home inspection to point out defects or problems, a title search and a property disclosure statement as well as making the deal subject to financing (approval by the buyer's lender).

He explained at what point buyers can no longer withdraw their offer to purchase (without facing legal action and a loss of deposit).

He noted that first-time buyers, typically renters, have an advantage because they can be more flexible on possession dates compared to home owners who must often sell their existing property before being able to purchase the new home.

Inspector Peter Wright said home inspections are becoming routine for modern home sales.

He pointed to a few known concerns, including aluminum wiring used in houses in the 1960s and '70s, and galvanized pipes. They can all affect whether lenders will approve a deal.

"Most of the things we find are damage related to water," Wright added.

The experts wished the attendees happy househunting but had words of caution.

"Buying a home is a combination of emotion and logic," Noy said. "It's important to keep logic with the upper hand."