



Real Estate Talk: The purchase process

Description

Searching for a property with a broker and the step by step purchase process

By **Joseph Marovitch**

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If you are buying a property for the first time, it can be an overwhelming endeavour. There are questions such as where do I start? Where do I look? Should I use a broker or do this alone? How do I arrange financing? What if the house has problems? Am I paying a fair price? Will I get my money back when I sell, and the list goes on and on.

To provide a better understanding of the real estate process and all that is entailed, we will provide a series of articles that include topics such as the purchase process, the selling process, the pre-approval process, inspection, financing, cash or mortgage, marketing process, income property, buying with or without warranty, purchasing a second home and other issues. You can also contact me anytime for questions about topics presented or any other real estate issues.

Buying a property for the first time can be an overwhelming endeavour. There are questions such as where do I start? Where do I look? Should I use a broker or do this alone?... And the list goes on and on.

In this article, the first topic addressed is **searching for a property with a broker**. You can search online or through ads in the local newspapers, however, this is a time-consuming process and much effort can be wasted. An experienced broker does not cost you and can narrow your search to specific criteria such as location, number of bedrooms and bathrooms, style, and price range.



The first step is to meet several referred brokers and find chemistry, integrity, and trust. In a meeting, you will determine if the broker appears informed, professional, and trustworthy.

Questions to ask include:

- How long have you been a broker?
- Have you purchased many homes?
- How do we finance?
- Can you recommend a mortgage broker?
- Can you recommend an inspector?
- Can you recommend a notary?

These are not complicated questions but you want to detect knowledge, patience, integrity, professionalism, the ability to negotiate, and commitment to you... and not just a sale. If your gut feeling is positive, then use the broker. If not, go to the next broker.

The wrong broker to buy or sell a property can lead to legal issues and plenty of frustration. The broker should ask you several questions as well to determine and create a foundation of trust. After all, you will be working together intensely for a time.

‘The wrong broker to buy or sell a property can lead to legal issues and plenty of frustration.’

The following is the purchase process step by step.

Meet the broker at your home or in their office to determine:

- Type of property – residential, detached, semi detached, condo
- Number of bedrooms
- Number of bathrooms
- Parking or garage or both
- Location
- Price range
- Style – old, new, concrete, wood, brick, stone
- Financing – mortgage or cash? A mortgage requires a pre-approval and cash requires proof of cash.

The process

1. The broker searches and reviews listings based on criteria provided by the buyer.
2. The broker emails listing to the buyer to preview.
3. If the buyer finds any listings to be of interest, the buyer informs the broker.
4. The broker arranges visits.
5. The broker checks for liens, mortgages, registered rights, etc.
6. The broker compares property to other comparable sold property.
7. Using all the previous information, the broker determines the best price possible, with the buyer.
8. The broker prepares promise to purchase with price and conditions.
9. The broker presents the offer in the best possible light to achieve the conditions required and get the lowest offer accepted by the seller.



10. The broker prepares counteroffer if required.

Once an offer is accepted

11. The broker ensures all required documents are provided to the designated notary.
12. The broker ensures financing is arranged with bank evaluations.
13. The broker ensures inspection deadlines.
14. The broker handles miscellaneous problems: certificates, loans, servitudes, non-conformities, septic, well, weeping field, etc
15. The broker arranges the signing

Should you have questions or comments, please refer to the comments section at the bottom of the page. As well, to view past articles, [click here](#).

Next article: **The financing process: Pre-approval or proof of cash**

State of the market

CPI today (inflation rate) 6.3%

Canada prime rate 6.45%

TD 5-year fixed 5.44%

The good news is inflation has decreased again to 6.3% which means interest rates are having an effect on the price of goods and services. The falling inflation rate also gives the Bank of Canada pause to consider further interest rate hikes. However, chances are higher that there may be more rate hikes to come as there are still many factors influencing the inflation scale.

‘... there is still pent-up demand from buyers who are waiting for the rates to drop. As there is an expectation that this will occur in 2024, we may see a bounce back in prices at that time.’

According to the **Canadian Real Estate Association (CREA)** we can expect **a further 5.9% drop in home prices** due to a lack of inventory and interest rate hikes to come over 2023. However, there is still pent-up demand from buyers who are waiting for the rates to drop. As there is an expectation that this will occur in 2024, we may see a bounce back in prices at that time.

If the consumer price index (inflation) decreases, and property values rise due to lower rates, we will see a more balanced market. For now, cash is king with decreasing prices.

Have a great week!

Let's not forget that people with cancer are vulnerable too!

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sur le cancer

Cancer Research Society

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Joseph Marovitch has worked in the service industry for over 30 years. His first career was working with families from Westmount and surrounding areas, hosting children between the ages of 6 to 16 as the owner and director of Camp Maromac, a sports and arts sleep away summer camp established in 1968. Using the same strengths caring for the families, such as reliability, integrity, honesty and a deep sense of protecting the interests of those he is responsible for, Joseph applies this to his present real estate broker career. Should you have questions please feel free to contact Joseph Marovitch at 514 825-8771, or josephmarovitch@gmail.com

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1. Article | Real Estate

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1. Joseph Marovitch
2. property purchase
3. Real Estate Talk
4. state of the market

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