

Come Home to  
**CARACO**

# FIRST TIME HOME BUYERS GUIDE



## WHAT IS A PRE-SALE HOME?

A pre-sale home is a home that is available for purchase before it has been built or is in the construction phase and not yet “move-in ready”. When you are conducting your search for a new home in Kingston, Ontario, be sure to consider CaraCo’s pre-sale and new build homes as they offer convenience, less stress (no bidding wars with other potential buyers!), maximum energy efficiency and a great deal of savings.

To provide our clients with a better understanding of the presale process at CaraCo; here is a helpful step by step guide to begin your search for your forever home.



## DETERMINE YOUR AFFORDABILITY

Your first step in your new CaraCo home journey begins with determining what you can comfortably afford. Once you have established your realistic financial parameters, you can move forward with your search better informed.

There are many mortgage calculators available online to help you to determine your financial position or you can speak with a mortgage specialist who can guide you through the entire process and help you make the best decision for you and your family. Understanding today’s current interest rates offered by both financial institutions and mortgage lenders is crucial to your search.

## PRE-QUALIFY FOR A MORTGAGE

Prequalification is essential for securing a mortgage to purchase a CaraCo home. Your lender will be able to verify your financial status and credit level based on documentation that you supply such as income and banking statements.

Banking institutions and brokers recommend that no more than 30% of your annual gross income should go towards housing expenses: principal, interest, and property tax. Depending on your financial situation, you may be required to have a 20% down payment in other cases you may be able to opt for just 5% down payment.

A family member may offer to contribute to your home purchase by offering a monetary gift, which will need to be verified, to ensure it is not perceived as a loan.

**Lenders will use the following calculations to determine what your maximum affordability is:**

- Affordability Calculation
- Insurance Rates
- Mortgage Default Insurance
- Stress Test

## RESEARCH YOUR OPTIONS

Once you have established what you can comfortably afford in today's market, you can meet with a CaraCo sales associate to discuss your initial decisions, location preference, home requirements and any other amenities.

Every CaraCo home floorplan has its own unique features and functionality to suit a variety of needs.

Consider your situation now, next year, and your 5 year plan. Are you single, a couple, planning a family or a fully established family?

Consider your daily commute and your mode of transportation. Does the neighbourhood have access to bus stops or will you require a home with a sizable garage and parking space? Think about the community you would like to live in. What amenities do you need?

CaraCo offers 3 unique series of home floorplans to choose from:



### URBAN SERIES

3 unique designs to choose from including 4 fantastic townhomes ranging from 1,400 to 1,600 sqft as well as a 1,750 sqft semi-detached home.



### SUMMIT SERIES

12 beautiful home designs including 3 stunning bungalows ranging from 1,350 to 1,650 sqft and 14 stunning two storey homes ranging from 1,620 to 3,000 sqft.



### LIMITED SERIES

7 stunning home plans designed for our largest 50 ft lots including 3 bungalows ranging from 1,850 to 2,000 sqft and 4 two storey homes ranging from 2,700 to 3,200 sqft.

CaraCo currently builds in three beautiful new subdivisions across Kingston:



### RIVERVIEW

Our new east end community with access to the waterfront, a municipal trail and a beautifully preserved forest. Access to several schools and the Riverview Shopping Centre for shopping convenience.



### TRAILS EDGE

Our most central subdivision with easy access to Highway 401, the West End and Downtown. Just minutes away from over 120 shops and restaurants, big box retail plazas and recreational facilities.



### WOODHAVEN

A quiet neighbourhood surrounded by several schools and greenspaces. Minutes from the Cataraqui Centre and hundreds of retail shops, restaurants as well as activities for the whole family to enjoy.

## MAKE AN OFFER

After you've narrowed down your lot/model and subdivision choice, please contact your Real Estate Agent to present an offer. If you've made an unconditional offer, that means you're certain you want to buy a property and that you're able to complete the transaction.

A conditional offer means that the sale of your home is subject to other factors. You can make your offer subject to multiple conditions, and if the conditions are not met, you can complete a mutual release without paying a penalty or losing your deposit.

### Common conditions include:

- Approval of financing from your financial institute & Lawyer Review Period.

### Please Note:

*Conditions provide you, as the buyer, some level of protection by returning your deposit if conditions are not met. However, in an event of multiple offers on a home, the Seller will often choose the deal with the least number of conditions.*

## GET YOUR OFFER ACCEPTED:

The Seller will review the conditions, purchase price, requested possession dates, and any other details of your offer. Once negotiations from both sides come to an agreement, the builder or Seller will accept the offer.

**Caraco's Deposit Structure:** 10% of the Total Purchase Price

### Paid to the seller as follows:

1. \$1,000 due upon the acceptance of the Agreement of Purchase and Sale
2. \$14,000 due the later of; acceptance of this Agreement, or Waiver of all Conditions
3. \$25,000 due thirty days following the previous deposit
4. Remaining Balance to 10% of the Purchase Price Due 60 days following the previous deposit received.

## REMOVAL OF CONDITIONS (IF ANY):

Most home sales and purchases have at least a few standard conditions (financing approval, lawyer review etc.) that form part of the formal Agreement of Purchase and Sale. These conditions must at some point be "fulfilled, "satisfied" or "waived" for the agreement to be binding upon the parties and the transaction to proceed to closing. The most common condition is financing approval.

Here is when you will work with your lender and supply all the necessary paperwork to get approved, such as your employment record, and select the right loan for you . As a general rule, if waiving fulfillment of a condition could materially affect you, be very sure you wish to remove that condition. For best practice, it is best to not sign anything until your lawyer gives you the go-ahead to do so.

## CaraCo is pleased to offer our Mortgage Rate Guarantee, in partnership with TD Bank.

Exclusive to our purchasers, we offer a capped interest rate for up to 18 months from the date of mortgage approval to Closing Date.

Speak to our representative for more information:

Joel Millard, Sales Representative  
RE/MAX Rise Executives Inc., Brokerage  
623 Fortune Crescent, Suite 110, Kingston,  
Ontario K7P 0L5

Office: (613) 546-4208

Cell: (613) 561-7187

Email: [info@joelmillard.com](mailto:info@joelmillard.com)

## WORKING WITH A LAWYER

Real estate lawyers offer a multitude of services that aid their clients in purchasing or selling a home. They take the legal matters related to the purchase or sale entirely off your hands.

Real estate lawyers review all legal documents, such as the Agreement of Purchase or Agreement of Sale and, in the case of a condominium purchase, the Status Certificate.

They ensure property taxes are up-to-date and no claims are listed against the property. They also confirm if there is a valid title and calculate the land transfer tax that is due upon closing.

Additionally, your lawyer is responsible for transfer of funds from bank to builder or bank to the Seller's bank. After funds have been transferred and approved, this is when you'll receive keys/possession to your new home.

## SELECTIONS & UPGRADES:

Our Design Consultant will contact you to begin the selection process within 2-weeks of your offer is accepted. We'll invite you to our Design Centre at 234 Concession Street go over your options, make your interior & exterior selections and finalize your paperwork.

During the selection process you may make changes or additions to your contract, all of which will be documented on a 'change request'. Change requests are an extra to the contract and priced separately.

Each change request will clearly show the cost of your upgrades, and we will regularly summarize the cost of your revised contract total to help you keep on budget. Be sure to keep your mortgage company and lawyer up to date on this paperwork as well.

In order for us to meet our construction timelines, all upgrades, color selections and change orders must be completed prior to commencement of construction. Our design consultant will schedule an appointment prior to your file deadline.

Although it will be some time before selections are installed, we need to order them in advance to prevent delays.



## SETTING UP UTILITIES

Utilities in a home include electricity, gas, water, sewer. These essentials are the things you need in daily life to ensure you have a working, comfortable, livable space.

CaraCo will provide a list of closing requirements to their purchasers 3-weeks prior to closing date. The information contains helpful contacts required to be contacted prior to the scheduled closing date to ensure accounts are set up and active for move-in.



### CONTACT UTILITIES KINGSTON

(613) 546-1181

[info@utilitieskingston.com](mailto:info@utilitieskingston.com)

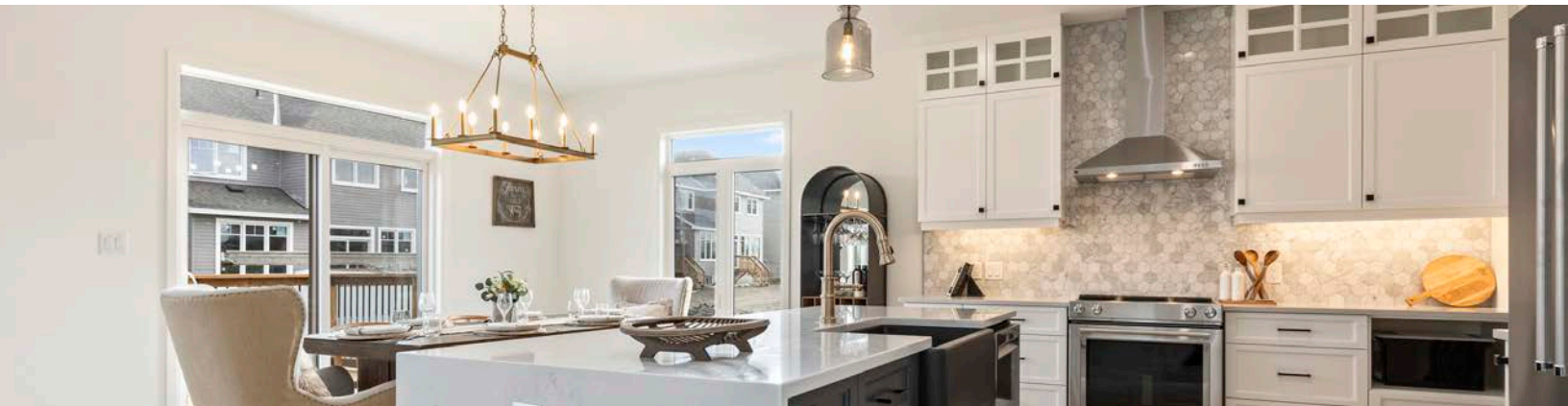
[www.utilitieskingston.com](http://www.utilitieskingston.com)

## NEW CUSTOMER

If you haven't set up a Utilities Kingston account before, you can open a new account online via their website. Please note, it can take anywhere from two to five days to set up a new service.

## EXISTING CUSTOMER

For those with an existing account with Utilities Kingston, your service will be transferred to your new home using your existing account. Service end date at your old home and the start date at your new home will be required.



## PROPERTY TAXES

Property taxes are collected by the municipality to help pay for municipal services. You can pay these taxes in a lump sum or incorporate them into your regular mortgage payments. It usually takes the City of Kingston two to three weeks after possession for your new purchase/record to finalize.



### CONTACT CITY OF KINGSTON

(613) 546-0000

[tax@cityofkingston.ca](mailto:tax@cityofkingston.ca)

[www.cityofkingston.ca/residents](http://www.cityofkingston.ca/residents)

## HOME INSURANCE

Prior to your homes closing date, you should contact your insurance company and purchase home insurance so it's in place for when you move in. Home insurance can often be bundled with auto insurance to help save costs.

If your home sustains major damage, the insurer and company will rebuild it to builder specs. That's why it's important for your insurance to include planned or completed improvements. This will ensure items you add to your home, like new flooring or a deck, are also covered.\*

### **\*Please Note:**

*Any personal property or belongings are not included within the Builder Warranty.*

## PRE-DELIVERY INSPECTION

Before you take possession of your new home, CaraCo is required to conduct a pre-delivery inspection for all homeowners as a Tarion Warranty Requirement. We will meet our clients in their new home for this appointment. We generally spend around 1- 2 hours walking the homeowners through the house, including going over the operations of mechanical systems, maintenance schedules, and recording any deficiencies.

A few days prior to your closing date your lawyer will invite you to their offices to sign off on closing documents, you will sign off on all the paperwork required to complete the purchase, including your loan documents. It typically takes a couple of days for your loan to be funded after the paperwork is returned to the lender.

## ON THE DAY OF CLOSING:

Once the funds have been received from the mortgage company, your lawyer will hand you the keys to your new CaraCo home!

**Please Note:**

*Depending on when you take possession of your home, there will be seasonal items that may not be addressed before you move in, mainly exterior items such as parging, eavestrough, sidewalk and driveways, rough grade and landscaping. These outstanding items are noted by the builder and will be in accordance to our construction schedules.*

