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## BUYER'S GUIDE

Buying a home, whether it is your first time or not, is an exciting experience that can be unsettling if you don't know what to expect.

I have designed this package to help you assess your needs and wants and answer a few questions, some you may not have thought of.

There are also other costs involved in purchasing a home other than the purchase price, legal fees, survey certificates, home inspection to name a few. I hope this package will be of assistance to you in your house hunting venture.

Working with a realtor who has your best interest in mind will make this journey less stressful and much more enjoyable. Be sure to ask me what other services I provide in my quest to

**“Delivering The Service You Deserve!”**

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# About David



Hello!

Between myself and my wife Cathy (who has recently changed job titles to Licensed Real Estate Assistant) we have a combined total of over 9 years of Professional Real Estate experience.

Before becoming a Realtor I served the City of Fredericton for 26 years as a full time firefighter. During my career I was fortunate to serve on the executive of Local 1053 IAFF in various capacities such as Secretary and President as well as serving on a variety of committees including negotiations for contracts and grievance arbitrations. On my days off I worked at building a painting and renovations business which I continued for 2 years following my retirement from the fire service. Cathy and I have designed and built four homes and renovated a couple others. This has given me a good understanding of building construction which is very helpful in assisting you in buying or selling your home.

Since becoming a Realtor I have more control over my time and I am now able to do more volunteer work, I am also involved with my church serving on the Board of Management. Once a month the Fredericton-Oromocto Firefighter's Alumni meet and I have assumed the role of secretary for the group. Twice a year I help out at the Blood Donor Clinics and am a regular blood donor, something I encourage others to do.

And remember, I can show you any property listed on the MLS system and I am ready to help you by

Delivering the Service **YOU** Deserve!

I am a proud supporter of:



# Explanation of Home Styles

## *Single-family Detached*

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Single-family detached is the most popular style of home which is a free-standing residential building and the best solid investment. Most single-family homes are built on lots larger than the structure itself, adding an area surrounding the house, which is commonly called a *yard*.

## *Semi-detached*

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Semi-detached housing consists of two residential houses built side by side as units sharing a common wall and are usually in such a way that each house's layout is a mirror image of its twin. These houses are generally less expensive and not require as much maintenance work compared to single-family detached housing.

## *Row House or Town House*

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A row house or town house is much like the semi-detached housing. It consists of multiple, generally identical houses joined by a common wall. Typically the houses on each end are a little brighter as they can have windows along the side.

## *Duplex*

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A duplex house is a dwelling comprising two units on two different floors. Unlike semi-detached housing, the building is generally owned by one family. Duplexes can be a great starter home for many first time home buyers by living in one unit and renting out the other for additional income to help on the financing.

### *Link or Carriage Home*

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Houses joined by garages or carports which provide access to the front and back yards. Builders sometimes join basement walls so that link houses appear to be single-family homes on small lots. These houses can be less expensive than single-family detached homes.

### *Mini Home*

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Mini homes are a type of home which is largely assembled in factories. It is then transported to your chosen location and placed on a surface-mounted foundation. The term mini home has replaced the term "mobile home".

### *Modular Home*

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Modular homes are sectional prefabricated houses that consist of multiple sections which are manufactured in factories and then transported to your chosen location. The sections are assembled into a single residential building using either a crane or trucks.

### *Condominium*

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Condominium refers to a form of legal ownership as opposed to a style of construction. Condominiums can be high-rise residential buildings, townhouse complexes, individual houses and low-rise residential buildings. It may simply be defined as an "apartment" that the resident "owns" as opposed to rents.

# Get Pre-qualified for a Loan or Mortgage

Find out what the maximum is that you can afford to offer on a house. There is nothing more disappointing than finding your dream home and then realizing you can't afford it. You should not look at homes that are more than 5% above your comfort zone.

The maximum home price that you can afford depends on a number of things, but the most important are how much you make, how big your down payment is and what mortgage interest rate you can get. This table gives you an idea of the maximum home price you can afford based on your income and down payment.

Household Income	5% Down Payment	Maximum Home Price	10% Down Payment	Maximum Home Price	25% Down Payment	Maximum Home Price
\$25,000	\$3,000	\$60,000	\$6,300	\$63,000	\$18,900	\$75,600
\$30,000	\$3,900	\$78,000	\$8,200	\$82,000	\$24,700	\$98,800
\$35,000	\$4,800	\$96,000	\$10,100	\$101,000	\$30,300	\$121,200
\$40,000	\$5,700	\$114,000	\$12,000	\$120,000	\$36,000	\$144,000
\$45,000	\$6,600	\$132,000	\$13,900	\$139,000	\$41,700	\$166,800
\$50,000	\$7,500	\$150,000	\$15,800	\$158,000	\$47,400	\$189,600
\$60,000	\$9,300	\$186,000	\$19,600	\$196,000	\$58,800	\$235,200
\$70,000	\$11,050	\$221,000	\$23,400	\$234,000	\$70,100	\$280,400
\$80,000	\$12,500	\$250,000	\$27,200	\$272,000	\$81,500	\$326,000
\$90,000	\$14,400	\$288,000	\$31,000	\$310,000	\$92,800	\$371,200
\$100,000	\$16,275	\$325,500	\$34,800	\$348,000	\$104,300	\$417,200

Figures are rounded to the nearest \$100. This table assumes a mortgage interest rate of 8 per cent, average tax and heating costs in Canada, and the mortgage an average Canadian would qualify for based on a 32 per cent debt service ratio.

# Looking at a Home's Potential

When shopping for your new home it is always important to not fall into the trap of not seeing a home's potential because of bad decorating, dingy walls, or little to no landscaping. If you don't see beyond the horrible wallpaper, funky light fixtures or shag carpeting, you may miss out on a home with great potential.

If the floor plan of the house you are looking at doesn't quite suit your needs, consider rearranging it or adding on to the home. The cost of these renovations should play a role in how much you offer.

If the walls are painted a color you don't like or is covered in hideous wallpaper, try to picture them crisp and clean in a color of your choice. Quite often this is the easiest "fix" for a home that has colors you truly don't like.

The floors are another area that is an easy fix. Replacing outdated carpeting with a style and color of your choosing makes the house feel like home and reflects your personal taste. You could even ask for a carpet allowance in your bid, especially if you're in a buyer's market.

Don't get hung up on little or poor landscaping. This is something that you can improve over time. Plus it will reflect your style and taste when done by you.

# House Hunting Needs vs Wants

When you're shopping for a new home, it's a good idea to create a checklist of what you want and what you need. It keeps you on track to ultimately find the property that best fits your requirements, and those of your family. However there is a big difference between need and want that is very important to understand when house hunting. A need refers to an absolute must while a want by contrast, is a nice to have. Some home buyers make the mistake of choosing a want at the expense of a need...

For example:

*Say you 'need' four bedrooms in your new home but 'want' a golf course located nearby. It can be tempting to fall in love with a property that has a beautiful golf green just a couple of blocks away, even if it has only three bedrooms. You may find yourself signing the offer while dreaming of Saturday morning tee-offs, only to awake to the realization months later that the lack of an extra bedroom has become a serious inconvenience to you and your family.*

Of course it is possible to get most, if not all, of what you need and want in a new home. However if it comes down to a choice, it's usually a good idea not to sacrifice something you really need in order to get something you want. So when you're making your house hunting checklist, be clear about what a need-to-have is and what a nice-to-have is.

Don't forget that some features you want — like a wraparound backyard deck, for example — can potentially be added to your new home later.

Does all this mean you can't get the home you want, just the home you need? Not at all! By having two separate lists, you can make the best decision. You can make sure you find a home that meets all your requirements and, ideally, one that offers as many of the "extras" as possible.

# House Hunting CHECK LIST

LEGEND								
N = Need			W = Want			DW = Don't Want		
<b>Home Style</b>	<b>N</b>	<b>W</b>	<b>DW</b>	<b>Heating</b>	<b>N</b>	<b>W</b>	<b>DW</b>	
Single Family Detached				Electric				
Semi-Detached				Oil				
Town House				Wood				
Condominium				Natural Gas				
Mobile/Mini				Propane				
Other: _____				Baseboard				
New				Heat Pump				
Previously Owned				Other: _____				
<b>Location</b>	<b>N</b>	<b>W</b>	<b>DW</b>	<b>Floor Plan</b>	<b>N</b>	<b>W</b>	<b>DW</b>	
Central City				Basement				
Suburbs				Finished Basement				
Outside City				Family Room				
Away from Heavy Traffic				Formal Dining Room				
<b>NEAR</b>				Formal Foyer				
Job				Formal Living Room				
Schools				Great Room				
Parks				Mud Room/Laundry Room				
Shopping				Office				
Entertainment/Restaurants				Rec Room				
<b>Exterior</b>	<b>N</b>	<b>W</b>	<b>DW</b>	<b>Kitchen</b>	<b>N</b>	<b>W</b>	<b>DW</b>	
Aluminum Siding				Appliances				
Brick				Dishwasher				
Stone				Eating Area				
Stucco				Desk Area				
Vinyl Siding				Pantry				
Wood				Center Island				
<b>Condition</b>	<b>N</b>	<b>W</b>	<b>DW</b>	<b>Bedrooms</b>	<b>N</b>	<b>W</b>	<b>DW</b>	
Well Kept				Number: _____				
Fixer Upper				Master Suite				
Needs Minor Work				Rooms for Future Children				
<b>Driveway</b>	<b>N</b>	<b>W</b>	<b>DW</b>	<b>Bathrooms</b>	<b>N</b>	<b>W</b>	<b>DW</b>	
Single				Number: _____				
Double				Shower				
Gravel				Tub				
Paved				Double Sinks				
<b>Exterior Features</b>	<b>N</b>	<b>W</b>	<b>DW</b>	<b>Interior Features</b>	<b>N</b>	<b>W</b>	<b>DW</b>	
Lot Size: _____				Alarm System				
Backyard				Central Air				
Fenced Yard				Central Vacuum				
Garden				Fireplace				
Good View				High Ceilings				
Mature Trees				Vaulted Ceilings				
Above Ground Pool				Wheel Chair Accessible				
In Ground Pool				Whirlpool Tub				
Patio/Deck				Wood Floors				
Privacy				Workshop				

# BUYING A HOUSE - THE LEGAL SIDE & CLOSING COSTS

## Don't Get Caught By Surprise

This summary is intended to alert you to most of the possible closing costs you will face in buying your home. Most people have carefully budgeted to acquire a home and don't like surprises at the last minute. Therefore, you should research your closing costs and find a lawyer 1) who you feel comfortable with, and 2) who can review your particular transaction and provide you with an **"all inclusive"** and **"complete"** estimate of your closing costs to avoid scrambling for funds at closing.

### 1. Legal Fees

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Legal fees are normally **flat rated** on a real estate transaction and should be added above and beyond the quoted amount unless clearly reviewed with the purchaser prior to closing. The average legal fees for a standard Purchase and Mortgage transaction is in the range of \$600.00 to \$1,000.00 plus HST.

### 2. Disbursements

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Disbursements include photocopies, faxes, postage, mileage and courier. Often a good idea to have these costs flat rated as well to avoid surprises as some banks require more paperwork than others. You should budget between \$50.00 and \$135.00 plus HST unless the amount is **"flat rated"**.

### 3. Title Search

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There is a minimum 40 year search required by law on a property. Title search fees can range between \$100.00 and \$500.00 and it is therefore a good idea to have this cost **"flat rated"** as well at between \$150.00 and \$300.00 plus HST. If the property is under the new Land titles system, only a sub-search is required instead of a complete search which normally costs

around \$60.00 plus HST (plus \$30.00 for a Certificate of Registered Ownership if not provided by the Vendor).

#### ***4. Registration Fee***

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Plan to pay for a government fee of \$55.00/document/PID (parcel of land). An average transaction involves 1 piece of land with a Transfer and Mortgage, thus \$110.00 to register in total. If there is more than 1 parcel of land, your lawyer may be able to consolidate them into one parcel at no additional cost to you.

#### ***5. Transfer Tax***

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This is another government fee which is calculated as  $\frac{1}{4}$  of 1% or the higher of either the purchase price or tax assessed value; i.e. a house which is tax-assessed at \$96,000.00 and purchased for \$100,000.00 will be charged a \$250.00 transfer tax.

#### ***6. Title Insurance/Survey***

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Most banks require an accurate survey plan which is no more than 10 years old, verified by an affidavit sworn by the purchaser that the same is accurate. If the vendor has an accurate survey, the purchaser need not pay anything. In the absence of a vendor's survey, the purchaser will have to get a new survey. The cost is around \$550.00 plus HST or Title Insurance can be secured for around \$150.00. Ask the realtor if a survey is available and review it before closing.

#### ***7. Property Adjustments***

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Adjustments will be paid by the purchaser for items such as water & sewer cost, oil and propane if applicable. Water & Sewer is only adjusted in areas where rates are paid in advance; i.e. Oromocto and New Maryland. Where there is an oil tank or propane tank, the Vendor normally arranges to have the tank filled on the closing day and the purchaser pays for 1 full tank of oil or propane (even if it is in the summer).

## 8. Property Tax

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The purchaser is required to reimburse the vendor for the purchaser's share of the property tax for the year which is calculated by taking the current tax levy for the year, dividing it by 365 and multiplying it by the number of days left in the year following the closing date; i.e. If taxes are \$400/year and the closing date is June 30, then the purchaser will pay \$200.00 to the vendor for the property tax. If the closing date is prior to tax being assessed for the current year, then it is the vendor who will reduce the purchase price according to the vendor's share of taxes for the year as it is the purchaser who will be required to pay the taxes in full once the same are assessed. Properties that are non-owner occupied or have rental units pay a higher premium of property tax. Where the purchaser intends to occupy a property which is non owner occupied, they will still have to adjust taxes according to the current, higher rate. Following the closing, the purchaser will be able to apply for a credit in relation to a portion of the adjustment paid.

## 9. Ancillary Documents

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Some banks may require additional certificates; i.e. Sheriff Certificate \$20.00 or a Tax Certificate \$20.00 etc. These should be discussed with your lawyer when obtaining a quote.

Note: all numbers are based on figures used by the law firm which prepared this summary and does not reflect fees and levies levied by all law firms. **Prices may have changed since the printing of this document.**

In the event that you are selling one property and buying another at the same time, be sure to mention this fact to the solicitor giving you a quote as you may receive a **"multiple transaction discount"**.

A **professional house inspection** (depending on the size of the house) will cost \$350.00 and up plus HST.

# REFERRALS

## Lawyers:

Al Irvine  
(506)453-9919

Barbara Smart  
(506)472-4872

Jack Elias Youssef  
(506)472-2172

## Home Inspectors:

Pillar to Post  
Dan Ferguson  
(506)455-7678

A Buyer's Choice  
Mike Morton  
(506)261-0692

Pro-Sight Inspections  
Jean Paul Arseneau  
(506)470-9908

## Mortgages:

The Mortgage Group  
Carolann Young  
(506)470-1098

Scotiabank  
Shawn MacDonald  
(506)444-1032

CIBC  
Jamie Ryan  
(506)471-1976

# TESTIMONIALS

I have known Cathy for many years and the outstanding traits I recognize about Cathy is her honesty and integrity. Dave himself has done small things that might go unnoticed; we didn't and thank-you Dave. We rate the servicing of both Dave and Cathy as 100 percent. They were able to match the right client to the right house. I have no problem recommending this couple to friends and family. Both, Dave and Cathy were very attentive and committed in meeting our needs and our schedule.

C. Trecartin

The level of service that was provided to us through Cathy and David Calhoun was outstanding we had complete trust in them that they would do their very best to take care of all our realty needs, which they did with so much compassion and kindness that we were truly impressed, and would certainly recommend them very highly to anyone we know, friend or family members alike. I felt very comfortable with them and they treated us with respect and kindness to which we were truly grateful.

S&L Verrill

I have a high degree of trust and comfort in the real estate support service provided by Cathy & David Calhoun. I have confidence in their knowledge and intuition. They also exhibited lots of patience and seemed sincere in there desire to help me find the best home for me. Quality of service is exceptional and I have no hesitation in recommending Cathy or David to a friend. Overall feeling of confidence, knowledge and completeness.

C. Casey

Our trust and comfort level with Cathy and Dave was 100% plus. Quality of service again 100%. We would highly recommend Dave and Cathy to family and friends to assist with the selling or buying a home. Over all Dave and Cathy handled our real estate very professionally, they are both hard workers with your best interest in mind. They make you feel like a friend not just another client. If you want trust, truth and honesty call Dave and Cathy.

M & W Watson

We chose Exit Realty because Cathy and David Calhoun are agents there. Their professional manner and knowledge of the market availability and willingness to listen to their clients without being “pushy”, gave us utmost trust in them. They always followed through on any promises made. They worked hard to sell our home before we needed to move and communicated regularly to keep us informed. We would recommend the Calhoun Team to anyone, most especially our friends and family. To get the job done, call Dave and Cathy. For our next move – we will!

*D. & W. DuBois*

Buying our first home is a very important, personal transaction. This was our first experience with the Calhoun’s and we were impressed by their professionalism. Cathy and David were dedicated to making the purchasing process as easy and smooth as possible for us with their experience and their knowledge of the greater Fredericton market. They offered us a high standard of professional, prompt and courteous service. We will definitely recommend Cathy and David Calhoun to our friends and relatives.

*E. State & M. Mihalescu*

Most of the time people are worried about being sold or talked into something when they meet salespeople. David and Cathy made the sale of our house very comfortable. Everything was laid out for us to decide with no pressure. Both were helpful when we were getting the house ready for show and both understood and explained the housing market at the time.

We found David and Cathy comfortable and would recommend to anyone to use them to sell their house and buy another.

R & K MacDougall

Many thanks to Cathy and David for their assistance in finding us a new home in Fredericton. They were very patient in dealing with us in a long distance relationship and provided us with a wealth of information that enabled us to successfully winnow down potential houses and enabled us to quickly come to a choice when we arrived.

Very professional and outstanding patience as we went through our own problems out here (BC). They will get invited to the house warming party.

*D& M Milne*