



**The first steps
when you
buy a home**

Do you think you want to buy a home?

There are lots of things to think about before you make up your mind to buy a home.

Are you ready to take a big step like this? When you rent, many things are looked after for you. When you own your home, there are lots of things you must do for yourself or pay someone to do. Are you able to fix things yourself? If not, do you know who to call, and will you have money to pay them?



As well as your payments each month to own the home, you must pay for your heating, water, **taxes** and **insurance** for the home. (Taxes are what you pay to the local government—usually the city—to pay for roads, libraries and other services. *Insurance* is the money you pay to a company which will then pay to fix things if you have a really big problem like a fire or flood.)

Sometimes you may get bills that you had not planned for. Your furnace may break down. Your windows may leak. You must keep some money for when things happen. Can you look after your money well? If that is hard, is there someone who will help you budget?

First, let us look at what is the same or different if you buy or rent.

Cost to rent

- Rent each month.
- Security deposit—the money you pay to the landlord along with your first month's rent. You may get part of it back when you leave.
- Utilities—your electricity and water. (Sometimes this is part of your rent.)
- Insurance on your things. (You do not have to get this, but it is good to have.)
- Remember—rents may go up.
- You do not make any money when you move.

BUT the landlord pays to repair or replace things that are part of the home (so that is not a cost to you).



Cost to buy

- The down payment (the first big sum of money for the home).
- Home payments—your **mortgage** (sounds like *MOR-gaje*), taxes and mortgage insurance (this is talked about in the booklet about money and mortgages).
- Utilities (electricity and water).
- Heating.
- Insurance on your home and your things (you *must* pay this).
- You pay to fix or replace things.

BUT your mortgage payments can be kept the same for 1 year, 3 years or even 5 years at a time.

You can often make a profit (extra money) when you sell and move.

If you have looked at these things and you still want to buy your own home, you are not alone. Many people want this. They do not want a landlord. For many, it makes good sense too. Most homes go up in price over years, so when you sell your home, you can make some money.

But if you think this is not what you want, that is OK too. It may be best for you to rent. Many people are happy to rent. They do not want the worries that sometimes come when they own.

There are many things to think about if you buy a home. It is not just the money (even if that is the biggest problem).

If it is your dream to own a home, these booklets will help you step by step.

- *Mortgages and other money matters*
- *What to check when you buy a home*
- *Your home-buying team*
- *Make an offer to buy a home*
- *When it is time to move...*

If you live in Alberta, there is a program called **The Home Program** which can give you a lot of support when you want to buy a home.

You can find more on the back page of this booklet.

Where do you want to live?

First, where do you want to live? In a large town or city, a small town, or in the country? Here are some things to think about, good and not so good.

In a large town or city—Good

- There is public transportation—you do not always need a car.
- Lots to do—movies, libraries, malls, bowling.
- People who share your ideas or come from the place you come from.
- Places to get training.
- Good medical services.



BUT—Not so good

- Homes often cost a lot.
- The city may feel too big and scary.
- There is a lot of traffic in rush hour.



In a large city, you can make up your mind if you want to live near the centre or out in the suburbs (the parts away from the centre of the city). In the centre, transportation and services may be better, but traffic and noise are worse.

In a small town—Good

- Homes cost less than in large towns or cities.
- It is easy to get to know people.
- Not much crime.
- Safer for young children.



BUT—Not so good

- May not be many services—stores, doctors, dentists, movie theatres.
- May not be public transportation.
- May not be services and transportation for people with disabilities.

- People new to Canada may not meet others from the place they came from.
- Not much for teens to do.

In the country—Good

- Homes may cost less.
- Not much street noise.

BUT—Not so good

- Need a car (no public transportation).
- Must go into a town for all services, such as a visit to the doctor.
- It costs more to get repairs or services for the home (because of travel costs).
- Extra worries—such as a well for water.
- You may be lonely.



What you must pay each month when you own a home

Every month:

- Mortgage.
- Property insurance (in case of fire or other problems).
- Local, or **municipal**, taxes (sounds like *miu-NI-si-pal*).
- Utilities (electricity and water).
- Oil or gas (for heating and sometimes for a stove or clothes dryer).
- Cable (if you want it) and phone.



There are different ways to own a home

1. You may buy a home that is **freehold**. That is, you own the building and the land it is on. It is your job alone to make sure the building and land are looked after. Most single houses are freehold.
2. You may buy a **condominium**. Then you alone own your unit (your home) and you share in owning the parts of the building or buildings that are for all the people who have units in the condo.
3. You may buy a home in a **housing co-op**. This is a bit like renting. You pay to get into the co-op (about \$1,500) and then you pay money each month for upkeep. You get the down payment back if you leave the co-op, but you do not make a profit. You and the other people in the co-op together own the houses and land. There is no landlord.

What kind of home do you need?

Here are some kinds of homes.

Single house

A single house often costs more to buy than other kinds of homes. When you buy it, you buy the land it is on too. There is often a yard to go with the home.

Taxes may be higher than in other kinds of homes.

You must do any repairs and look after the home, inside and outside, or pay to have someone do them.



In towns and cities, there are rules (by-laws) which say that you must keep your grass cut and the snow cleared off your path and the sidewalk in front of your home. If you cannot do this yourself, you may have to pay someone to do the work.

If you have a bigger family, this may be the best kind of home to have.

Duplex

A duplex is two homes built together, side by side or one on top of the other. Sometimes a person will buy both parts of a duplex and rent out the second part. Sometimes each part will be owned by a different person. Duplex homes often cost less than single homes. But remember you will be close to the people in the other part of the duplex and you may share the yard.

Row house

A house that is joined to others and is owned freehold is called a row house. These often cost less than a single house, but more than a condominium.



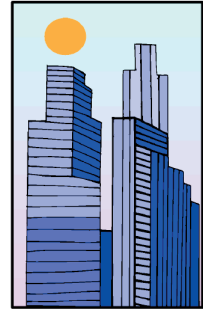
Condominium (condo)

There are different kinds of condo homes. They may be 2-level townhouses, low-rise apartments or high-rise apartments. There are things you will like or not like about each kind of condo. You must think what you need and want. Here are a few things to think about:

- An apartment is often not as big as a house. But if

you do not need a big home, an apartment may be just right for you. Most have a balcony where you can sit out or grow a few flowers.

- If you have children, you may really want a yard for them to play in.
- If you cannot go up and down stairs, it may be good to choose an apartment in a building with an elevator.



In a condo, all the owners in the building together own the land and the outside of the building. All the owners must pay condo fees each month for shared costs.

You will need to ask what the condo fees cover. They may cover your heating and water bills. They may cover extras like a meeting room or a manager who lives in the building. Places with extra services may cost more to buy and have higher condo fees.

There are rules when you live in a condo. If you buy a condo, make sure you read and understand them. Get someone to help you if you need to.



As well as condo fees, you must pay costs for any repairs inside your home.

The cost and taxes for a condo will be less than for a single house, but you may not agree with the rules, or you may want a bigger yard.

Usually local taxes, power and phone are still yours to pay.

Mobile home

This is a single home which was put together before it was placed where it is now. Sometimes they are called *manufactured homes*. They are often set on a concrete pad. Sometimes mobile homes are sold with land.

These are then called *freehold*. Other times, it will just be the home that is sold and you will not own any land. This is often in trailer courts (where there are a lot of mobile homes together). Make sure you know if it is freehold or not before you buy.

Mobile homes can be very comfortable. They have all the services you find in other houses—such as power, water and heating. These homes cost much less than a wood or brick home. Your taxes may be less than for a house or apartment, but a mobile home may cost more in repairs. You will have to pay rent in a trailer court, as you do not own the land your home is on. And most mobile homes do not go up in price as much as other homes when you sell.



It is very important that you think carefully about a home before you start to look for one. And you must know how much money you have for a home if you want to buy one. In the booklet called *Mortgages and other money matters*, you can read more about the money you will need to buy a home.

What the words mean

Condominium (often called a *condo*). In a condominium, all the owners in the building together own the land and the outside of the building. All the owners must pay condo fees each month to cover costs of looking after the shared parts. In condo apartments, fees also cover some inside parts, like the stairs.

Duplex. This is two homes built together, side by side or one on top of the other.

Freehold. This means you own the building and the land it is on.

Local taxes (sometimes called municipal taxes). Money you pay to the local government for services like roads and road signs, sewers (drains), libraries and transportation.

Manufactured home. A home that was put together before it was placed where it is now. Sometimes these are called mobile homes.

Mobile home. The same as a manufactured home.

Mortgage (sounds like *MOR-gage*). The money you borrow from a bank or other lending company to buy your home.

Row house. A house that is joined to others and is owned freehold.

Utilities. Electricity (power) and water.

Vendor. The home seller.

Here is a list of the booklets which
may help you buy a home:

- **The first steps when you buy a home**
- **Mortgages and other money matters**
- **What to check when you buy a home**
- **Your home-buying team**
- **Make an offer to buy a home**
- **When it is time to move...**

These booklets are for general information only.
They do not take the place of professional help.

You will still need to talk to
a REALTOR (this is a real estate agent), a lawyer, and a lender.

You can get copies of these booklets at:

The Home Program
c/o CTD Housing Solutions Edmonton Ltd.
10242 105 Street NW, 6th Floor
Edmonton, AB T5J 3L5

phone: (780) 504-6161

fax: (780) 471-6831

email: homeownership@thehomeprogram.ca

website: www.homeprogram.ca

This booklet is one of a series produced for
the Calgary Society for Persons with Disabilities
and the Calgary Mennonite Centre for Newcomers.
Funding from the Calgary Region Community Board,
Persons with Developmental Disabilities
(Community Capacity Initiatives Fund)
is gratefully acknowledged.