



**Make an offer  
to buy a home**

# You have found the home you want to buy. Now what?



Make sure you know how much you will be able to spend. Do not spend more, even if it means you cannot buy this home. It is easy to get excited and tell yourself you can pay a bit more than you first planned.

Remember, if you do not buy this home, there will be another one.

Your REALTOR will help you with the first legal paper which you will give to the person selling the home (called the **vendor**). The paper is called a **conditional offer**. (A condition means if something is done . . . something else will happen.) A conditional offer says that if the price and timing are right, if you get the money you need and if other problems are sorted out, then you will buy the home. At this time, you must pay some money (called a **deposit**), often a few thousand dollars, to show you really are interested. You can get this back if the conditions in your offer are not met.



This conditional offer paper will give:

- Your name and address
- The address of the home you want to buy
- The date you want to become the owner (often 30 days or 60 days)
- The total sum of money you will pay for the home
- The money you will pay right away as a deposit

(you must give a cheque at once for that)

- Information about the mortgage you have arranged
- A list of any things in the home that you want left in the purchase (such as drapes, stove, fridge, lights). You may even write in things like the lawn mower, if you want it.
- A date when the offer will end.



The paper will also give some conditions that you want to be met. You will probably want to have the home inspected. You may want the vendor (the seller) to clean the carpets, or fix something broken. You may need to get final approval for your mortgage (and that may mean an appraiser will look at the home). You may want to find out the cost to make changes in the home. If you have a disability, you may need a ramp, or wider doorways, or other changes. If you have a big family, or a roommate, you may want to see how much it would cost to build an extra bedroom or put in another bathroom.



The conditions will also include a search for **liens** (sounds like *leens*). A lien is a legal claim made by someone who has worked on the home and not yet been paid. You do not want to buy a home and then find that you owe the plumber a lot of money for work done before you owned the home! The vendor should pay the bills before you buy. Your lawyer will check for liens.

As this is the first offer you make to the vendor, it is usual to offer less than the price the home is listed for. The vendor will often then drop the price a bit. If it is still more than you want to pay, you can make a second offer.

The conditions may be changed. The date for the sale may be changed. The vendor may want more time before moving. The vendor may not agree to leave all the things you want, or do the repairs you have asked for. But after you have made your offers and the vendors have made their offers, you may both agree on the sale.



If you and the vendor do not agree on the final price and conditions, you will not get the home and must start to look again. You will get back the cheque you wrote as a deposit.

If all the conditions are met and the final date of sale and price are agreed on, your lawyer will write up the papers which you must sign. Then the sale is complete. You cannot then change your mind. If you do, you will have a big legal problem and will lose a lot of money.

If you buy a **condominium** (or **condo**), there are some different things to check, which should be listed in the conditional offer. You will want to find out what the condo rules (by-laws) say, in case there are some rules you do not like (such as no pets, no children or no renters in your home). You will want to see the **estoppel** certificate, which will say the



condo association is legal and the building is insured.

What the condo is built of is also important. If it is mainly wood, insurance will cost more because the risk of fire is higher. If the building has **post-tension cables**, you will need to see reports that the cables are OK. These cables were used about 30 years ago in buildings, but some have rusted and this can mean very costly repairs.

If you buy a newly built home, you may not need a full inspection, as the home is under **warranty** for 10 years. That means the builder agrees to come back to fix any building problems in those years.

If you buy a home before it is even built, there are many things to watch out for. Make sure you have a written contract (a legal paper you and the builder both sign) for all the work to be done, and a written contract for any special things you have chosen (such as the kind of carpet you want). Do not pay the builder all the money at the start. Pay a small amount. Do not make the last payment until you are sure everything has been done right and the builder has paid everyone who worked for him or sold him materials.



When you make a conditional offer to purchase, your lawyer will start to work with you. The lawyer will check for liens, do a land title search to make sure the home really belongs to the vendor, and make sure all the money is arranged.

When you make an offer on a home, it is very exciting. It is easy to get carried away and forget something important. That is one reason it is good to have a REALTOR. She or he can stay calm. (A REALTOR is a real estate agent trained to help you buy or sell your home.)

If you do not get the home, you may feel very upset. But many people do not get the first home they want. Just try again.

When the conditions are met, the inspection has been done, the money is ready and both you and the vendor agree, then the final papers can be signed. After that, the home is yours.



**Congratulations!**

## What the words mean

**Appraiser.** Someone trained to look at your home and say what it is worth.

**Conditional offer.** This is the first offer you make on a home you want to buy. It says:

- a) what you want to pay
- b) what things you want left in the home (such as the stove).
- c) It also says that the offer depends on what mortgage you can get and on a professional inspection of the home.

**Estoppel certificate.** This is a paper you need only if you buy a condo. It says that the condo association is

legal and has the money it needs, and that the building is insured.

**Insurance.** Money you pay to a company so that if you have a big problem it will help you out. There are different kinds of insurance.

- a) *Property insurance.* It covers the cost of your things and also your home. If you have a fire or a flood, or a burglar breaks in and steals things, you can get insurance money to repair or replace what is damaged or lost.
- b) *Mortgage insurance.* If you borrow more than three quarters (3/4) of the money you need for your home, the lender will want you to pay this. The insurance will pay the lender (not you) if you cannot make your payments and lose your home.
- c) *Life insurance.* If you die before you have paid all your mortgage, life insurance will pay off the rest of your debt.

**Lien** (sounds like *leen*). A lien means that the owner has not paid a bill for work on the home. If the bill is not paid off when you buy the home, it becomes yours and you must pay it.

**REALTOR.** A REALTOR is a real estate agent (someone trained to help you buy or sell your home). REALTORS are members of the Canadian Real Estate Association and follow the rules of the association. (REALTOR is always written this way.)

**Vendor.** The home seller.

**Warranty.** A paper that says the builder will fix problems in a new house, for the first 10 years.

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](mailto:homeownership@thehomeprogram.ca)

website: [www.homeprogram.ca](http://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.