



# HOME BUYER'S HANDBOOK



SHAMBEL  
MULUNEH



## ABOUT ME

I was born and raised in the rural part of Ethiopia and now call Brandon home. I have lived in Brandon since 2013 with my supportive wife and my two daughters. I like to provide outstanding customer service to my clients in their home buying and selling needs. Fluent in both Amharic and English language, I have also a Civil Engineering background and am a member of Engineers Geoscientist Manitoba, as well as a licensed Wastewater Treatment Operator with Manitoba Sustainable Development. I have been working in the service industry in the community of Brandon since 2014. Currently, along with Sutton-Harrison Realty 's innovative Technology, my civil engineering background, real estate knowledge and a hard work ethic, I will do whatever takes to achieve your real estate goals.



## ABOUT SUTTON

Sutton is a national real estate company with over 200 offices across the country.

- We are 100% Canadian owned
- We have been in business since 1983
- Today, we have grown to more than 8,900 salespeople



Sutton-Harrison Realty is a highly recognized and respected real estate company in Brandon and surrounding area. The Sutton team is made up of highly motivated professionals working in all aspects of the Westman real estate market - residential, condominiums, commercial opportunities, farms, acreages and recreational properties.

Sutton-Harrison success is built on: developing long-term relationships, a focus on individual customer needs, and an understanding of the current local real estate market.

We have offices located in Neepawa, Russell, Ste. Rose, Virden and Moosomin. We currently have a team of over 25 agents who truly DO work as a team. When you hire a Sutton agent, you get an entire team working to sell your property.



# YOU'RE READY TO BUY A HOUSE



Buying a house is one of the biggest financial decisions you will make in your life. It can be a long and challenging process involving many emotions. That's why I am here to help. I will guide you through the process to help you make a wise home buying decision.

As your REALTOR®, I play an important role in helping you find the right home for you and your family. I am dedicated to helping you make the right decision and making the process exciting and stress free. I will assist you on your search by selecting homes via the Multiple Listing Service and other resources available, including private sales, that meet your needs and wants. I will arrange private a viewing of each home and explain the details of each property to help you find the ideal home.

## Services You'll Receive:

- Assist in determining required characteristics of your home
- Identify available homes that meet your needs whether listed by Sutton, another agency, or privately
- View homes with you
- Advise you on the preparation of an offer
- Assist in negotiating the contract
- Monitor progress towards closing
- Complete a walk through on possession day
- Provide post sales service

REALTOR's adhere to a strict code of ethics, and maintain a higher level of knowledge of the buying and selling process. I am committed to treating all parties in each transaction fairly and honestly. The best part, as a buyer, my services are free to you!

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# MORTGAGE PRE-APPROVAL

HOW MUCH CAN YOU AFFORD?



The calculation below can give you a general idea of costs associated to home buying: Cost of home buying = One Time Costs (down payment, legal fees, inspection fees, taxes) + Monthly Costs (mortgage, utilities, maintenance, insurance, property taxes)

Mortgage – the amount a bank will lend you is determined by two lending principals:

1. Gross Debt Service Ratio (GDSR) – this lending principle says that your monthly housing costs should not exceed 32% of your gross monthly family income
2. Total Debt Service Ratio (TDSR) calculation – this lending principle says that your monthly housing cost and payments on all other debts (including loans, credit card, lease payments, etc...) should not exceed 40% of your gross monthly income.

With these basic calculations as a point of reference, doing some research and applying them to your own situation will give you a general idea of how much home purchasing and ownership will cost, and an estimate on mortgage eligibility.

There is also a mortgage afford ability calculator online at [www.SuttonHarrison.com](http://www.SuttonHarrison.com) to assist you in figuring out how much you can afford. Ultimately, the best way is to consult a mortgage representative at a financial institution. I would be happy to put you in touch with someone today!

## FINDING THE RIGHT HOME

Before you start your search for a home you will need to think about your current needs as well as your future needs. Consider the following:

Size: How many square feet would your ideal home be? How many bedrooms and bathrooms do you need? Do you need an office or a garage?

Features: Would you like air conditioning, a fireplace, or maybe a swimming pool?

Location: Do you want to live in the city, a small town or in the country? How far will the commute to work be? Is this an area you feel safe in?

Family: Do you have children? If not, are you planning on having children in the future? Maybe you are close to retirement. Would you like to be close to family and friends?

Type of Home: Would you like to live in a detached home or a condo? Do you prefer a bungalow, bi-level or two-story home? Are you open to doing renovations or updates, or do you prefer a move in ready home?



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# REAL ESTATE ROLES

## A BUYER'S AGENT

- Acts as an advisor during the entire home buying process.
- Educates buyers on current market conditions.
- Researches recent home sales in the area to determine whether a specific home is properly priced.
- Handles in the ins and outs of the negotiation process.
- Counsels buyers on how to handle any repairs needed on the property.
- Is present at closing to ensure that all the buyer's interests are protected.
- Shares commission with the listing agent.

## BUYER

- Pays no commission fee.
- The buyer doesn't cost the seller any more by having an agent, since agents share the commission.
- It costs the buyer no money to have an agent representing them.

## LIMITED JOINT REPRESENTATION

Agent(s) from the same brokerage represent both the buyer and seller.- can only continue when both parties consent and acknowledge the impact joint representation will have on the brokerage's duties - requires fairness and evenhandedness resulting in the brokerage being unable to represent the interests of either party over the other.

## A LISTING AGENT

- Helps homeowners sell their home at the highest price possible.
- Negotiates with the buyer's agent to come to a price agreed upon by both the buyers and sellers.
- Communicates with lawyers to make sure the deal closes on time.
- Shares commission with buyer's agent.
- The listing agent gets the full commission if there is no buyer's agent.

## SELLER

- Pays commission out of the selling price. Almost always a percentage of the selling price.
- Commission is negotiated when the listing agreement is created.

## SERVICE AGREEMENT

The Real Estate Services Act came into force on January 1, 2022. Before providing real estate services, every REALTOR® in Manitoba must specify in writing the services they agree to provide, any rights to terminate the service agreement before it expires, and the manner in which their brokerage is to be paid. If a REALTOR® is helping you to buy, sell, or rent commercial or residential property, the REALTOR® is required to provide you with a written service agreement, prior to providing any real estate services to you, to be signed by you and them.

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# UNTIL YOU CLOSE ON A MORTGAGE LOAN...



Do NOT change jobs, become self-employed or quit your current job!

Do NOT buy a car, truck, boat, RV!

Do NOT use your credit cards excessively or miss payments

Do NOT pay off credit cards or any other revolving debt!

Do NOT spend money set aside for closing costs!

Do NOT open new credit accounts to purchase furniture or appliances!

Do NOT make any inquiries into your credit!

Do NOT market large deposits or withdrawal from your bank account!

Do NOT change bank accounts!

Do NOT co-sign loans for anyone!

## BECOME A V.I.P. BUYER

Working with a REALTOR® can give you the benefits of viewing homes before other buyers. We can give you inside information on what listings are hitting the market soon, history on homes currently for sale, as well exclusive listings that aren't on the MLS system.

I can get you started on an auto email service which allows you to view homes as soon as they hit the market. This will allow you to view the homes even BEFORE they hit Realtor.ca. It's simple and easy - so let's get started today!

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# COSTS



## Lawyer:

With the legal documentation and steps involved in transferring land ownership from one party to another, retaining a lawyer to avoid setbacks such as fraud, zoning and government issues, taxes, and to ensure a smooth legal transfer makes having a lawyer worthwhile.

A lawyer can also be there to answer any questions and explain any legal jargon to assist you along the process.

## Land Transfer Tax:

This will be your largest closing cost as a purchaser. This amount will vary depending on the property you purchase. I will be happy to calculate how much the land transfer tax will be on any house. You can also use a land transfer tax calculator online. Just make sure you're searching a calculator for Manitoba.

## Property Taxes:

In all transactions, either the buyer or the seller (or their respective mortgage holder, where applicable) pays the annual tax bill to the City or Municipality. These costs are adjusted on closing and pro-rated to the day. This is done so that you're only paying taxes for the time period that you own the house.

## Home Inspector:

A thorough home inspection, which often costs approximately \$350-\$450 plus GST, can save you from expensive, unforeseen costs and surprises. These inspections can also assist first time home buyer's in learning about the home for future reference.

It's important to understand that, because home inspectors can only inspect what they can see on the surface, they can't guarantee all is well. Nevertheless, it's still prudent to do a home inspection when such a large amount of money is involved.

# MAKING AN OFFER

During this stage, if you've gotten a pre-approval for your mortgage, you know how much you can afford; do not allow your emotions to take over – bidding wars can be very costly. I will also be able to offer you reports on recent sales activity in the neighborhood and similar homes in the area that have been on the market, so you can be informed and make an educated offer you're comfortable with.

At this point, there are several alternatives:

1. Your offer is accepted by the seller, and you can start satisfying conditions, if any.
  2. Your offer is rejected by the seller, which doesn't happen often, but I will be able to investigate to see what happened.
  3. Your offer is countered by the seller, who signs back with a higher price compared to your original offer.
- Currently, we discuss the price and decide what is fair.

You are going to need:

- Identification (Driver's license is the most widely used but can provide Passport.)
- Cheque to make a deposit for the offer. (This is a good faith payment to the Seller that goes towards the purchase price. I will advise you of an acceptable amount)

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# CLOSING DAY & BEYOND



## Home Insurance

In most cases your mortgage company will require you to have insurance placed on your new home on possession day. I will provide you with the information they need to have insurance in place on time. We have many excellent insurance agencies in Brandon, and I would be happy to provide you with a list of companies to investigate so you get the right insurance policy for your family's protection.

## Pre-Possession Planning

With possession day fast approaching, I will be in contact with you to ensure all goes smoothly on the big day! You should meet with your lawyer to sign all the necessary documents and mortgage paperwork about 2 to 3 days before possession, but call the week before to verify your lawyer has the mortgage documents already! Be sure to bring your cheque book to the lawyers office. As well, the power, gas, cable, etc should be ready to transfer on possession day

## Possession or Closing Day

The big day is here! I will confirm with the lawyers office that I have permission to give you the keys on possession day. Once I have that authorization, I will call you to set a time to pass the keys of your new home to you and your family personally. At this time, we will do a thorough walk through the home. Then will be ready to move into your new home!

## Post Sales Service

I will follow-up with you and your family after you are settled in to ensure you are satisfied. I will keep in contact with you through my exclusive Sutton newsletter and through my customer appreciation events. I will also offer home evaluations on request so you can benefit from knowing how much your home is worth, thus knowing how much equity you have. I will provide your family with "Committed, Quality Service...with a personal touch" at all times. Should you ever have a real estate question or are in need of professional services in relation to owning a home, I will be your one stop real estate resource.

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