Buyer's Guide for Rural/Cottages

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Right at Home Realty

About Me

Linda is a graduate of the Legal Administration Program (3 years) at Durham College (graduated 1995). After working for ten years in Toronto, with GWL Realty Advisors in the multi-family leasing (rentals) side, she decided to do what she really wanted, and become a real estate agent.

She was licensed originally in 2005, where she worked as a Sales Representative with Great Gulf Homes and Re/Max Rouge River (Whitby).

In 2006 she made the move to Bancroft, where she lived until 2021.

She has been a full time realtor since 2011, selling in Durham & Cottage Country Hastings.

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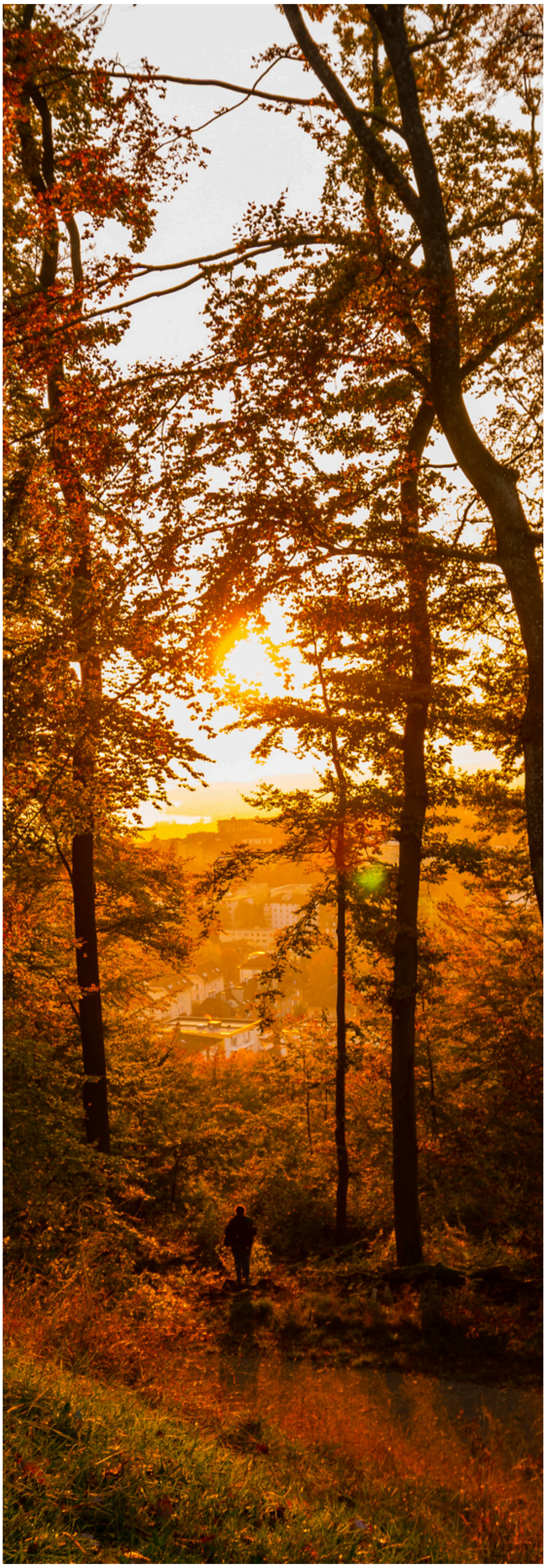
right at home
REALTY BROKERAGE

Why Do You Need a Buyer's Agent?

Purchasing a property in a Rural area holds it's own unique challenges. A smart buyer will not go it alone, and utilize a local agent for their purchase. The Buyer's agent is paid through the Listing brokerage, as per MLS agreement - so there is NO OUT OF POCKET COST to use your own realtor, who will protect YOUR interests, and negotiate on YOUR BEHALF.

They should ideally live, or sell, in the area and are familiar with rural properties and what inspections or conditions a Buyer would want to include in their offer, such as a Well Potable and Flow Test, Septic or Woodstove Inspection... and who to contact to perform these inspections and tests, along with an estimate of costs, etc.

There is a HUGE difference in the level of service that your own Realtor will provide. The Listing Agent works for the Seller, and will not negotiate on your behalf - or tell you if you are overpaying for a property.



Rural Challenges

Wells - there are several different types – Drilled, Dug and Sand point – there are several types of inspections/tests for wells – including, potability test (to make sure it's drinkable, and not contaminated) and well flow – to ensure the well has good well flow, and will not run dry. As well (see what we did there), there may be a need or want to have the well pump and holding tank inspected to ensure they are working.

Septic Systems – full septic systems vs. holding tanks - There's a difference between full septic and holding tank – are they to code? Do they need to be pumped before closing? Who pays for the pumping? Who will do the pumping?

Waterfront properties – is it waterfront owned? Deeded access? What are the rules about docks, changing the waterfront landscape? Does the lake get harvested (to reduce weeds), costs & schedule?

WETT Certificate – Wood Energy Technology Transfer Inspection/Certificate
Most Insurance will require the wood stove or wood burning fireplace to have been inspected by a licensed inspector, and comply with up to date codes.

These are just SOME considerations a Buyer needs to prepare for when purchasing -
But certainly not the only things to consider!
Each property is different!

Buyer's Road Map

Build a Budget & Decide On What You Are Looking for

- An effective budget will map out your plan to set aside money for your down payment and additional costs. It will also help determine the price, and possibly type of property, you can afford. A waterfront cottage on a large lake, with year round access, is going to be in a different price category than a waterfront cottage on a river, or only accessible by boat, or on a seasonal roadway. Figure out what you can afford, before you get into your car and start shopping.

Investigate Mortgage Options

- There are many different types of mortgages. If you don't have the 20% down payment for a conventional mortgage, you can get a high ratio mortgage, combined with mortgage default insurance, that allows for a smaller down payment. If the property has more than 2+ acres of land, or is not year round, or off grid, your Lender may require more than the minimum down. In some cases, if it is vacant land, you may only qualify for financing on 50% of the purchase price. You should be pre-approved for a mortgage before you start hunting. Consider a mortgage agent who is experienced in handling rural property mortgages.

Choose a Realtor (Call Us!)

- Your realtor will play a vital role in your buying experience. The best realtor will be a combination of a personal advisor, consultant and negotiator. They will show you properties that match your criteria, guide you through the buying process & inspections, negotiate the best possible price and deliver your closing documentation.

Choose a Lawyer

- It's important to hire a lawyer who specializes in real estate (preferably one familiar with the area you are purchasing in, or at least rural properties). You could find yourself in a bidding war for the home you want, and it doesn't hurt to add a Lawyer approval condition to any offer to purchase. A real estate lawyer will also conduct a title search and check for outstanding taxes and liens on the property.

Buyer's Road Map
(continued)

Look at Properties - Showings

- Cottage hunting can be a lengthy process. To save yourself time, determine exactly what you want in a property beforehand. Think about your immediate needs, future plans and lifestyle. When you look at properties, you may be tempted to concentrate on the cottage, but don't forget to look at the whole property: the lot, the area, the access. How close is the cottage to facilities and services important to you? Try and narrow down your location, and wish list. Remember that when shopping, some properties may be quite a distance from each other - and from where you live - you may only get a chance to see 2-3 properties in one day. A day or two notice to book showings is ideal, to ensure there won't be any access issues when you see the property.

Make an Offer

- Your agent presents the offer to the seller. This document includes the price, conditions, deposit and closing date. The seller either accepts, rejects or counters the offer (also called "signing back" the offer). Generally (but not always) an Offer is reached within 2-3 signbacks, which could take anywhere from 1-2 days of negotiating or longer, depending on the situation. (In today's digital age, we have Electronic signatures which allows us to email a link to the party to sign electronically, and is considered legal and binding by our system).

Inspection Time

- Hiring an inspector is voluntary, but it's a smart idea for cottages or rural properties. In some cases cottages are not primary residence for sellers, and have not been maintained or kept up quite the same as a home. Older properties, like farm houses and century homes can have dated electrical, plumbing, or asbestos. Other inspections, such as septic and well may be required. If any of the inspections reveal major problems, you can negotiate those repairs with the seller before your deal closes, or legally withdraw your offer.

Finalize the Deal

- Finalizing the deal will include the final approval of your mortgage, a meeting with your lawyer to finalize details like insurance and conditions, and the results of a title search.

Closing Day

- KEY DAY! The day you take possession of your new property!

The Paperwork

As your Buyer's Agents, we will prepare and explain the paperwork throughout the process. Here's a little taste of some of the paperwork that goes into purchasing a property.

Buyer Representation – This form creates a client relationship between the Buyer (you) and the Broker (Us - agents of the brokerage). It is designed to protect both of us. In order for us to represent you as a Buyer's Agent, this form is mandatory under the Real Estate Broker's Act.

Agreement of Purchase & Sale (known as the offer) – The Meat & Potatoes of Buying - This form is designed to create a legal contract between a Buyer and a Seller. There is very important pre-printed information in this form. We will of course go through this form with you when you are ready to put an offer on a property. Once the offer is accepted, it becomes a legally document which both the buyer and seller are bound by.

Confirmation of Co-operation & Representation – This form is used to give a clear understanding to all of the parties involved in the transaction of who is working for whom & that these arrangements are acceptable to all parties involved.

Notice of Fulfillment - This is a form to create a legally binding agreement of Purchase and Sale. When an offer is accepted and agreed by both parties there are usually conditions included in the offer that must be fulfilled before the offer becomes a legally binding contract. For example: buyer arranging financing, home inspection, or the seller finding suitable accommodation etc. Once the conditions have been satisfied, a notice of fulfillment will be signed and your purchase will become firm and binding.

Amendment to the Agreement – This form can be used before, or after, the agreement is firm and binding. It is used to alter terms within an agreement. For example: a situation may arise and the closing date may need to be changed, or of buyers haven't had confirmation that their financing is in place and need the financing condition extended. This form must be signed and agreed by both parties in a transaction, and is usually drafted by the party asking for the change.

Testimonials

We have helped many buyers over the years with their property purchases - from first time homebuyers purchasing in Belleville to seasoned buyers who have sold their home and retired just outside of Bancroft, along with dozens of cottage buyers looking for a weekend getaway for their families.

But, don't take our word for it... here are some testimonials from our past buyer clients....

"We were lucky to have Linda as our agent for a home search in 2018... she was excellent in locating exactly the type of "maintenance free" property we wanted... we would not hesitate to contact her again if we are in the market for another property."

- Nancy & Stu Booth (Springbrook, Ontario)

"Great people to work with. As a first time home buyer they had the knowledge and experience to help me make informed decisions and make the process of buying a house go quite smoothly. I would definitely recommend them to anyone."

- Eric Brinson (Tweed, Ontario)

"These agents go above and beyond the call of duty. I would highly recommend them. Will also use them again if we sell or buy."

- Theresa & Wayne Wright (Apsley, Ontario)

"Great people who have a good grasp of the region and the real estate within it. Always ready to assist along the way."

- Jim Chamberlain (Marmora, Ontario)

"Linda and Richard work hard to help you find the right house. Great experience working with them. I would highly recommend them."

- Paul Bourque (Belleville, Ontario)

"We had the pleasure of working with Linda & Rich not only for the sale of our past home, but also the purchase of our current home. We were extremely satisfied with the knowledge and loyalty afforded to us by both of them, ensuring that our financing and personal requirements were met. We would highly recommend Linda & Rich for your next real estate needs."

- Alex & Lauri Kostik (St. Ola, Ontario)