

*MODERN FAMILY REALTOR TEAM PRESENTS*

# The First Time Home Buyer Program





# Rent a Home vs. Buy a Home?

## 5 STEP APPROACH

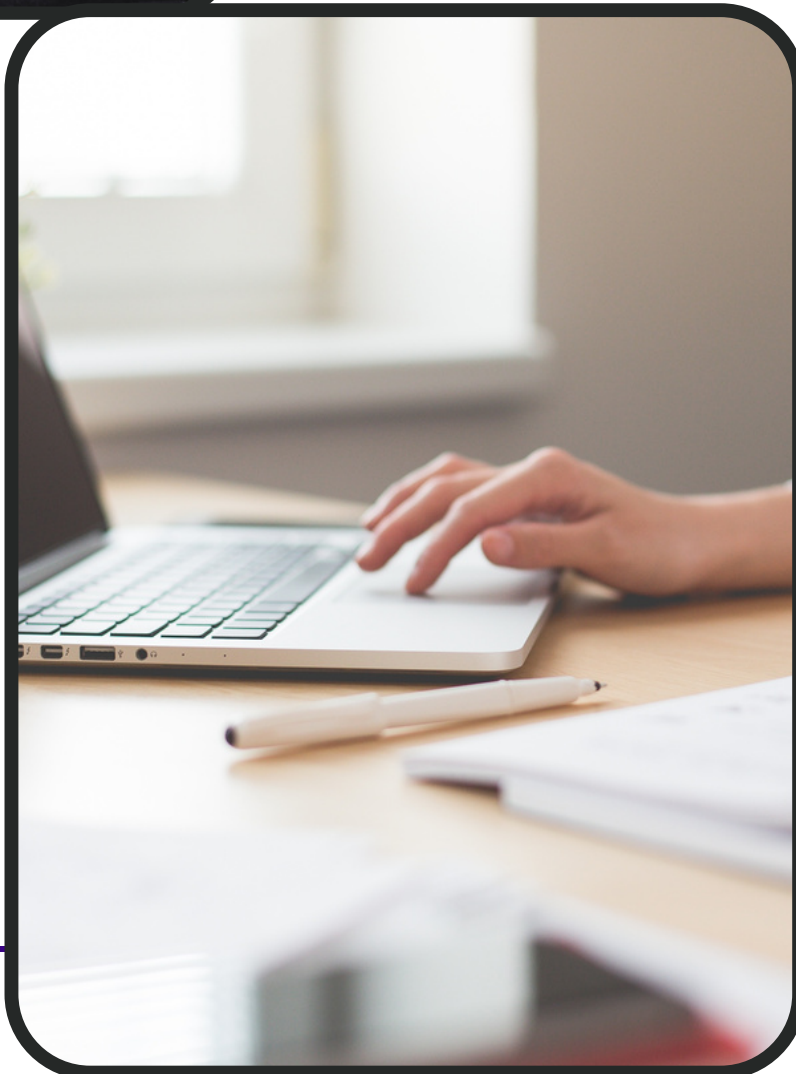
The Modern Family Realtor Team has created a 5 Step Program to help you identify whether it's better for you to rent or purchase a home in 2021.

We help to uncover resources and build a personalized approach that is right for you.

We have designed the following templates to create a snapshot of your financial strategy by breaking it down into key parts to obtain your home goals.







## 5 STEPS TO YOUR NEW HOME



0  
1

### READINESS CHECKLIST

5 Simple Questions to determine if now or later is the best time to buy.

0  
2

### USE OUR MFR BUDGET SHEET

Calculate your monthly budget to determine if it's better for you to purchase or rent a home.

0  
3

### FIND YOUR DOWN PAYMENT

Review the top 5 places to look for a down payment.

0  
4

### GET A MORTGAGE PRE-APPROVAL

Connect with our top Mortgage Advisors and Brokers to get your mortgage pre-approved.

0  
5

### BEGIN THE SEARCH FOR YOUR DREAM HOME

Create a Wish List and personal Prospect Search to find your new home.



# STEP 1 - Are you Ready to Buy a Home?

2. Do I have more Income vs. Expenses each month?

Yes No

1. Is my income stream stable?

Yes No

3. Can I get at Least a 5% Down Payment?

Yes No

4. Am I at a point in my life where I can commit to living in my home for at least 2.5 years?

Yes No

5. Am I ready to take on the responsibilities of a homeowner?

Yes No

*This income includes but not limited to wages, bonus, commission, dividends, rental income, capital gains, RRSP & Pension.*

*These expenses include but not limited to loans, car payments, credit card, household debt, student loan and personal expenses.*

*This down payment can be obtained through savings, RRSP, CMHC, family gift/loan and the bank.*

*If you cannot commit to your home for this time period, it may be better to rent.*

*Can I take care of the household maintenance, mortgage payments, property taxes, renovations and repairs?*

\* Disclaimer - Information provided will remain confidential within the Modern Family Realtor team and will only be shared with third parties with your permission.



## STEP 2 - Use our MFR Home Budget Sheet

### MFR Home Budget - First Time Home Buyer



Input these cells

*Different Scenarios*

Purchase of New Home	Home Option #1	Home Option #2	Home Option #3
Purchase Price - Estimate			
Down Payment/Deposit - Min 5%			
Closing Cost			
Total Cash Required	\$0.00	\$0.00	\$0.00

*MFR will calculate for you*

Monthly Income	Income
Client #1 Wages - Net after taxes	
Client #2 Wages - Net after taxes	
Bonus/Commission	
Rental Income	
Dividends/Capital Gains	
Business Income	
Other Income	
Total Income	\$0.00

Monthly Housing Costs	Home Option #1	Home Option #2	Home Option #3
Mortgage			
Maintenance Fees			
Property Taxes			
Hydro/Water/Gas			
Other Housing Costs			
Total Monthly Housing	\$0.00	\$0.00	\$0.00

*Don't have a home budget yet? No problem!  
We have you covered.*

***What costs are associated with purchasing a new home?***

We compare scenarios of different home prices and calculate how much total cash is required.

***What is your monthly income?***

Enter all your possible income streams to calculate your total monthly income.

***What are the expected monthly costs to own a home?***

We compare the monthly costs associated to own each home.





## STEP 2 - Use our MFR Home Budget Sheet

Monthly Personal Expenses	Per Month
Credit Card Payments	
Debit Card Payments	
Student Loan	
Personal Loan	
Car Loan	
Internet/Cable	
Cell Phone	
Groceries/Meals	
Entertainment	
Travel	
Insurance	
Other Expenses	
Total Monthly Expenses	\$0.00

### What are your monthly personal expenses?

List all your total monthly expenses. These are some general headings. Feel free to include more headings where needed.

### What is your monthly net income?

After deducting the monthly housing costs and personal expenses from your monthly income, the remaining amount will become your **total net** monthly income.

Monthly Net Income	Scenario #1	Scenario #2	Scenario #3
Monthly Income	\$0.00	\$0.00	\$0.00
Monthly Housing Costs	\$0.00	\$0.00	\$0.00
Monthly Personal Expenses	\$0.00	\$0.00	\$0.00
Total Monthly Net Income	\$0.00	\$0.00	\$0.00

**MFR Home Budget - First Time Home Buyer**

Input these cells

MODERN FAMILY REALTOR

Different Scenarios

Purchase of New Home	Home Option #1	Home Option #2	Home Option #3
Purchase Price - Estimate			
Down Payment/Deposit - Min 5%			
Closing Cost			
Total Cash Required	\$0.00	\$0.00	\$0.00

MFR will calculate for you

Monthly Income	Income
Client #1 Wages - Net after taxes	
Client #2 Wages - Net after taxes	
Bonus/Commission	
Rental Income	
Dividends/Capital Gains	
Business Income	
Other Income	
Total Income	\$0.00

Monthly Housing Costs	Home Option #1	Home Option #2	Home Option #3
Mortgage			
Maintenance Fees			
Property Taxes			
Hydro/Water/Gas			
Other Housing Costs			
Total Monthly Housing	\$0.00	\$0.00	\$0.00

Monthly Personal Expenses	Per Month
Credit Card Payments	
Debit Card Payments	
Student Loan	
Personal Loan	
Car Loan	
Internet/Cable	
Cell Phone	
Groceries/Meals	
Entertainment	
Travel	
Insurance	
Other Expenses	
Total Monthly Expenses	\$0.00

Monthly Net Income	Home Option #1	Home Option #2	Home Option #3
Monthly Income	\$0.00	\$0.00	\$0.00
Monthly Housing Costs	\$0.00	\$0.00	\$0.00
Monthly Personal Expenses	\$0.00	\$0.00	\$0.00
Total Monthly Net Income	\$0.00	\$0.00	\$0.00

Click below to download the full version and create your own MFR Home Budget today!

Download



\* Disclaimer - Please note this is for illustrative purposes.

We recommend you consult with a professional accountant or financial advisor to verify all this information.

\*\* Information provided will be kept confidential within the Modern Family Realtor team and will be provided to third parties only with your permission.



## *Did you know?*

Your down payment amount can vary and is based on the purchase price of your home.

### **PURCHASE PRICE OF YOUR HOME**

### **MINIMUM AMOUNT OF DOWN PAYMENT**

**\$500,000 or less**

**5% of the purchase price**

**\$500,000 to \$999,999**

**5% for the first \$500,000 of the purchase price  
10% for the portion ABOVE \$500,000**

**\$ 1 Million or more**

**20% of the purchase price**







# First Time Home Buyer - Case Studies

Below we have compared the cost of Monthly Rent vs. Monthly Fixed Housing Cost for two recently purchased properties by First Time Home Buyers.

## 38 Joe Shuster Way, Toronto, ON



1 Bedroom (450 - 500 square feet)



Purchase Price: \$439,800



Monthly Rent Prior to Purchase

= **\$2,150**

**VS.**

**Fixed Monthly Payment for Purchase of Property:**

@ 5% Down Payment\*

= **\$2,296**

(**additional** \$146/month)

@ 20% Down Payment \*\*

= **\$1,766**

(**savings** of \$384 /month)

**CHEAPER TO OWN!**



1 Bedroom (450 - 500 square feet)



Purchase Price: \$442,000



Monthly Rent Prior to Purchase

= **\$1,850**

**VS.**

**Fixed Monthly Payment for Purchase of Property:**

@ 5% Down Payment\*

= **\$2,193**

(**additional** \$343/month)

@ 20% Down Payment \*\*

= **\$1,664**

(**savings** of \$186 /month)

**CHEAPER TO OWN!**



**Ratehub - Mortgage Payment Calculator**



\*\*numbers based on a mortgage rate @1.59%.  
Amortized over 25 years with 5% down and 30 years  
with 20% down. Housing cost includes mortgage  
payment, maintenance fees and property taxes.





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Coming up with a sizable down payment for a home purchase can be downright difficult, especially with all of life's other expenses and debts to have to pay. But a down payment is a necessary part of securing a mortgage.

The minimum required down payment in Canada is 5% of the purchase price of any property under \$500,000 and an additional 10% for the portion of purchase above \$500,000 up to \$1 Million Dollar home.

However, the more you can contribute toward your down payment, the more money you can potentially save in the end.

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## STEP 3 - Top Five Resources to Find your Down Payment



**01** PERSONAL SAVINGS

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**02** FAMILY RESOURCES

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**03** GOVERNMENT  
ASSISTANCE PROGRAMS

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**04** REGISTERED RETIREMENT  
SAVINGS PLAN (RRSP)

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**05** BANK

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## STEP 3 - Top Five Resources to Find your Down Payment

### Personal Savings



#### ANY OF THESE SOURCES

- Personal Savings Account, Investments, Mutual Funds, Guaranteed Investment Certificates (GIC) or even a Tax Free Savings Account (TFSA)
- Make sure the money is available when needed
- *Eg: Putting aside \$200 from bi-weekly pay cheques could save you \$5,200 plus accrued interest by the end of the year!*

### Family Resources



#### GIFT OR PRIVATE LOAN

- Gift - Must be a gift and not a loan. Gift Letter may be required to confirm that no repayment is required or expected
- Private Loan - Although available, however, not recommended.
  - This option may negatively affect your Debt-to-Income ratio when applying for your mortgage

### Government Assistance Program



#### FIRST-TIME HOME BUYER INCENTIVE

- Helps to reduce monthly mortgage payments without increasing down payment
- Incentive is not interest bearing and does not require ongoing repayments
- Eligibility for this program includes total annual qualifying income, total borrowing amount, and *Ask one of our team members for more details!*





## Step 3 - Top Five Resources to Find your Down Payment

### Registered Retirement Savings Plan (RRSP)



#### HOME BUYER'S PLAN

- Allows you to borrow up to \$35,000 or \$70,000 (for a couple) to put towards a down payment for a home
- You have 15 years to re-pay your RRSP funds before being taxed
- *Ask one of our team members for eligibility requirements!*

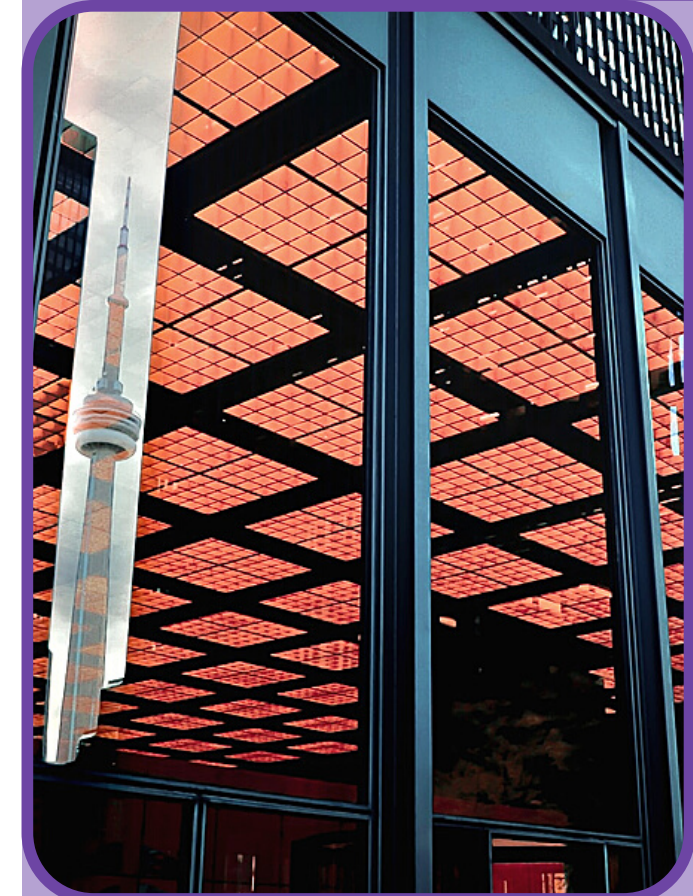
### The Bank



#### A LINE OF CREDIT OR A PERSONAL LOAN

- **A Line of Credit** - You can withdraw funds on credit - up to assigned limit - and pay interest only on the portion used.
- **A Personal Loan** - May be an option as a source of a down payment for funds, but only if your credit and financial history are healthy.

*\*Exercise both with caution to reduce over-leveraging and increasing debt-to-income ratio\**





*Did you know?*

**CURRENT FEATURED  
MORTGAGE INTEREST RATE**

**1.39%**

\*Disclaimer\* This featured rate can be found on [Ratehub.ca](https://www.ratehub.ca) under  
"[Best Mortgage Rates in Canada](#)". This rate varies and is updated daily.





## STEP 4: Get a Mortgage Pre-Approval

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Modern Family Realtor has built strong business partnerships over the past decade to assist our clients with getting exclusive rates, promotions and expertise from the industries top mortgage advisors, lawyers, accountants, marketers and stagers.

Below are 3 top mortgage advisors and brokers that have received strong reviews and have provided our clients with excellent service and rates.

On average a MFR client may receive up to 20 basis points lower on their mortgage rates in comparison to finding someone on your own.

This can save you thousands of dollars in interest during the life of your mortgage!

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## Top 3 Mortgage Advisors & Brokers



**Estée Zacks, MBA**

Owner,  
Strategic Mortgage Solutions Inc.

**Estée** has assisted dozens of our clients over the past 6 years get the best interest rates possible. As a broker she has access to over 40 financial institutions to find you the best rate and fit for your needs.

She also has a MBA from Rotman at the University of Toronto which is an added bonus if you require any business advice or have a more complex situation.

Direct: 416-453-1479

Email: [estee@mortgageinsights.com](mailto:estee@mortgageinsights.com)

Web: [www.mortgageinsights.com](http://www.mortgageinsights.com)

Apply via secure link: [r.mtg-app.com/estee](https://r.mtg-app.com/estee)



**Victoria De Brun**

Mobile Mortgage Specialist  
TD Canada Trust

**Victoria** has a wealth of experience and TD continues to provide one of the lowest mortgage rates among the big banks. MFR has worked very closely with TD Bank over the past decade along side with Ewan French as a bonus also being a TD Mobile Mortgage Specialist. TD has been very supportive to the LGBTQ community showing participation with events such as the Pride Parade.

Direct: 416-436-7400

Fax : 416 263 6763

Email: [Victoria.Debrun@td.com](mailto:Victoria.Debrun@td.com)

Web: <https://mms.tdcanadatrust.com/victoria.debrun/>



**Janu Thiyagarajah**

Mortgage Specialist  
BMO | Bank of Montreal

**Janu** provides strong service, rates and promotions to all of our MFR clients.

She has assisted a lot of clients as well in the GTA and is very knowledgeable on all neighbourhoods and product options.

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\* Disclaimer – Modern Family Realtor is not responsible for the actions of our mortgage advisors or brokers.  
We are recommending them based on past experience which may not be an indicator of future performance.





## STEP 5: Begin the Search for your Dream Home

Congratulations you are now ready to search for your dream home!

After completing Steps 1 - 4, you should now feel confident that home ownership is within your reach. Now for the fun part!

### WISH List

- What would be your ideal price range?
- Where would you like to purchase your home? (Can provide multiple neighbourhoods)
- What type of home are you looking for (Detached, semi-detached, townhouse, loft, condo etc)
- How new do you want your property?
- Any specific amenities you are looking for?
- Maximum commuting time to work? Near transit?
- When would you like to be moved in to your new home?
- Where are you living now? Any lease or mortgage?
- Job stability? Any job changes on the horizon?
- When should we start seriously looking for your new home?
- Where do you have to compromise?
- Anything else I should know about your wish list to find your dream home?

Create your wish list and a MFR team member will set you up on a prospect and start showing you properties as soon as possible!





Get expert advice, 24/7 

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[LINKEDIN](#)



[INSTAGRAM](#)



[MFR WEBSITE](#)





# Meet our Team



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Thank you!

LET'S START YOUR  
HOME BUYING JOURNEY.

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