First-Time Home Buyer Frequently Asked Questions

1. How much home can I realistically afford in Owen Sound?

A typical entry-level to average single-family home in Owen Sound is around **$450,000.** Below is a **realistic example of monthly ownership costs** using common first-time buyer assumptions.

Example assumptions

- **Purchase price:** $450,000
- **Down payment:** 5% ($22,500)
- **Mortgage insurance:** Because the down payment is under 20%, mortgage insurance is required. This is a **one-time premium added to the mortgage**, not paid upfront.
- **Mortgage amount (after insurance):** ~$444,000
- **Amortization**: 25 years
- **Interest rate:** 3.99%

Estimated monthly costs

- **Mortgage payment:** ~$2,250/month
- **Property taxes**: ~$3,500/year (≈ $290/month)
- **Home insurance**: ~$100–$130/month
- **Utilities:** ~$250–$350/month
- **Maintenance savings:** ~$200–$300/month

Estimated total monthly housing cost

👉 **Approximately $3,100–$3,300 per month**

This reflects the **true cost of ownership**, not just the mortgage payment.

CENTURY 21 Millennium Inc. BROKERAGE

Tim Matthews
Broker
519.375.7153
tim.matthews@c21.ca

Mark Barbosa
REALTOR®
519.808.8774
mark.barbosa@c21.ca

Terri Edmonstone
REALTOR®
705.816.1361
terri.edmonstone@c21.ca

2. How much money do I need upfront to buy a home? (First-Time Buyer Example)

For a **$450,000 home**, a first-time buyer should plan for:

Down payment

- **5% down payment:** $22,500

Closing costs

- **Land Transfer Tax** (first-time buyer rebate included): $1,475
- **Lawyer fees & disbursements**: ~$2,500
- **Title insurance:** ~$400–$500
- **Adjustments** (taxes, utilities, fuel, etc.): ~$600–$1,200
- **Home inspection:** ~$400–$600

Realistic total closing costs

👉 **Approximately $5,500–$6,500**

Total cash needed upfront

👉 **~$28,000–$29,000**

3. How much money should I still have in the bank after buying?

A good rule of thumb is to keep 3–6 months of living expenses in savings after your down payment and closing costs.

This buffer helps cover unexpected repairs, appliance replacement, or income changes during your first year of ownership.

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4. What does the home-buying process look like from start to finish?

The typical steps are:

1. Mortgage pre-approval
2. Home search and showings
3. Offer and negotiations
4. Home inspection
5. Final mortgage approval
6. Closing day and getting the keys

We guide you through every step and explain decisions **before** you need to make them.

5. Do I need to be pre-approved before looking at homes?

Yes. Pre-approval helps you:

- Understand your true budget
- Strengthen your offer
- Avoid disappointment

Pre-approval does **not** lock you into a lender, and you can still compare options later.

6. Is my mortgage lender the same as my bank?

Not necessarily. You can get a mortgage through:

- A bank
- A credit union
- A mortgage broker who compares multiple lenders

Each option has advantages, and we can help connect you with trusted professionals.

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7. What are the most common large expenses homeowners face?

Some typical larger costs include:

- Roof replacement
- Furnace or HVAC repairs
- Hot water tank replacement
- Major appliances
- Windows and doors
- Electrical or plumbing repairs

These usually don't happen all at once, but planning ahead reduces stress.

8. How do I know if a home is priced fairly or overpriced?

We look beyond the list price by reviewing recent comparable sales, current market conditions, and the home's condition and location.

We work closely with our clients at the time of offer to make sure you're paying a fair price — and not overpaying — based on real data, not emotion.

9. What happens if issues come up during the home inspection?

Inspections are normal. Depending on the findings, you may:

- Renegotiate the price
- Request repairs
- Walk away if issues are significant

We help you understand what's typical versus what should raise concern.

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10. What's the difference between a conditional and firm offer?

- **Conditional offer:** Includes protections like financing and inspection
- **Firm offer:** No conditions and legally binding

We help you choose the right approach based on the property and the market.

11. "I've heard the market isn't very good and prices are going down — is now really a good time to buy?"

It's a fair question.

You have to ask yourself: **would you rather buy when prices are rising and competition is high, or when prices have softened and you can negotiate?**

The market is currently in a **downturn**, which won't last forever. Real estate moves in cycles. If you plan to buy and **stay for at least five years**, you'll likely outlive the short-term ups and downs.

Many buyers who wait end up looking back **two or three years later**, wishing they had started when conditions were calmer. It's also important to consider the **cost of rent** — rent payments don't build equity and often increase over time.

Rather than trying to time the market, we focus on helping you **buy well**: the right home, at the right price, for your situation.

Contact Carissa Bye, our trusted mortgage professional to get the journey started:
carissa.bye@meridiancu.ca

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Book a Full Consultation with Us Today

If you're thinking about buying—even just exploring the idea—we're happy to talk it through.

Call us anytime for a conversation about your options.

EST 2020
Mark & Tim
REAL ESTATE TEAM

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Broker
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