



Wealth Management
Dominion Securities



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Life events: Buying a home

Financial checklist

Buying a home means some exciting new changes in your life and lifestyle. Your advisor can help you through the process of acquiring your home and dealing with the financial changes that home ownership entails. Take this opportunity to review your situation and objectives and consider asking your advisor these questions:

- Should I seek legal advice?
- Do I need a real estate agent and how would I find one?
- Where should I start looking for a home?
- How do I decide how much I can afford to spend?
- How should I finance my new home?
- What is the Home Buyers' Plan?
- What are the tax implications of home ownership?
- How does home ownership affect my financial plan?

Finding a house

Some of the factors that should be considered are:

- **Commuting** – if you and/or your spouse work, you need to seriously consider the commute involved. A house could be perfect and affordable but an extensive commute could more than offset the advantages.
- **Services/Shopping** – you should consider factors such as schools and municipal services such as garbage/leaf pick-up as well as the variety and type of shopping available.
- **Zoning** – you should check the local zoning. What may seem like an ideal location could be totally altered if commercial/industrial development is allowed in the neighbourhood.
- **Crime** – the safety of your family and property is a major concern. What may appear to be a safe neighbourhood could actually be a pocket in a larger, less acceptable area.

Forms of ownership

Depending on your circumstances and objectives, you will select the type of home ownership and the type of home that best suits you. There are ongoing legal implications resulting from this decision.

Legal forms of ownership

There are two basic legal ownership structures: Joint Tenancy with Right of Survivorship (JTWROS) and Tenancy in Common.

Joint tenancy with right of survivorship (JTWROS)

This structure is typically chosen by couples. In this arrangement all the owners have equal and unrestricted access to the property so the property is not divided into specific parts. One reason why couples usually choose JTWROS is the ‘Right of Survivorship’ where if one of the owners dies, their interest is immediately assumed by the other owner(s) avoiding any estate/Will issues. If the surviving owner is not a spouse there can be tax implications. Your advisor can provide you with further information.

Condominiums

Condominiums are a very popular home ownership option,, particularly in urban areas. There are many advantages to condominiums such as:

- Typically cheaper than standalone homes
- Communal facilities such as pools, parking and fitness
- The opportunity to participate in the real estate market at a lower cost
- Wide selection of sizes and amenities
- Opportunity to live in an urban setting at reasonable cost
- No direct responsibility for yard and property maintenance

However, there are disadvantages to condominiums as well:

- Condominium rules such as restrictions on children, pets, noise and other activities may not suit your lifestyle
- Real estate appreciation is typically not as great as with a standalone home
- Condominium councils may be acting at odds to some individual owners
- Owners may be paying monthly maintenance fees for services and facilities they don't use

Condominiums are often a lifestyle choice popular with young people wishing to get into the real estate market while still enjoying the urban lifestyle, and with older people looking to ‘downsize’, take some equity out of the family home and avoid the responsibilities of property maintenance. You should discuss your needs and objectives with friends, family and your advisor to determine what approach is right for you.