

FOX MARIN

YOUR GUIDE TO **REAL ESTATE TALK**

FOX MARIN ASSOCIATES

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WE ARE FOX MARIN
TOP 1% OF TORONTO REALTORS

**BUSINESS INTELLIGENCE +
REAL-WORLD EXPERIENCE +
A LITTLE RIGHT-BRAIN
THINKING**

= VERY HAPPY CLIENTS

Led by veteran business and real estate professionals Ralph Fox and Kori Marin, the talented team at Fox Marin Associates brings a wealth of experience in real estate and international business, marketing, branding and design, as well as an in-depth knowledge of Toronto and its diverse neighbourhoods and its partnerships with clients.

It takes hard work to sell your home. But hard work pays dividends. Especially when you have the right partner in your corner — someone who'll help you to navigate through the process and do the heavy-lifting in order to maximize results — no matter the size, shape, or value of the property.

Over the years, the Fox Marin team has refined the sales approach to focus on five key principles that deliver outstanding returns for their clients:

Details matter

From competitive research and development, to staging and marketing properties, Fox Marin invests the time and energy in positioning your property to gain the best possible results.

Branding makes a difference

Personalized sales approaches includes custom-designed marketing collateral, professional photography, and digital and social media exposure.

Hard work pays dividends

Whether it's hiding wires or scrubbing your terrace before the photographer arrives, there's no job that's out of the question to present your property in a positive light.

Open and honest communication is key

You'll be in constant contact with the Fox Marin Team at every step of the way, so you're always in the know.

Our network is your network

Fox Marin provides complete transaction management, with access to lawyers, mortgage brokers, home inspectors and contractors you can trust.

When you're ready to dive in to the downtown Toronto real estate market, we'll be here to put our skills and experience to work for you.

RALPH FOX & KORI MARIN



FOX MARIN

REAL ESTATE GLOSSARY

ADJUSTABLE RATE MORTGAGE (A.R.M)

Mortgage with a rate that is variable. It is usually tied to the prime rate.

AGENCY

Relationship a buyer or seller has with a real estate brokerage company.

AGREEMENT OF PURCHASE AND SALE (AKA OFFER)

Legal document that outlines the terms of a Toronto real estate deal that will be signed by both the buyer and the seller.

AMORTIZATION

Mortgage payment that includes both principal and interest.

AMORTIZATION PERIOD

How long it will take to repay the mortgage.

APPRAISED VALUE

Amount that a professional appraiser thinks what a Toronto property is worth. This is usually done to get the value of the house for mortgage purposes.

ASSESSED VALUE

Amount at which a property is valued for taxation purposes.

ASSUMABLE MORTGAGE

Mortgage that can be passed on from the seller to the buyer, should the buyer want the mortgage and qualify.

BLENDED MORTGAGE

Combination of two separate mortgages.

BALLOON PAYMENT

One-time payment against the principal paid at the end of certain mortgages.

BRIDGE FINANCING

Loan that covers a borrower in-between the purchase of their new Toronto home and the sale of their existing Toronto home.

CANADA MORTGAGE AND HOUSING CORPORATION (CMHC)

Institution whose primary purpose is to administer the National Housing Act and provide lenders with insurance against high ratio mortgages.

CAP

Maximum amount an interest rate can change.

CHATTELS

Contents of the home belonging to the owner which are not included in the sale of a home unless specifically outlined in the offer.

CLEAR TITLE

A Toronto property that has no claims against it.

CLOSED MORTGAGES

Mortgage that cannot be paid out until the end of the mortgage period. Sometimes exceptions are made, but usually there will be a penalty charged.

CLOSING DATE

Date that the house actually exchanges hands from the seller to the buyer. The Toronto buyer gets the keys and the Toronto seller gets their money.

CLOUD ON TITLE

When a claim has been made against the title of a Toronto property. Typically, it impacts the value of the property.

COLLATERAL

Tangible asset that is used as a guarantee of payment in a loan. A house acts as the collateral in the mortgage.

COMMITMENT

Written agreement that a lender will provide a specified amount of funds under certain conditions.

COMMON ELEMENTS

Parts of a condo building that are owned by all owners of the building, ie. walkways, elevators, halls, recreation facilities, etc.

CONDITION

Clause written into the offer which outlines something that has to happen before the agreement becomes binding. Should the condition not be met, the negatively affected party has the option to terminate the transaction.

CONDITIONAL OFFER

Offer that has one or more contingencies that must be fulfilled in order for the agreement to become firm and binding upon both parties.

CONDOMINIUM

Form of ownership where the owner has the title to a specific unit and a portion of the common elements of a building.

CONVENTIONAL MORTGAGE

Mortgage from a traditional lender such as a bank where the value of the mortgage does not exceed 75% of the value of the Toronto property. Any mortgage greater than 75% is considered high ratio and must be insured by CMHC.

COOPERATIVE

Type of ownership wherein the building is owned by a company. In order to be entitled to live in the building you must buy shares. It is typically difficult to get a mortgage for a co-op without a large down payment and you must also be approved by the Co-op Board of Directors.

DEED

Document that officially transfers ownership of a Toronto property.

DEFAULT

When a borrower is not able to make a debt payment.

DEPOSIT

Money that is put down after an offer has been accepted and is held in trust, usually, by the listing real estate brokerage.

DISBURSEMENTS

Various expenses and costs that a lawyer will pay on behalf of a Buyer to close the sale.

DISCHARGE

When a mortgage has been paid in full and the title has been changed to reflect that.

DISCOUNT POINTS

Fee that is charged when a mortgage interest rate is reduced from the current rate. One point equals one percent of the mortgage value.

DOWN PAYMENT

Amount that the buyer puts down on the property in cash: this is the difference between the purchase price and the mortgage amount.

DUAL AGENCY

(See Multiple Representation)

EASEMENT

Legal right to use someone else's land for a specified purpose. This right is tied to the land, not the individual, so it passes from the seller to the buyer.

ENCROACHMENT

Occurs when the boundaries of some part of one property impede over the boundaries of its neighbouring property.

EQUITY

Value of the property minus any outstanding debt.

FIDUCIARY DUTY

Legal relationship between a buyer or seller and their Realtor.

FIRST MORTGAGE

First mortgage on a property. It has the first claim on the property should there be a default.

FIXED RATE MORTGAGE

Mortgage that has a fixed amount of interest paid over a specific amount of time.

FORECLOSE

When the lender takes legal ownership over a property due to the borrower defaulting on the loan.

GROSS DEBT SERVICE RATIO (G.D.S)

G.D.S is typically used as the indicator that tells you if you can afford a certain mortgage payment. All costs associated with housing (mortgage, taxes, heating, and 50% of condominium fees, if applicable) should not exceed 32% of your gross annual income (income before tax).

HIGH RATIO MORTGAGES

Mortgage that exceeds 75%. These mortgages must be insured by the CMHC.

HOLD BACK

When money is held back by the lender until a condition is satisfied.

HOMEOWNER'S INSURANCE

Protects homeowners against damage to their home caused by fire, smoke, wind, hail, vandalism and slips / falls.

HOME INSPECTION

Objective evaluation of a house by a home inspector. At the end of the evaluation a detailed document is provided outlining the condition of the house.

HOME WARRANTY PLAN

Insures against the failure of the operating systems of the home. It may cover things such as the heating system, central air, electrical, plumbing, and large appliances.

INTEREST ADJUSTMENT

Portion of interest that is paid if the closing date of the transaction does not coincide with the mortgage payment date. For example: if mortgage payments are made on the 15th of the month but the sale closes on the 10th, there will be an interest adjustment for 5 days.

INTEREST-ONLY MORTGAGE

The interest is paid on a regular basis and the principal is paid at the end of the term.

IRREVOCABLE PERIOD

The period at the end of which an offer expires.

JOINT TENANCY

Situation where two people share an equal ownership share of a property. If one dies, their share is transferred to the remaining person instead of to the beneficiaries of the estate of the deceased.

LAND TRANSFER TAX

Tax paid to transfer a property.

LEASEHOLD MORTGAGE

Home mortgage when the house is on leased land.

LEGAL FEES

Amount charged by lawyer to execute the purchase or sale of a property.

LIABILITIES

Debts.

LIEN

Legal claim against real estate to guarantee payment of a debt.

LISTING AGREEMENT

Formal agreement between the seller of a property and a real estate brokerage company authorizing the brokerage to offer a particular piece of real estate for sale.

LISTING BROKER

The real estate brokerage company that represents the seller.

LOAN COMMITMENT

Document that demonstrates a lender is willing to lend a certain amount of money with certain conditions to a borrower.

LOCK-IN

Occurs when a buyer tells the lender that they accept a certain interest rate for a certain amount of time.

MAINTENANCE FEE

Amount of money a condo owner pays each month towards upkeep on the common areas of the building.

MATURITY DATE

End date of a mortgage.

MORTGAGE

An agreement between a lender and borrower where the borrower puts up a piece of real estate as collateral for a loan to purchase that property.

MORTGAGE BROKER

A professional who brings together borrowers and lenders. Usually their fee is paid by the lending institution.

MORTGAGE INSURANCE

Also referred to as mortgage loan insurance or mortgage default insurance, this is offered through CMHC and covers the lender when a borrower has less than 25% down payment.

MORTGAGE LIFE INSURANCE

Mortgage life insurance covers the mortgage value in the event of the death of the mortgage holder.

MORTGAGEE

Lender.

MORTGAGOR

Borrower.

MULTIPLE REPRESENTATION

Occurs when a brokerage represents more than one client in a single transaction. For example, the buying client of one Fox Marin Realtor buys a property that has also been listed with Sage Real Estate.

OPEN MORTGAGE

Type of mortgage where the borrower can pay the debt at any time.

ORIGINATION FEE

Fee the lender receives for processing a loan application.

PENALTY

Amount of money paid to the lender so that the borrower can prepay a portion of the mortgage.

PIT

Principle, interest and taxes.

PITH

Principal, interest, taxes, and heating.

POSSESSION

Control (ownership) of a property.

POWER OF ATTORNEY

A legal agreement wherein one individual grants another the legal authorization to represent them and make decisions on their behalf.

PRE-APPROVAL FOR A MORTGAGE

A written commitment from a lending institution to lend a potential buyer a certain amount of money at specific terms for the purchase of a property.

PRE-PAYMENT PRIVILEGE

The right of a borrower to prepay some of the principal without having to pay a penalty.

PRINCIPAL

This is the base amount of money borrowed.

REAL ESTATE AGENT (BROKER)

The brokerage company that represents either a buyer or seller in the process of buying or selling real estate.

REALTOR

A registered real estate sales representative or broker.

REFINANCE

When a new mortgage is obtained and used to pay off the old mortgage.

RENEWAL AGREEMENT

An agreement to extend the mortgage for another term once the initial term is reached.

RESERVE FUND

Bank account established by a condo corporation to cover major repairs to the common elements. The fund is paid into from a portion of the monthly maintenance fee.

SELLER TAKE-BACK

Mortgage where the seller personally provides some of the financing for the buyer.

SETBACK

The distance back from the property line beyond which you must get approval for any improvements.

STATEMENT OF ADJUSTMENTS

Amount of money owed at the time of closing. The amount will be calculated by a lawyer and the adjustment will typically be the difference between the deposit and down payment subject to various credits and debits.

**SELLING BROKER/
COOPERATING BROKER**

The Realtor who represents the Buyer in an Agreement of Purchase and Sale.

SPECIAL ASSESSMENT

Special charge a condo owner has to pay for a capital improvement or unforeseen expense.

STATUS CERTIFICATE

Document that outlines the financial and legal status of a condo corporation.

SUB-AGENT

An agent who finds the buyer for a property but has a fiduciary responsibility to the seller.

SURVEY

Document that outlines the property line on a piece of real estate as well as the location of any fences and buildings on the property.

TENANCY IN COMMON

When a property is jointly owned by a group of individuals, not necessarily in equal shares, and each owner has the right to sell their portion.

TERM

Amount of time a lender lends funds to a borrower.

TITLE

Legal certificate outlining who owns a property.

TITLE INSURANCE

Insurance that covers a piece of land. This provides assurance that the real property remains the property of the buyer if a claim against the property is processed.

TITLE SEARCH

The process of checking records to ensure the seller has the legal right to sell the property.

**TOTAL DEBT SERVICE RATIO
(T.D.S)**

T.D.S. is typically used as the indicator that tells you if you can afford to take on more debt. Your T.D.S should not exceed 40% of your gross annual income (income before tax). This includes any mortgage debt, car loans, etc.

TRUST ACCOUNT

Bank account used by brokers to keep deposit funds separate from other funds.

UNDERWRITING

Calculation of risk involved for a lender.

VARIABLE RATE MORTGAGE

Mortgage that has fixed payments but where the interest rate is adjusted to market levels. If rates go up, a larger portion of that month payment goes to interest but the actual amount of the payment does not change.

WAIVER

Document normally signed by the buyer which relieves the seller from obligation to a particular condition in an offer.

WARRANTY

Legally binding commitment that the seller provides to the buyer to guarantee that the house is in good condition.

ZONING REGULATION

Criteria that regulates how a property may be used, typically established by the municipality. A property could be zoned for many different uses including residential or commercial.

Let's talk
Toronto Real Estate.

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