

Quiz

September 7, 2016

Test your Real Estate IQ with the RECO 'Be Home Smart' Quiz

Real estate transactions can happen at lightning speed, especially in a highly competitive market. The best way to keep your cool in the heat of the moment is to prepare in advance. Find out what you need to know before buying or selling your next home by taking the quiz below.



1. "Cooling off" periods for real estate in Ontario apply to:

- a) Resale houses
- b) New condos purchased directly from the builder
- c) New houses purchased directly from the builder
- d) All of the above
- e) None of the above

The correct answer is b) New condos purchased directly from the builder.

For the vast majority of real estate purchases in Ontario, there is no cooling off period – no chance to back out. So educate yourself and take steps to make sure you've made the right choice.

2. A buyer representation agreement, which is the agreement between you and the brokerage where your representative works, should include:

- a) The duration of the contract
- b) The geographical area it covers
- c) The terms of payment
- d) All of the above

The correct answer is d) All of the above.

A buyer representation agreement (BRA) defines the relationship between the buyer (you) and the real estate brokerage that is working on your behalf. When signing a BRA, always ask questions and make sure you're comfortable with the terms.

3. Services and fees from real estate professionals are:

- a) Mostly the same
- b) Likely to vary significantly from one to the next
- c) Exactly identical

The correct answer is b) Likely to vary significantly from one to the next.

Real estate professionals can have different specialized skill sets and can offer different services at different prices, so interview several and shop around before deciding.

4. When buying a home, who is most likely to let their hearts rule their heads?

- a) Young first-time buyers
- b) Upsizing new parents
- c) Downsizing boomers

The correct answer is a) Young first-time buyers.

Research done by RECO revealed that a third of Ontario homeowners (35%) let their emotions influence them more than they should have the last time they purchased a home. And, younger homebuyers were most emotionally – and financially – vulnerable.

5. As a buyer with an existing home to sell, you can protect yourself by:

- a) Always selling first
- b) Always buying first
- c) Having a contingency plan either way
- d) None of the above

The correct answer is c) Having a contingency plan either way.

Whether you buy first or sell first, have a contingency plan in case your closing dates don't align, leaving you with two homes, or no home, for a period of time. A real estate professional should be able to offer advice and solutions based on the route you choose.



6. If you have a concern about your real estate professional's conduct, you should:

- a) Contact your lawyer, then RECO
- b) Hire a new real estate professional
- c) Speak with the real estate professional, then their manager, and then contact RECO
- d) Wait for the issue to work itself out



The correct answer is c) Speak with your real estate professional, their manager and then contact RECO.

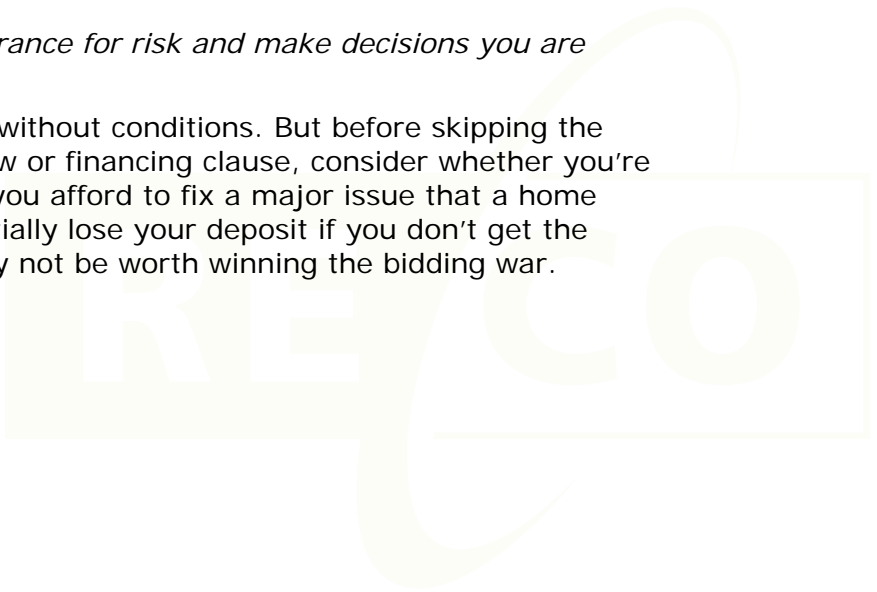
Concerns with a real estate professional are often rooted in miscommunication or a misunderstanding. Start by talking to your real estate professional to see if you can clear the air. If that doesn't work, try the broker of record at the brokerage. If that doesn't fix it, file a complaint with RECO. In more serious instances, such as fraud, contact RECO right away.

7. In a bidding war, the best strategy is to:

- a) Go in with a clean offer – no conditions
- b) Keep the condition for a home inspection if the home is more than 10 years old
- c) Keep the condition for financing if your down payment is less than 20 per cent
- d) Know your tolerance for risk and make decisions you are comfortable with
- e) Options B and C

The correct answer is d) Know your tolerance for risk and make decisions you are comfortable with.

You may be tempted to submit an offer without conditions. But before skipping the home inspection, status certificate review or financing clause, consider whether you're comfortable with that level of risk. Can you afford to fix a major issue that a home inspection would have found? Or potentially lose your deposit if you don't get the financing? If not, waiving conditions may not be worth winning the bidding war.



How did you do?

If you answered:

6 or 7 of the questions correctly: Congratulations, you're a real estate guru! You're ready to start interviewing real estate professionals, an important first step in the process of buying or selling a home.

4 or 5 questions correctly: Not bad. You're a real estate apprentice. You need to brush up in a few areas before you enter the market as a buyer or a seller.

0 to 3 questions correctly: Time to do some research. You're a real estate novice. But the good news is that everything you need to know to improve your score is on the RECO website: www.reco.on.ca



About RECO:

RECO regulates the real estate profession in Ontario. RECO is responsible for administering the Real Estate and Business Brokers Act, 2002 (REBBA 2002) and associated regulations on behalf of the provincial government. In order to trade in real estate in Ontario, brokers and salespersons must be registered under REBBA 2002. RECO's mission is excellence in the delivery of regulatory services that protect the public interest and enhance consumer confidence in the real estate profession. RECO is part of Consumer Protection Ontario (CPO), an awareness program from Ontario's Ministry of Government and Consumer Services. CPO helps Ontarians learn about the right questions to ask before making important purchasing decisions. For more information, visit www.reco.on.ca.

-30-

For further information contact:
Ellen Woodger, Communications Consultant
The Gabor Group
416-483-2358
ellen.woodger@sympatico.ca

