

# COSTS INCURRED WHEN BUYING A HOME

## G.S.T.

- only applies to new or substantially renovated homes, and a rebate is usually given to the homeowner.

## PROPERTY TRANSFER TAX (1st time buyers are exempt if purchase price is under \$425,000)

- 1% on the first \$200,000.
- 2% on the balance.

## LEGAL FEES

- \$700 and up for a Notary Public.
- \$750 and up for a Lawyer.

## TAXES

There will be a credit or debit shown on your purchasing statement to adjust for municipal taxes, water and sewer, maintenance fees, rents, etc.

## BANK FEES

- appraisal fee \$0 or \$200 dollars (depending on the financial institution).
- survey certificate (may be required for house or land purchases), \$250 - \$300.

## HOME INSPECTIONS

- at the purchasers request to verify condition of the home or building for a cost of \$300-\$400 and up by an independent inspector of the purchasers choice.

## HOUSE INSURANCE

- \$800 and up annual premium \* For Condos: \$300.00 & up – need only content insurance as the rest will be covered in the strata maintenance fees.
- Payable to the insurance company prior to completion date

## CANADIAN MORTGAGING & HOUSING CORPORATION (C.M.H.C.)

- mortgage insurance on high ratio mortgages (less than 20% down).
- 2.75% of mortgage amount premium up to 95%; 2.00% up to 90% 1.75% on 85% 1.00% up to 80% .65% up to 75%; premium may be added to mortgage amount

## EXAMPLE

Home purchase price	\$500,000.00	\$488,062.50 @ 6.0% interest = \$3,122.66
5% down payment	\$ 25,000.00	monthly mortgage payment
C.M.H.C. fee	\$ 13,062.50	Taxes \$2500.00-\$570.00 = 1930 / 12 = \$160.83
Total mortgage	\$488,062.50	per month
		Total costs per month = \$3,283.49

I / We have been given this form and understand there are extra costs involved in buying our new home.

\_\_\_\_\_ Signed on \_\_\_\_\_ 200\_\_

**MY PROFESSIONAL REAL ESTATE SERVICES ARE AT NO EXPENSE TO YOU**

**BUYERS ESTIMATED CLOSING COSTS**

When contemplating a move or first home purchase, the last thing you want is to find out you need and extra \$2000 - \$10,000. or more in closing costs, on your completion date. Planning and knowing the facts and figures is the key to avoiding unpleasant surprises and unwanted stress. As well as your down payment, you can expect to pay some or all of the closing costs listed below:

\*Home inspection: Condo (approximately \$300 and up) \$ \_\_\_\_\_  
House (approximately \$400 and up)

\*Bank Appraisal Fee (0 or \$200) \$ \_\_\_\_\_

CMHC or MICC mortgage insurance for high ratio mortgages (less than 20% down) plus .65% – 2.75 % of the mortgage amount as a premium. (This may be added to the mortgage) \$ \_\_\_\_\_

\*\*House Insurance (\$300-\$1500) \$ \_\_\_\_\_

Legal fees and disbursements (\$700 + ) \$ \_\_\_\_\_

Property Purchase Tax (1% on the first \$200,000, & 2% on the balance) \$ \_\_\_\_\_  
(Tax exempt for 1<sup>st</sup> time buyers if below \$425,000.)

Portion of annual taxes (based on a per diem, can be a debit or credit) \$ \_\_\_\_\_

Survey Certificate or Title Insurance (if required by the bank, 0 or \$250-300.) \$ \_\_\_\_\_

G.S.T. on new homes:  
Price over \$450,000. = 5% \$ \_\_\_\_\_

Price under \$350,000. = 1.8%

Price between \$350,000 - \$450,000. = Variable: (Price x 5%) – (\$450K – price) x 6300/100,000

TOTAL \$ \_\_\_\_\_

\* These two expenses are paid prior to firming up the sale and all other costs are paid 1 -2 days prior to completion day, at the Notaries or Lawyers office.

\*\* Payable to the insurance company prior to completion.

Also remember to budget for moving expenses and cable, phone and utility hook ups