

Home Buyer's Tips - Home Purchase Expenses and Closing Costs:

(Please note: all costs are approximate.)

We are connected with reputable businesses in all areas of the housing industry. Please call us and we will recommend a professional in your area that can help you with:

- Legal/Notary services
- Home Inspection
- Appraisal
- Insurance – General Insurance and Life Insurance

Home Inspection Fee (optional):

- A home inspection is a valuable tool to allow you information on the mechanics of the property you are looking to purchase. An inspector may find conflicts with structure, electrical, plumbing or other systems within the home that are not visibly apparent. Inspection reports are typically about \$400.

Appraisal:

- If you have a high ratio mortgage (less than 25% down payment) then CMHC or GE Capital will perform the appraisal for a fee of \$165 to be deducted from the mortgage amount
- If you have a conventional mortgage (more than 25% down payment) an independent appraisal is needed for a fee of approximately \$250

Mortgage Loan Insurance Premium:

- If you have less than 25% equity in the home, CMHC (Canadian Mortgage and Housing Corporation) or Genworth must by law insure the mortgage unless you use private financing. This premium is rolled into your mortgage. (Current figures as of April 2007) - Please see table on the following page

Loan Amount as a % of the Value of the Home	Purchase Premium on Total Loan	Premium on Increase to Loan Amount for Portability and Refinance*
Up to and including 65%	0.50%	0.50%
Up to and including 75%	0.65%	2.25%
Up to and including 80%	1.00%	2.75%
Up to and including 85%	1.75%	3.50%
Up to and including 90%	2.00%	4.25%
Up to and including 95%		
~Traditional Down Payment	2.75%	
~Flex Down	2.90%	
<p><i>* For Portability and Refinance, the premium is the lesser of the Premium on Increase to Loan Amount or the Premium on Total Loan. In the case of Portability, a premium credit may be available under certain conditions. Refinance s limited to 90% LTV.</i></p> <p><i>Note: See your lender for premium surcharges and other terms and conditions which continue to apply.</i></p>		

To be paid at your Lawyer or Notary's office:

- Legal Fees & Disbursements (Approximately \$800-\$1000)
- Survey Fee / Survey Certificate (Houses only): \$400 - This certificate shows that the home and outbuildings on a property do not encroach or cross neighboring property lines. The vendor may be in possession of this certificate and it is not needed for strata buildings. Survey Certificates are valid for up to 15 years and following that either a new survey must be attained or can be replaced by Title Insurance for approximately \$250.
- Property or Land Transfer Tax: First time home buyers will only pay this tax if their purchase is over \$375,000 or if there is more than 30% equity in the home. All repeat and investment buyers will pay this tax and it cannot be rolled into mortgage financing. The tax is calculated as 1% on the first \$200,000 of the purchase price and 2% on the remaining.
- Adjustments of property taxes, strata costs, municipal costs, etc. varies depending on which month of the year the property is purchased.
- Property Tax Adjustment: This amount will vary depending on the property taxes and the closing date. Property taxes are traditionally due on or about July 1st of each year. If one purchases a property between January 1st and June 30th then the seller will owe the purchaser taxes as the purchaser will be responsible for paying the year's taxes come July 1st. If one purchases a property between July 1st and December 31st then the purchaser will owe the seller taxes as the taxes will have been paid for July 1st. Property taxes are adjusted to the exact day the property is transferred.

If Strata:

- Estoppel Certificate Fee - This applies if you are buying a condominium or strata unit and could cost up to \$100
- Form A (Strata only – needed at closing): \$50 – Required by the Strata Act to show vendor does not have outstanding strata fees.
- Strata Cost Adjustment (for strata properties only – needed at closing): The vendor will be compensated for strata fees paid after adjustment date.

To be paid to your municipal government and/or utility providers:

- Property Taxes (varies by municipality)
- Service and Utility Hook-up fees
- Utility Payments

To be paid to your lender:

- Your mortgage payment – based on chosen payment terms, payment frequency will vary. (Weekly, bi-weekly, monthly, etc.)
- GST on new homes will be added to purchase price and can be financed by the mortgage

Other costs to consider:

- Moving Expenses
- Renovations and repairs
- Furniture, paint, carpeting, window coverings, etc.
- Property Insurance – If purchasing a home, you will need an Insurance binder from an insurance agent (fire insurance, etc.) \$35.

Once you have purchased your home, you will incur regular expenses on a monthly, quarterly or yearly basis, including:

- Your mortgage payment
- Water and/or Sewer Payments
- Electricity and Gas Services
- Cable and Telephone Services
- Property Taxes
- Strata or Condo Fees (*If Applicable*)
- Repair/Maintenance Expenses
- Homeowner's Insurance
- Life Insurance