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## BUYERS' COSTS

*Although the seller takes on the majority of sale-related expenses, closing costs also apply to the buyer. Here's a list of typical expenses that you may incur in addition to your downpayment and mortgage. This list is not exhaustive and there may be other costs that apply depending on your specific situation.*

- Property Transfer Tax charged at a rate of:
  - 1% on the initial \$200,000
  - 2% on the portion of the fair market value greater than \$200,000 and up to and including \$2,000,000.
  - 3% on the portion of the fair market value greater than \$2,000,000 up to and including \$3,000,000.
  - 5% on the portion of the fair market value greater than \$3,000,000.
- Fees for lawyer or notary (approx \$750 - 1200)

- Foreign Buyer's Tax of 20% of fair market value if the buyer or entity is not a Canadian resident and the property is located in an applicable area. Consult with your lawyer and / or accountant for clarity.
- GST and PST (if applicable, i.e. GST for new builds, PST for mortgage insurance, both taxes apply to legal and notary fees)
- Inspection (typically \$300-800)
- Home insurance (varies greatly depending on property and details of coverage)
- Title insurance. An optional insurance - which some lenders actually require - that covers problems arising due to existing liens against the property's title, title fraud, undischarged mortgages, encroachment issues (e.g you find out a structure on your property is actually part of your neighbour's property) etc. (usually around \$150-250)
- Mortgage related fees if any. These might include mortgage insurance from CMHC or Genworth, an application fee, mortgage life insurance or interest adjustments (interest on any gap between the closing date of the purchase and the first payment date for the mortgage).
- Property taxes and adjustments depending on if already paid.
- Prepaid utility or condo fees.
- Appraisal costs if any. Property valuations are usually sought to determine the property lending value for mortgage purposes. This value may or may not be the same as the purchase price of the home. (typically around \$100-500)
- Property survey. Determines the boundaries and measurements of a parcel of land and specifies the location of major structures, and any registered or visible easements or encroachments on the property. (range around \$750-1500).

- Water quality / septic tank test. These pertain only to certain types of properties.
- Rent and security deposits. If there is a secondary suite or a laneway home rental and the tenancy continues, the buyer receives the security deposit from the seller with accrued interest. The buyer is responsible for reimbursement when the tenant leaves.
- Locks. New owners should always have door locks rekeyed. Costs depend on whether the locks are standard or electronic. (\$40-100/door)
- Strata maintenance fees and move-in costs. Typically paid on the first day of each month. There may be a fee for booking the elevator.
- Moving costs.
- Installation / hook-up fees for services and utilities.
- Realtor fees. These fees are typically paid by the Seller unless you have another agreement in place (ie Buyers Agency Agreement with specified compensation).