

Smooth Moves

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This flyer is intended to provide general information only, not legal advice.

**Questions?
Contact us.**

The Notary Group

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The Notary Group is the trade name for Janzen & Caisley Notary Corp., a Professional Notary Corporation.

How much does it cost to buy a home?

Purchase price is only one part of the cost involved in buying a property. This flyer sets out some additional costs a buyer might encounter. The type and amount of these costs are determined by several things: the location and type of property, the length of time until closing, whether a lender is needed, etc.

Additional costs might be incurred during the negotiation for the property (or the mortgage), or on the completion of the contract.

While you want to be aware of your costs, cheaper isn't always better. It is important to pick a REALTOR® and a notary who will help you complete a purchase on quality of service, not just price. Ask friends or family for referrals, and pick a professional who is a good fit for the way you like to do business.

Commissions

Generally speaking, sellers pay the commission on the sale of a property. However, it is important for buyers to confirm with their REALTOR® whether any other commissions or expenses will be owing on the completion date.

Copies of Charges on Title

Costs to retrieve copies of charges from the Land Title Office are about \$15 for newer charges, more for charges registered before 1991, as these need to be ordered through an agent, and the fee is charged per

page). Your notary will charge a nominal fee to retrieve the charges.

Deposits

A show of good faith – held in trust until completion or released on terms set out in the contract. The amount of the deposit is negotiated by your REALTOR®.

Financing Costs

It costs money to borrow money; clarify with your lender or your mortgage broker the amount of any financing costs for your purchase.

Mortgage broker fees can range from 2% to 5% of the mortgage amount; some lenders will pay this for you, some (private) lenders will require you, as the borrower, to pay.

Mortgage default insurance premiums (payable on high ratio loans) can range from \$5,000 - \$30,000; depending on the property value and the loan to value ratio.

Most lenders will require an appraisal; usually done during mortgage approval process. Appraisals typically range between \$300 - \$700, depending on the uniqueness of the property.

Your lender may also charge additional administrative fees or expenses. Private lenders charge more!

House Insurance

The insurance premium is based on location, type and amount of coverage required. Strata buyers should consider whether top-ups to existing strata coverage are needed.

Some insurance providers charge a fee for providing proof of coverage (up to \$100).

Home Inspections

Home inspections might show some (not all) structural or other issues for repair; inspections cost from \$300 - \$600, depending on type of property.

Lenders may require additional, specialized certificates for well water, septic tanks, etc.

Legal Fees

Legal fees can vary greatly depending on exactly what you are asking the notary to do. Legal fees, disbursements & taxes on a standard purchase may well be in the \$1,000 range. **Buyers can call anytime for an estimate.**

Fees and disbursements increase with the complexity of the deal; mortgages through Schedule II and "internet" banks (ING, Manulife, Street Capital, etc.) incur extra signing costs.

Leasehold properties (First Nations, for example) also incur substantial extra legal fees, registration fees and other costs.

Moving Expenses

Don't forget to put aside some money for moving expenses, even if it's just something for pizza and beer for your family movers; charges for professional movers vary with the amount being moved, and the distance. Also include money for repairs, new furniture, storage, utilities hook-ups/deposits, etc.

Municipal Property Taxes

Municipal property taxes are charged on a calendar year. If the seller has paid the taxes by the completion date, the buyers will have to reimburse the seller for their share of the current year's municipal taxes, based on how many days they own the property for the year.

Be aware of prepaid taxes – if a seller has overpaid their taxes, buyers may have to reimburse them for this as well.

Property Transfer Tax

1% on first \$200,000, 2% on the balance; some exemptions exist.

PST/GST/HST

The way in which the property was used prior to sale determines which taxes are applicable on completion. Sellers should disclose to you, through your **REALTOR®**, which taxes apply.

These taxes can add up to big numbers, and cause big surprises. Make sure you address this issue so you aren't surprised on the completion date.

Strata Documents

Buyers need certain documents from strata management for the Land Title Office – can cost from \$60 - \$200, if needed on a rush. The notary must order these forms themselves – cannot use forms from other sources. Strata “info” packages (past minutes, bylaws, rules, etc.) generally cost from \$0 to \$400, depending on strata.

Survey Certificates

Surveys show lot lines, easements, etc. They generally take 7-10 days to order, and can cost from \$450 – 600 or more depending on location and size of property.

Title Insurance

Required by most Lenders. **Having a survey certificate does NOT necessarily eliminate the requirement for title insurance.** Price depends on type of purchase, value of home and whether the buyer gets a “Lender only” policy or Owner and Lender coverage. Typically ranges between \$150 - \$600.

Questions? Ask us!

The Notary Group has offices throughout the Okanagan. Please check our website at www.thenotarygroup.ca for information on branch locations and phone numbers, or you can e-mail us at info@thenotarygroup.ca for more information.