

Let's Talk **Surprise Costs**



Many costs can take unprepared home buyers by surprise - whether they are unexpected, or unexpectedly large! Investigate, shop around, and plan to minimize surprises that otherwise throw off your spending plan.

Purchase & Sale	Guidelines	Amounts
Property Appraisal	<ul style="list-style-type: none"> Often required by lenders, Canada Mortgage and Housing Corporation (CMHC) or Genworth Cost - up to \$300 	\$
Property Survey	<ul style="list-style-type: none"> Purchasers typically expect this to be available, and it generally already exists. If not, title insurance may be sufficient. 	\$
Home Inspection	<ul style="list-style-type: none"> Good investment - costs \$300-\$400 Even if home is in good condition, it should identify maintenance expenses to expect in the coming 10 years (furnace, roof, windows). 	\$
High-Ratio Mortgage Premium & Application Fee	<ul style="list-style-type: none"> If down payment is less than 20% of purchase price, you will require a high ratio mortgage. Premium is typically added to mortgage principal, but HST on premium amount must be paid in cash. 	\$
Real Estate Fees	<ul style="list-style-type: none"> Paid by seller, range from 3% to 6%, and is due on closing. Amount is negotiable - be creative! 	\$

Closing	Guidelines	Amounts
Land Transfer Tax	<ul style="list-style-type: none"> Charged on all sales, paid by purchaser 1% - 2% of purchase price This may be rebated for first-time buyers - ask your lawyer! 	\$
Legal Fees	<ul style="list-style-type: none"> Get a quote and insist it include "disbursements" - the flow-through costs to be added (copying, courier). They add up. 	\$
Home Insurance	<ul style="list-style-type: none"> Get quotes before you buy, especially if it's an old home or in an under-serviced area. You may be required to make upgrades in order to obtain home insurance. 	\$
Moving Expenses	<ul style="list-style-type: none"> Do it yourself can be expensive in time and back trouble, but is a great way to save money. Is it right for you? 	\$
Urgent Repairs	<ul style="list-style-type: none"> Did your home inspection point out anything urgent? Remember these expenses and factor them into offering price. 	\$
Utility Connection	<ul style="list-style-type: none"> Utilities charge to set up or transfer accounts. If you're a first-time customer, you may have to provide a deposit of up to \$300 per utility. Adds up fast! 	\$

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Other Expenses	Guidelines	Amounts
Property Taxes	<ul style="list-style-type: none">• Not a surprise, but adjusting to the expense can be.• Research equal-bidding options in your municipality.	\$
Utilities - Monthly	<ul style="list-style-type: none">• Gas, hydro, water, telephone, cable, internet• Pay as you go, or sign up for equal-billing to minimize seasonal fluctuations.	\$
Home Renovations	<ul style="list-style-type: none">• What plans do you have? Do it yourself? Priorities?	\$
Decorating	<ul style="list-style-type: none">• New blinds, some paint, and clean floors make a house a home.	\$
Home Maintenance	<ul style="list-style-type: none">• What equipment and tools do you require - inside and out?	\$
Appliances	<ul style="list-style-type: none">• Are they included? What do you already own?• How long will existing appliances last?	\$
Furniture	<ul style="list-style-type: none">• What do you need?• What are you willing to purchase used?• Many people spend a lifetime collecting pieces, others just want a comfortable place to sit - who are you?	\$