

# HOME BUYER CHECKLIST

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

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

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