

Completion Costs Guide

GST - If you buy a newly constructed home, you must pay the 7% GST. However, if your house is less than \$450,000 you may be eligible for a rebate. There is no GST on resale housing unless there have been substantial renovations to the property.

Property Transfer Tax - This tax is 1% on the first \$200,000 of the sale price and 2% on the remainder. First-time buyers may be exempt from paying this tax.

Prepaid property taxes or utility bills - You will have to reimburse the sellers for any prepaid property taxes or utilities.

Mortgage loan insurance and application fee - If you get a high-ratio mortgage (a mortgage where you pay less than a 25% down payment) you will have to buy mortgage loan insurance from CMHC or a private company. If you qualify for a 5% down payment, CMHC charges an insurance fee that equals 3.75% of the mortgage. If you put 10% or 15% down, your insurance fees will decrease to 2.5% and 2% respectively. The insurance premium usually gets added to your mortgage.

You will also have to pay an application fee. CMHC's standard fee is \$235. CMHC also offers a basic service for a \$75 fee but it must be accompanied by an appraisal.

Appraisal - Before your lender approves your mortgage, you may be required to have an appraisal done. Sometimes your lender covers this cost otherwise you are responsible for covering this cost. The fee ranges from \$150 to \$350.

Survey fee - Your lender may require an up-to-date survey of the property. If the seller did not provide you with one, you will have to pay to have one done. The fee ranges from \$150 to \$350.

Home Inspection fee - Most Realtors recommend that you get a home inspection by a certified home inspector. It will cost you from \$150 to \$350 for a smaller house. Large houses may cost more.

Legal fees - Lawyers/Notaries fees for closing the sale range according to the complexity of the deal but they will probably be at least \$400.

Disbursements to Land Titles Office - These fees are approximately \$300. Your lawyer/notary will arrange this payment.

(source: www.realtylink.org)