



THE COST OF BUYING YOUR HOME

A guide to closing costs...

BOSLEY
REAL ESTATE

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The following is a list of expenses normally incurred by a Seller when completing the sale of an average residential property within Toronto.

GETTING A HOME INSPECTION ON NEW EXISTING HOUSE IS OPTIONAL

Many properties offer a pre-listing home inspection report. If you are suspicious of the content, then you can often arrange a tour through the property with the inspector for about \$250. If the property does not have an inspection report with the listing, then one must be arranged prior to the offer, or conditional upon the offer being accepted (more rare in a Seller's Market. However if a house is a new build, covered by a Tarion warrantee, or if it is a tear-down, sold as-is, there is little need for an inspection. Costs vary, for the inspection report but generally it's \$500-600.

TERMITE INSPECTION REPORT

If the subject property is in an active termite zone, it may be useful to have it inspected by a qualified termite inspector (they'll tell you every area is an active termite zone). Like most inspections, it doesn't guarantee that property is termite free.

The cost will be approximately \$250 and up depending on the size of the property.

PREPPING YOUR HOME

Preparing your home before you move in. As you can imagine this price can range. Painting, cleaning, repairs and maintenance that may have been overlooked by the previous owners are all tasks that I can help coordinate and provide trades. See the "Sellers Property Preparations" download for tasks to look for. Price is dependant on scope. Start with \$500 though.

REAL ESTATE COMMISSION PLUS HST

In the rare case that you have purchased a from a private seller, or the commission paid to your (the buyer's) agent does not meet the threshold agreed to in the Buyers Representation Agreement, then you may be required to top up or pay the commission on your end. That amount would be subject to HST. This is rare, but possible and you should be well aware of it prior to making any offer.

MORTGAGE APPLICATION FEES (IF APPLICABLE)

Your bank (or mortgage broker) will likely waive any application fees and hopefully legal and the appraisal. But you need to get this in writing in advance so there are no surprises.

Costs can range from from \$300 - \$800



HST ON CMHC PREMIUM

Although CMHC insurance premium may be added to your mortgage, the Ontario government charges 13% HST on the premium. This is payable upon closing.

LEGAL FEES RANGE FROM \$1,250.00 AND UP PLUS HST

Lawyers may negotiate their fees and will provide individual quotes when requested. Probate, assignments, power of attorney, distant client, all will affect their cost.

LAND TRANSFER TAXES

Land Transfer taxes for residential properties is between .25% and .5% of the purchase price, Check out my calculators to figure it out. If you're a first time homebuyer then you will qualify for a rebate. There is also a \$75 filing fee because it's such a burden on the bureaucracy to take our money.

STATEMENT OF ADJUSTMENTS

Statement of adjustments on closing for prorated expenses, i.e. balance of fuel in the oil tank (if you have an oil tank, I hope we've talked about that!), prepaid taxes, utilities, rental income or last month's rent from a tenant your assuming, etc. This amount can vary dramatically. If the seller paid the property taxes for the entire year and sell in March, you will have to repay a good chunk of that cost. Warning: many of these costs won't be known until days before the closing, so have a contingency plan (we like to call it M.O.M. or the less reliable, D.A.D.)

Upon closing there are many other costs that you'll encounter including, but not limited to, moving, cleaning, updates to fixtures or window coverings, furniture, storage, time off work, extra child care.