

HIDDEN COSTS OF BUYING A HOME

Don't get sideswiped by these sneaky fees.



Mortgage Application Fee

Varies from lender to lender; some don't charge at all.



Mortgage Loan Insurance

If you have < 20% down you must buy this at 0.65% - 2.75% of the mortgage amount.



Mortgage Life Insurance

Covers your mortgage in case something happens to you. Cheapest option is a term life policy.



Home Inspection

You could waive it, but this is \$500-\$700 well spent.



Land Survey Fees

Your lender might require this.



Appraisal

Some lenders charge this back to the buyer. It's usually about \$300.



Realtor Fees

No cost to buyer. Sellers pay the full commission, usually the first \$100,000 at 3%, the rest at 1.5%.



Sales Tax

Only on newly built homes. 12% HST or 5% GST plus 2% transition tax, dependent on when it was completed. But...



New Home GST/HST Rebate

Upper price limits: \$850,000 for HST and \$450,000 for GST.



Contract Buyouts

You'll have to reimburse the seller for any prepaid contracts, e.g., monthly security services.

Potential Fees

Required Fees

Rebates/Grants/Exemptions

Deposit

Have about 5% of the purchase price available in cash.



Legal Fees

A notary will charge \$600-\$700, a lawyer around \$1,200 for an uncomplicated transaction.



Property Transfer Tax

You pay the first \$200,000 at 1%, the balance at 2%, unless...



You're exempt if you're a 1st-time buyer paying under \$475,000. Rebates are available for homes up to \$500,000.



Congratulations, you bought a home. What's next?



Exterior Upkeep

Garden supplies, new roof, a plumber for a burst pipe—you'll pay when these expenses come up, unless you're paying...



Strata Fees

Also called maintenance fees, these go to the upkeep of the common property, and often utilities and municipal services.



Incidentals

No more landlord. Now you're responsible for new appliances or a lawn mower or paint.



Commute

If you had to move farther from your job to get the home you wanted, this is another line item.



1st Time Home Owner Credit

Another bonus for first-timers! You can claim \$5,000 on line 359 of your income tax for a \$750 rebate.

Moving

Depends on how much stuff you have and how much help you're getting.



Home Insurance

An independent insurance broker can help you find the right policy to protect or replace your possessions.



Utilities

The seller can tell you how much you'll pay for water, gas, electricity, garbage collection, etc.



Property Tax

Property tax is calculated on the assessed value of your home...



BC Home Owner Grant

But you can get a break from the BC government if your home is assessed at less than \$1,100,000.

