



BUYER BEWARE: EXTRA COSTS WHEN BUYING A HOME

WHETHER YOU ARE BUYING YOUR FIRST HOME, TRADING UP TO A ROOMIER PROPERTY, OR DOWNSIZING TO A MORE MANAGEABLE ABODE, YOU'LL HAVE TO SHOULDER SOME ADDITIONAL PURCHASING COSTS. IF PURCHASING COSTS TAKE YOU BY SURPRISE, THEN YOU MAY BE STUCK WITH A DEAL THAT YOU CAN'T AFFORD TO COMPLETE. TO AVOID UNWANTED FINANCIAL HARDSHIP, REVIEW THE LIST OF PURCHASING FEES THAT MAY BE APPLICABLE TO YOUR PURCHASING SITUATION.

Appraisal Fee:

In order to qualify for a mortgage, your lender may require that you obtain an appraisal of the home that you are looking to purchase. The cost of an appraisal can be \$150-\$300.

Home Inspection Cost:

As a standard precautionary measure, you should consider having a home inspection performed on any property you intend to purchase. A professional home inspection is the only way to be sure that the home you purchase is free of water damage, plumbing, electrical, and structural problems. The cost of a home inspection can range from \$300-\$600+. Keep in mind; you may pay for multiple home inspections if one or more potential properties prove to be too inadequate for you to consider making a purchase.

Survey Fee:

When you are purchasing a home, especially an older property, your lender may require an updated property survey from the municipality. This survey will detail the property boundaries and all of the approved physical structures on the property. In addition, it will trace out any easements on the property. The cost of a survey typically ranges from \$600-\$1000+.

Mortgage Insurance:

If you are buying your first home, or have limited equity in your current home, your lender may require that you purchase insurance for your mortgage. The insurance cost will be 4% or less of your total mortgage. This is usually paid in monthly installments with your regular mortgage payment.

Property Taxes:

If you are purchasing your first home, or have a smaller down payment, your lender may require that you make payments towards your property taxes along with your regularly scheduled mortgage payments. Alternatively, once you are living in your new home, you may be required to provide your lender with proof that you have paid your property taxes each year. Municipal repairs and development projects can significantly impact property tax rates.

Property Insurance:

Home insurance covers the cost of the replacement of your home and its contents. The cost of this insurance is dependent upon the value of your home and the property within it. You may be required to show proof of your insurance coverage in order to obtain a loan.

Mortgage Broker's Fee:

Some mortgage brokers may charge a fee for their services; though many will help you find a lending institution that will cover their fee when you agree to their mortgage terms.

Property Transfer Tax:

When a property title changes hands, the province in which you reside will charge a Property Transfer Tax. These fees vary by province or territory.

Moving Costs:

Buying or renting boxes, using a moving service, or renting a moving truck are additional costs to add into your moving budget. These costs vary according to the distance or your move and the quantity of belongs that need to be transported.

Strata Fees:

When moving into a strata development, don't forget to include your strata fees in your monthly budget. You should also find out whether there are any significant renovations or repairs being discussed by the strata council; you will be responsible for paying a portion of the cost of maintaining the building; these costs can vary widely by unit and complex.

Legal Fees:

The legal fees associated with a real estate purchase can cost between \$500-\$2500 depending upon the quality of the service offered and the credentials of your legal representative.

Moving into a new home should be exciting, not stressful. By preparing for the costs described above, you can reduce the financial stress of your move, leaving you room to enjoy your new property. If you are unsure whether or not certain expenses apply to your purchase, consult your realtor or ask one of our knowledgeable real estate professionals.

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