



HOW MUCH WILL MY HOME REALLY COST?

Once you know what kind of mortgage you want and the price of the house you can afford, you should add up all of the other costs involved in buying a house so that you know the true cost of buying your home.

When you buy a house, it isn't only the cost of the house that you need to save for. Don't forget these other costs:

Appraisal Fee

An appraisal is an estimate of the value of the home. Your bank or credit union may require that the property be appraised at your expense. This can range between \$250 and \$350.

Deposit

A deposit is required to ensure that the buyer is serious about purchasing the home. It can form part of your down payment, but it must be paid when you make the Offer to Purchase.

Down Payment

You will need a down payment (money paid up front) to obtain a mortgage. With a down payment of 20 per cent or more of the home's price, you can obtain a conventional mortgage. Your down payment must be at least five per cent of a home's price for you to benefit from a competitive interest rate.

Mortgage Loan Insurance Premium

If you have less than a 20 per cent down payment, your bank or credit union may require that you buy mortgage loan insurance. You can add the mortgage insurance premium to your mortgage or pay the full amount when you close the sale on the house.

Home Inspection Fee

A home inspection, which costs around \$500, is a report on the condition of your home. You may want to make your inspection a condition of your Offer to Purchase, to make sure you are aware of the condition of the house before you agree to buy.

Estoppel Certificate Fee (not applicable in Quebec)

This fee costs up to \$100, but applies only if you are buying a condominium in a strata unit or condominium and costs up to \$100.

Land Registration Fee

This is charged in some provinces and territories, and while the charge varies depending on the province, it is usually a percentage of the home's price.

Prepaid Property Taxes and/or Utility Bills

These charges are meant to reimburse the person who is selling the house for amounts already paid for, such as property taxes, filling the oil tank, etc.

Property Insurance

The insurance covers the cost of replacing the structure of your home and its contents. Property insurance must be in place on the day you close the sale.

Survey or Certificate of Location Cost

The bank or credit union may ask for an up-to-date survey or certificate of location prior to finalizing the mortgage loan. This can range in price from \$1,000 to \$2,000.

Legal Fees

These fees must be paid when the sale is completed and costs a minimum of \$500.

Title Insurance

Your bank or credit union, or lawyer/notary, may suggest insurance to cover any loss caused by

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problems in the ownership of the property.

Water Tests

If the home has a well, you will want to test the quality of the water to ensure supply is adequate and the water is drinkable.

Septic Tank

If the house has a septic tank, you will want to have it inspected to make sure it is in good working order.

Other Costs to Consider

- Appliances
- Gardening expenses
- Snow-clearing equipment
- Window coverings
- Decorating materials
- Hand tools
- Moving expenses
- Renovations or repairs
- Service hook-up fees
- Condominium fees

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