



Closing Costs

Legal Fees and Disbursements - Includes Professional fees your lawyer charges you and charges paid on your behalf by your lawyer during the process. This will be for everything from review of your documents, legal advice, title searches, title insurance, mortgage registration, contact with other lawyer, faxes, etc. \$1,600 - \$2,300 in most cases. Payable at closing.

Land Transfer Tax - Applicable to all parties who acquire land or an interest in. Tax is based on the purchase price. Payable by all home buyers to the Province and an extra municipal tax in Toronto (MLTT) if you buy in the city of Toronto. Rebates are available for first time buyers and will be completed by your lawyer. Payable at closing.

***See Land Transfer Calculator on my home page.

Title Insurance - An insurance policy that protects property owners and their lender against losses related to the property's title. Required by all lenders as a condition of mortgage advancement. \$300 - \$1000+. Based on purchase price. Payable at closing.

PST on CMHC Insurance - if you have an insured mortgage (CMHC or Genworth-added onto your mortgage in most cases), you are required to pay 8% PST on this fee. Payable at closing.

Property tax Adjustment - If the sellers you are buying from paid property taxes past your closing date, you will need to reimburse them at closing. In some cases (as in new construction where the property is less than 2 years old and a property tax bill has not yet been generated, or in the case of a non-resident selling a home), a lawyer may do a tax hold back of the seller's sale proceeds and keep some money in trust until the issue is resolved. Payable at closing.

Home Inspection Fees - An inspection report provides a report on the stability and condition of the home for sale. If you and your realtor decide a Home Inspection is needed, it will usually be done after you have put in a conditional offer. Your conditional offer will most often allow 5 business days for the home inspection to be completed by a certified home inspector. Once the report is complete, the offer price may be adjusted if anything was found to be in need of repair. Varies by area and size of home, generally between \$400-700. Paid up front.

Appraisal Fees - Required by your lender. If you buy with less than 20% down and have default mortgage insurance, the insurer (CMHC or Genworth) will cover the cost and undertake the appraisal. If you have a conventional mortgage, your lender will require an appraisal to confirm the value and support the purchase price. Depending on the size and location of the home, your lender may do an automated evaluation, or desktop appraisal, which costs between 0-\$150 compared to a full appraisal which costs between \$300-\$500. Depending on the lender, either paid up front, or payable at closing.

Property Insurance - Mandatory requirement by all mortgage lenders. Lender will let lawyer know what is required and a quick call to your insurance company will set up what is needed - Most insurance companies will send the insurance right to the lawyer, who will forward to your lender. Payments are usually made monthly and start after closing. On average, \$50 -\$100 per month.

Utility Set up/Deposits - you will need to contact each utility company and let them know your closing date. Can all be done over the phone. If you are new to the area, many companies, namely hydro, will require a deposit, sometimes up to \$600 that will be reimbursed once you are established, or when you move out.

Tarion Warranty Enrolment Fee - On new construction homes only. In some cases, the builder covers the fee. \$700-\$1,500 based on price of home. Payable at closing.

Builder Closing costs - When buying a new construction home from a builder, in addition to most of the above fees, there will also be fees charged by the builder (cheque cashing, tree planting, driveway paving, school levies, utility hookup) just to name a few. Varies by builder. Condos are typically less. Can range from \$2,000 - \$20,000. Payable at closing.

HST Rebate - Payable only on new construction homes where the buyer is intending to rent out. The rebate portion that is automatically worked into the price by the builder has to be paid back by the buyer at closing if the property is not owner occupied. The buyer will then apply to Revenue Canada himself for the rebate after closing. Can be very costly, upwards of \$15,000. Payable at closing.

Moving/Storage - You will need to decide if you are packing everything up yourself and having a moving company pick up and deliver, or renting a truck yourself. Or, you can hire a moving company to come in, pack for you, deliver and unpack. You can also rent a storage pod to be placed on your driveway, you pack and fill it over time and the company picks it up and delivers it to your new home. Renting your own truck will cost you several hundred, renting the pod around \$750-\$2000. Payable upfront.

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