



MACDONALD REALTY BGW LTD.

## CLOSING COST CHECKLIST

### Specific to the Buyer:

#### **Harmonized Sales Tax**

Buyers must pay a 12% harmonized sales tax (HST) on the sale price of a new home (not a resale home). There are rebates. For more information visit <http://www.servicecanada.gc.ca> and type in the search box, 'HST rebate' for new homes. You will be taken to information and an application.

Buyers will also have to pay the HST on services such as appraisal and referral fees, survey fees and legal/notary fees.

#### **Property Transfer Tax**

Payable at the time the property is registered at the Land Titles Office. The rate is 1% on the first \$200,000 and 2% on the remainder. There is a rebate for first-time buyers. For information visit [www.gov.bc.ca](http://www.gov.bc.ca) and type in 'PTT rebate' in the search box. You will be taken to an information page.

#### **Property Taxes**

Some lenders require property buyers to add property tax installments to monthly mortgage payments.

#### **Legal Fees**

Lawyers charge for a variety of services such as reviewing the offer to purchase, searching the title, drawing up mortgage documents, overseeing the closing, and disbursements and other costs for conducting a title search, preparing the title deed, preparing and registering the mortgage and preparing the adjustments (ie. property taxes).

#### **Fire and Liability Insurance**

Most lenders require property buyers to carry fire and extended coverage insurance and liability insurance.

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#### **Mortgage Application Fee**

Lenders may charge a fee to process a mortgage application.

#### **Appraisal Fee**

To get a mortgage a buyer typically will need an appraisal. Fees vary.

#### **Mortgage Broker's Fee**

Typically a mortgage broker is paid by the lender. But sometimes a buyer will pay a fee which can be as high as 2%.

#### **Mortgage Insurance**

The federal government requires high-ratio mortgages (with less than 20% down payment) to be insured against default. The cost ranges between 1.25-3.75% of the mortgage amount which is added to the mortgage principal.

#### **Land Survey Fee**

Lenders may require a survey of the property. Survey costs vary.

#### **Home Inspector's Fee**

Most clients (and most lenders) want an offer subject to inspection. Fees vary depending on the property. If the property needs major repair, such as a new furnace or roof, this can be used to negotiate a better deal.

#### **Mortgage Life Insurance**

If a buyer(s) passes away, this type of insurance will pay off the balance owing on their mortgage.

#### **More Costs and Fees**

Don't forget about property taxes, utility bills, moving expenses, new lawnmowers, hoses, ladders, paint, carpet, appliances and more.