

## Wondering the “Hidden Cost’s” associated with buying a home?

### Adjustment Costs

These costs could include prepaid expense to the current owner. An example may be property taxes or prepaid utilities.

### Appraisal or Property Valuation Fee

When buying your home many financial institutions require an evaluation to determine the value of your home. They want to make sure their asset is in good condition and worth the money you are paying. In many cases the borrower is excepted to pay this. Typically a routine residential appraisal ranges from \$275-\$350 depending on the location and type of evaluation.

### Home Inspection Fee

This fee is not required by the lender but it is a smart choice. A home inspector will scrutinize your potential home from top to bottom. They will record anything needing major repairs or structural flaws. Keep in mind, when hiring a home inspector to get a referral from someone you trust. There is no designation or schooling required for individuals conducting these evaluations. Carson Dunlop is a consulting engineering firm, which is devoted exclusively to building inspections. A typical home inspection cost for Carson Dunlop is approx. \$465 (less than 2000 sq.ft). Home inspection costs vary based on the size of the home, age and the inspector you choose.

### Legal Fees

To complete your purchase a real estate lawyer is needed. They can be helpful in reviewing your purchase agreement, negotiating the purchase price and capping levies. Once hired, they act on your behalf working with the financial institutions to register your new mortgage, check the title, and confirm you are who you say you are. Then they close the deal. There are also some out of pocket expenses incurred by your lawyer for title searches and registration. Typical legal fees on a straight purchase are approx. \$1,099.

For fixed legal fees please ask me for a referral.

### Mortgage Life Insurance

This is an optional insurance that protects family members in case of death, by paying of the mortgage balance. These fees varies based on your individual situation.

### Property Insurance Cost

Many lenders require fire insurance as a condition of your mortgage. This is an ongoing cost and varies based on your provider.

### Taxes

You have your annual property taxes, which may or may not be added onto your mortgage payment. On existing structures this information can be found on the listing or by asking your real estate agent.

On top of your annual taxes there may be a tax levy usually called land transfer tax, which is based on your purchase price and the province in which you live. This is the cost of transferring the title from the seller.

### Title Insurance

Many lenders request title insurance in lieu of a survey. Insurance offered by title companies to protect landowners, and thus the mortgage lender against “clouds” or legal questions on the title to the real estate, or of the legal priority of the mortgage. The insurance covers any title related issues that may arise with your new home. Most times your lawyer will arrange the title insurance and the fees are disclosed to you by them.

### Survey

This is a map of the property you are purchasing with the land boundaries. Many lenders' today require either a survey OR title insurance. This is a legal document. In most cases, title insurance is cheaper than hiring a land surveyor.

\*\*All prices may vary due to province and providers