

Purchase Costs & Extras

Miscellaneous initial costs associated with purchasing a home.

Inspection Fee: The Thompson Team recommends that you have an inspection preformed by a professional Building Inspection Company; And that YOU be satisfied with the resulting report as one of the conditions to your buying the home. The Inspector will bring to light areas where repairs or maintenance are required. This will assure You that the home which You are buying is structurally sound.

- The Thompson Team is happy to supply you with a list of Home Inspection Companies – Please note we are only providing names & phone numbers; we are not recommending one inspection company over another.

- A Home Inspection normally costs approximately \$350. + Taxes

Mortgage Application Fee: Some Lenders charge a mortgage application fee for processing your application. If your request for a mortgage is turned down the fee is returned to you. If your mortgage is a CMHC insured mortgage there will be an application fee payable to CMHC of \$75. - \$235.

Appraisal Fee: The Lender extending the mortgage will hire an appraiser to ensure that the home you are buying meets its criteria for a mortgage. If you have a substantial Down Payment many Lenders will

waive this fee or absorb the cost provided that YOU ask not to be charged for the appraisal.

Legal / Notary Fees: You must retain either a Lawyer or a Notary to act for YOU in Buying and mortgaging of the property.

- The Thompson Team normally obtains a minimum of 3 quotes on Your behalf. – Please note we are only providing a service and do not recommend one Lawyer/Notary over another.
- Currently these fees are approximately \$850. For a house and \$900 for a strata titled property.

Property Purchase Tax: This tax is levied by the Province of British Columbia and is 1% of the first \$200,000. Of purchase price and 2% of the balance.

Note: First Time Home Buyers are exempt from paying this tax. (some restrictions apply)

Home Insurance: All homes must have adequate insurance coverage against fire and other risks of loss, theft, and liability. Your Mortgage Lender requires that you provide your Lawyer/Notary with proof that your insurance is in place by the Completion Date. This is called an Insurance Binder. Often the Insurance Agents charge a fee for providing this Insurance Binder to your Lawyer/Notary; said fee is usually \$20 - \$30.

Moving Costs: Whether you hire a national moving company or do-it-

yourself there will be some costs involved.

- There are normally discounts available if you move in the middle of the month
- If you have purchased a Condo be aware that often the Strata imposes a Move-in / Move-out fee that is usually \$50.-\$100. Further if the condo is in a multi story building with an elevator you often have to reserve the elevator in advance with the Management Company.

Survey Certificate: This may be required by the Lender and if unavailable or is the existing survey is unacceptable to Your Lender than a new one must be prepared. Normally the cost is approximately \$275.

- The Thompson Team always endeavors to find an existing survey certificate on Your behalf when required by the Lender.
- An alternative to the Survey Certificate that is accepted by most lenders is TITLE INSURANCE which costs approximately \$200.

GST: This 5% Federal tax is payable on ALL new construction, raw land, commercial property and commercial leases. If the home is to be the principal residence of the Buyer than there is a rebate of the lesser of 36% of the GST paid and \$7,560. provided the Purchase Price is under \$350,000. If the Purchase Price is between \$350,000 and \$450,000 than the rebate amount diminishes by a proportional amount. Often the Seller pays the tax as a part of the Purchase Price so that the GST is then covered in the mortgage.

Mortgage Brokerage Fee: As there are many varied financing options available to ALL Buyers today many Buyers use a Mortgage Broker to help them find the best package available to the Buyer. A mortgage best suited to the Buyer's individual needs. Normally the Lender pays the Mortgage Broker and the service to the Buyer is free.

However; if the Buyer cannot obtain financing from a Bank, Trust Company or Credit Union due to a poor credit history than a Broker may find a private Lender. In this case a negotiated fee would be charged to the Buyer.

Strata Move In Fee: Many strata condo complexes are now charging a fee whenever someone moves in or out of the building. This fee includes installation of protection padding for the elevator and the elevator key. It is also required that you reserve your move-in date with the strata management company several days in advance.

Adjustments: On Completion the Lawyer/Notary will adjust certain items that are associated with the property being purchased such a Property Taxes, Property Utilities (Sewer, Water, Garbage), Strata Maintenance Fees, etc.