

Top Ten List of Real Estate Closing Costs!

(Nobody likes these as a surprise!)

10. **Tax adjustment:** The taxes on a property are adjusted as of the possession date. Taxes are due on June 30th for the current calendar year. If your possession date is after June 30th, the seller is not on the monthly TIPP program and the seller has already paid the taxes in full, as a buyer, you must come up with your share (from possession date to December 31) in one lump sum. This can add an extra **\$1,000** or more to the cost of your purchase.
9. **Tax pre-payment:** If you are buying your home prior to June 30th and the seller was not on the monthly TIPP program, the taxes are likely not yet paid. This means the tax adjustment will be in your favour, but you will be responsible for the entire year's tax payment when it comes due in June. If the taxes have already been levied but have not yet been paid, your mortgage company will want them to be paid as part of the real estate transaction. Plan on an extra **few thousand**, depending on the annual taxes.
8. **Courier fees:** No, you don't want your lawyer sending the cheque for your purchase through the mail. Add **\$20**.
7. **Registration of your new title:** Information Services Corporation (ISC) charges **.3%*** of the value of the property as the cost of registration for your new property. For a \$150,000 property, it will be **\$450**. ISC will also charge you for title searches and prints (**\$10.82* per title**).
6. **Registration of your new mortgage:** ISC charges **\$155.81*** for up to four titles, interests or shares affected when registering a mortgage plus an additional **\$51.94*** per additional title, interest or share affected.
5. **Title Insurance and/or Survey:** If you are buying, we will typically obtain Title insurance which costs about **\$200**. If Title insurance is not obtained, your mortgage company **may** want a survey certificate which proves your new home is properly located on the lot. A new survey certificate may cost **\$500 or more**. If the seller already has a survey certificate, even better! Despite our shifting soil, houses don't move that much. An existing survey certificate will do the trick and it is usually free.
4. **House insurance:** You must have insurance! Protect your home and its contents from fire and other damage. Plan on **\$900** or more. Now is the time to shop, not only for the best insurance, but also the best insurance broker. Ask your lawyer for a referral.

If you are mortgaging your new home, your mortgage company will insist that you have adequate fire insurance with a "first-loss payable" to their institution. This means that if something disastrous happened to your property such as fire, the mortgage company would receive their funds first. Contact the paralegal handling your file to obtain the proper loss payable designation.
3. **Water heater adjustment:** If your new home has a rented water heater, the annual rental amount will be adjusted as of the date of possession. If it has been prepaid for the year, the adjustment will be in the seller's favour. This can add up to **\$150** depending on when you buy. Otherwise, the adjustment will be in your favour, but you will be responsible for the full payment of the rental when it comes due.
2. **GST and PST:** This will add to the cost of your legal fees and disbursements. If you are selling, it will also add to the realtor's commission. Ouch!
1. **Legal fees:** Legal fees vary depending on the complexity of the transaction. A typical purchase with mortgage starts at **\$850**. A typical sale starts at **\$650**. Please call Sara at (306) 761-7408 for a quote.

***NOTE:** ISC fees are subject to change and the fees listed above in items 6 and 7 are as at the time of publication.

Rodger W. Linka & Associates has a busy real estate practice. We can help you be aware of your real cost when you buy or sell your home.

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