

SASHA MILETIC'S VIP BUYER HOME HUNTING PROGRAM

Terms – Buyer Closing Costs

Adjustments

The annual real estate taxes will be apportioned to the Seller and the Buyer as of the date of closing. If the **Seller** has pre-paid the taxes for the year, the Buyer will be required to reimburse a pro rata portion to the Seller. If the property is heated by oil, the Buyer will be required to reimburse the Seller for the value of the oil remaining in the storage tank on closing. The Buyer's lawyer arranges for these adjustments with the Seller's lawyer as part of the closing process.

Disbursements

When your lawyer closes the purchase, he/she will have to pay a variety of expenses for you. He/she will add these costs to the bill he/she sends you. Such disbursement costs include fees for registering the deed and mortgage, building and tax certificate, hydro and water status reports, etc. On a standard residential purchase, these costs will run between, \$300.00 to \$500.00.

Discharge Penalties

If the Seller is discharging mortgages on the property he/she is selling, there may be early discharge penalties amounting to three months interest on the mortgage or the interest differential, whichever is the greatest to be discharged. Other penalties may be imposed depending upon the terms of the contract. The mortgage company may be prepared to waive all or part of the early discharge penalty if the Buyer agrees to mortgage the new property with the same mortgage company.

General Condominium Purchase



There are some special costs involved with a condominium purchase. For example, you will want a Status Certificate, which includes all important documents concerning the financial affairs of the condominium corporation, as well as the bylaws and the rules that owners are required to abide by. The Status Certificate costs approximately \$100.00, plus photocopying. Also, a condominium owner pays a monthly maintenance fee to the condominium corporation. This fee will be apportioned between the Seller and the Buyer as of the date of closing.

Home Property Inspection Report

Before you buy a property, it is wise to have it inspected by a qualified professional property inspector. The inspector will provide you with a written report. Such inspections cost \$250.00 or more, depending upon the inspector and the size of the property.



Insurance Policies

You may wish to consider a closing insurance policy (about \$40.00) and/or a home warranty policy (\$230.00 - \$350.00). As well, you will need property insurance and occupant's liability insurance. Contact an insurer well in advance of closing in order to ascertain the costs, and to have the policies in place at closing.

Land Transfer Tax

This is a sales tax charged by the provincial government. The formula used to assess the tax is as follows:

- ✓ 0.5 % of the first \$55,000 of the purchase price.
- ✓ 1.0% of the next \$195,000.00 of the purchase price
- ✓ 1.5% of the next \$150,000.00 of the purchase price
- ✓ 2.0% of the balance of the purchase price (for residential properties)

Legal Fees

Lawyers' fees vary. It is an issue for each Buyer to raise at the time he/she engages the lawyer to close the deal. These fees are HST applicable.

Marketing Fees

A Sales Representative may charge a specific fee for their services. The Buyer may have to pay. Most fees are recovered from the Seller offering a fee for the sale. If there is a short fall, the Buyer may have to pay the differences and it may be HST applicable.

Mortgage Financing Fees

Many mortgage companies charge appraisal and processing fees. These fees can be several hundred dollars. If you are borrowing more than 75% of the property's value ("high ratio financing"), there will be mortgage insurance premiums added to the face amount of the mortgage. 13% H.S.T. on the insurance premium must be paid on closing.

Moving Costs

Moving Costs vary depending upon the distance moved and the weight and volume of possessions moved. It is wise to book your mover well in advance of closing.

New Home Purchases

The biggest extra cost that attaches to new home purchases is HST. HST is 13% sales tax imposed by the federal government on new homes, as well as most other goods and services. It is not applied to purchases of resale (used) homes. Many builders include the HST in the purchase price. Make sure that the issue of who pays the HST is resolved in the Agreement of Purchase and Sale. Read your contract carefully. There may be additional costs for a wide variety of items, including paving of the driveway, landscaping, etc. On some new home purchases, the bill for these “extras” can be thousands of dollars.



Rental Property Purchase

If you are buying a tenanted property, any prepaid rents will be accounted for as part of the closing process. If the Seller has collected the last month’s rent, which is standard, you will be credited with that sum on closing.

Rural/Recreational Properties



There are a number of issues that must be canvassed by Buyers of rural/recreational properties. They include water quality and quantity, the condition of the septic system, road access, and availability and cost of municipal services (e.g. garbage collection, schools, busing, and road maintenance). All such issues need to be investigated fully at the time of purchase. Some of these investigations will cost money. For example, you may be required to pay a fee for the water quality and quantity tests. Also, if you wish to have a professional assessment of the condition of the septic system, there will be a fee. You will want to consider all of these issues at the time you are considering the purchase.

Survey

You may want a new survey, or your mortgage company may require one in order to advance the mortgage funds. Surveys start at about \$900.00. The price goes up depending upon the size and configuration of the property.

Telephone/Cable/New Appliances/Water Heater

These are incidental costs but the Buyer should be informed that there is an expense to transfer or purchase these items.

Title Insurance

Most mortgage lenders are prepared to accept title insurance instead of a survey. A Title Insurance Policy costs about \$250.00 - \$300.00 for most residential properties. The fee will vary to some extent with the value of the property.

Destination...WINDSOR!!!

SASHA MILETIC'S VIP BUYER HOME HUNTING PROGRAM

Description of Cost	Cost Amount
<i>Cost of Home</i>	
Purchase Price	
GST/HST (if applicable)	
Total Cost of Home (add the purchase price and GST/HST if applicable)	
<i>Up-Front Costs</i>	
Appraisal fee (if applicable)	
Deposit (to be paid when you sign the Offer to Purchase)	
Down Payment	
Estoppel certificate fee (for condominium/strata unit)	
Home inspection fee	
Land Registration fee	
Land Transfer tax	
Legal fees	
Disbursements	
Mortgage broker's fee (if applicable)	
Mortgage loan insurance premium (can be included in your mortgage)	
Prepaid property taxes	
Utility bill adjustments	
Property insurance	
Survey or certificate of location cost	
Title Insurance	
Other	
<i>Total Up-Front Costs</i>	
Other Costs	
Appliances	
Gardening equipment	
Snow-clearing equipment	
Window treatments	
Decorating materials	
<i>Total Expenses</i>	

LAW OFFICE OF

JAMES BRANOFF

BARRISTER, SOLICITOR, NOTARY PUBLIC

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WINDSOR, ONTARIO, N8X 1K7 FACSIMILE (519) 254-4838

2011 Estimate of Lawyer's Fees and Disbursements - Real Estate Purchase

- PURCHASE**
- Based on a City of Windsor single family residence at a purchase price of \$
 - Fees includes all administrative, word processing, cheque and delivery charges
 - The circumstances of each property will determine which disbursements are necessary
 - Some of the Search costs differ if property is not in Windsor, but in the County of Essex

With or without an Existing Survey and Stewart Title Insurance

Fees \$ 600.00
H.S.T. 78.00

Searches and Closing Costs, including H.S.T.

Title Search** (Estimated) 135.00
Property Tax Status Printout 67.80
Execution Pre-search** (4 x \$11 each, search current owners and purchasers only) 49.72
Execution Search** (4x\$11 each, search current owners and purchasers only) 49.72
Title Subsearch on closing 22.60
Enwin Utilities search (when required \$16.95) .00
Closing of Transaction 45.20
Photocopies, postage, faxes, long distance 26.96
Execution Abstracts (\$11 each) (when required) Unknown
Courier Charges (when required) Unknown
Sub-Total for Disbursements \$ 397.00

Total Fees and Disbursements \$ 1,075.00

Registration Costs, including H.S.T. where applicable

Land Transfer Tax, Depends on the purchase price
Title Insurance, Depends on the purchase price
Price under \$200,000 \$ 297.00
Price between \$200,001 - \$500,000 \$ 351.00
Register Deed 71.30
Register Mortgage 71.30
Sub-Total \$ _____

Estimated Total Legal Costs \$ _____

If the property is in a Town or City that does not provide verbal tax information, a tax certificate may be required at an additional cost of approximately \$67.80

Client(s) are to make their own arrangements for Union Energy, Union Gas and Enwin services.

We do not make these arrangements.

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2011 Estimate of Lawyer's Fees and Disbursements - Mortgage

- Fees includes all administrative, word processing, cheque and delivery charges
- The circumstances of each property will determine which disbursements are necessary

Fees \$ 375.00
H.S.T. 48.75

Registration Costs, with applicable H.S.T. Applicable

Register Mortgage (1) 71.30
Register Discharge (1) 7.130
Register Discharge (if Line of Credit is registered on title) 71.30

Disbursements including H.S.T.

Title Insurance (depends on mortgage amount) \$ _____
Closing of Transaction 45.20
Title Subsearch 67.80
Sheriff Certificate (2 names) 24.86
Tax Status Printout (Windsor only) 67.80
Photocopies, postage, faxes and long distance 22.99
Courier Costs (as incurred, if required) Unknown

Estimated Total Legal Costs \$ _____

Register Document General (\$71.30 each)
Deposit Declarations **if required** Unknown

If the property is in a Town or City that does not prove verbal tax information, a tax certificate may be required at an additional cost of approximately \$63.00. The property owner can attend the tax department and obtain a tax certificate or tax printout usually free of charge.

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2011 Estimate of Lawyer's Fees and Disbursements – Real Estate Sale

- SALE**
- Based on a City of Windsor single family residence at a purchase price of \$
 - Fees includes all administrative, word processing, cheque and delivery charges
 - The circumstances of each property will determine which disbursements are necessary
 - Some of the Search costs differ if property is not in Windsor, but in the County of Essex

Fees	\$ 400.00
H.S.T.	52.00

Registration Costs, with applicable H.S.T. Applicable

Register Discharge of Mortgage (1)	71.30
Register Discharge General (\$71.30 each) Deposit or Declaration if required	Unknown

Closing Disbursements including H.S.T.

Lawyers' Professional Indemnity	\$ 73.45
Closing of Transaction	45.20
Title Subsearch	29.38
Tax Status Printout (Windsor only)	67.80
Photocopies, postage, faxes and long distance	20.87
Courier Costs (as incurred, if required)	Unknown

Estimated Total Legal Costs	\$ 760.00
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Register Document General (\$71.30 each)	
Deposit Declarations if required	Unknown

If the property is in a Town or City that does not prove verbal tax information, a tax certificate may be required at an additional cost of approximately \$67.80. The property owner can attend the tax department and obtain a tax certificate or tax printout usually free of charge.