Tyler KOELLER REAL ESTATE

TORONTO & THE GTA
RE/MAX PREMIER INC.
BROKERAGE INTERNATIONAL

BUYER GUIDE

BUYING A HOME: WHAT EXPENSES TO EXPECT

Plan for the costs beyond your down payment

Your down payment is the biggest number, but it isn't the only one. These are the costs Ontario buyers should plan for, so nothing catches you off guard on closing day. Some won't apply to you, but it's best to know them all.

WHEN YOUR OFFER IS ACCEPTED

- **Deposit:** commonly around 5% of the price in the GTA, usually due within 24 hours of acceptance. It goes toward your down payment.
- **Home inspection:** paid to the inspector, often before an offer date or during a conditional period.
- **Appraisal:** some lenders require one and may pass the cost on to you.

ON CLOSING DAY

- **Land transfer tax:** Ontario's tax applies to every purchase, and Toronto homes pay a second municipal tax. First time buyers may qualify for rebates. Estimate yours with the **Land Transfer Tax Calculator** at tylerkoeller.com.
- **Legal fees and disbursements:** your real estate lawyer handles the title transfer, searches and mortgage registration. Get a written quote up front.
- **Title insurance:** a one time premium that protects against title problems such as fraud or survey issues.
- **Adjustments:** you reimburse the seller for property taxes, utilities or condo fees they've prepaid past the closing date.
- **Sales tax on mortgage insurance:** with less than 20% down, the mortgage default insurance premium is added to your mortgage, but Ontario's 8% sales tax on it is due in cash at closing.
- **HST on new construction:** new homes are subject to 13% HST, which is usually built into the builder's price. Ask what's included and about any current new home rebates.

BEFORE YOU MOVE IN

- **Home insurance:** your lender will require proof of coverage before closing. Shop around early.
- **Moving costs:** movers, packing supplies, and for condos, any move in fee or elevator booking deposit.
- **Utility setup:** hydro, water, gas, internet and any rental equipment such as a water heater.

ONGOING COSTS TO BUDGET FOR

- Mortgage payments, property taxes and home insurance
- Condo maintenance fees, which vary widely between buildings
- Utilities, maintenance and repairs. Many owners set aside a little each month for the unexpected.
- Any renovations or furnishings you plan to make it your own

> **TYLER'S TIP**
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> Ask your lawyer for a closing cost estimate as soon as your offer is accepted, and keep a cushion in your account in case of last minute adjustments.



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Questions about buying in Toronto or the GTA? Let's talk. I reply within 24 hours.

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