

Costs of Buying Property in BC.....



1. Property Purchase Tax

The British Columbia Provincial Government imposes a property purchase tax which must be paid before any property can be legally transferred to a new owner. The tax is 1% on the first \$200,000 of the property value and 2% on any value over \$200,000.

2. Don't forget the HST

The 12% HST applies to new housing. However, there is a rebate available. There is no HST on resale housing unless the home has been substantially renovated or is owned by a company.

3. Home Inspection Fees

Inspectors are unregulated in many provinces so fees range widely, from about \$325-\$450. Larger more expensive homes cost more to inspect. This is generally a two hour inspection carried out by an inspector who provides a written report. Municipalities may also supply any available inspection records on the property for a fee.

4. Septic Approval/Inspection

When buying vacant land for which a public sewer system is not available, then an assessment for lot suitability for septic system should be done. Fees are \$250-\$400. Prior to actual house construction, a filing of the field plan specific to that home must be done; this will probably be \$500-\$600. All inspections and filings must be done by a Registered on Site Water Practitioner or a Professional Engineer. A septic inspection is between \$400 and \$700.

5. Pest Control Inspection

To determine whether there is a problem with termites, carpenter ants, rodents or other pests, you should have this inspection done. You can then determine if any problem exists and then have it treated BEFORE you move in. Costs could range up to \$150.

6. Geotechnical Surveys

These surveys may be required when there is a stability question on banks or waterfront or unstable properties. These may be required by the municipality before building can occur. They range greatly in price.

7. Mortgage Loan Insurance

Premium and application fee

This type of insurance is required on all mortgage loans in excess of 75% of the appraised property value. Its purpose is to insure that the lender will not lose any money if you cannot make your mortgage payments. The insurance cost will range from ½ to 3.4% of the loan value, in most cases this premium is added to the loan amount and paid for over the term of the loan.

8. Appraisal Fee

Your lender may require a property appraisal at your expense. A basic appraisal for mortgage purposes will probably be between \$275-350

9. Survey Fee

Your lender will require an up to date survey. Ask the seller if they can provide one or you will have to pay to have one done.

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10. Property Insurance

This insurance covers the replacement value of the structure of your home and its contents. Your lender will insist on this because your home is the security for your mortgage.

11. Lawyer or Notary Fees

The transfer of property ownership from the seller to the buyer must be recorded in the Land Title Office in order to protect the new owner's interest. You will probably want to engage a lawyer to act on your behalf to review the Offer of Purchase and Sale, search the title and tend to closing details. If you are financing your purchase with a new mortgage loan, there will be a further fee to prepare and register the documents. Fees range widely depending on the complexity but will probably be at least \$700 to \$1000.

12. Property Taxes

Taxes are always a certainty. If you have a high ratio mortgage your lender may require that you have your property tax installments added to your mortgage payments.

13. Prepaid Taxes or Utility Bills

You will have to reimburse the seller on a pro-rated basis if some bills have been prepaid beyond the closing date. Remember, taxes are due in July.

AND DON'T FORGET:

- ✓ Moving expenses
- ✓ Service charges for hooking up cable/telephone/utilities, etc.
- ✓ Monthly Condo Fees (\$75-\$300)

COSTS for your NEW HOME

Purchase Price	\$ _____
Property Purchase Tax	_____
HST	_____
Home Inspection Fees	_____
Septic Approval/Inspection	_____
Pest Inspection	_____
Geotechnical Survey	_____
Mtg. Loan Insurance	_____
Appraisal Fee	_____
Survey Fee	_____
Property insurance	_____
Lawyer/Notary Fees	_____
Property Taxes	_____
Taxes/Utility bills	_____
Sub-total	\$ _____
Extras:	
Moving Fees	_____
Service Charges	_____
Condo Fees	_____
TOTAL	\$ _____

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