

SOME COSTS TO CONSIDER

PROPERTY TRANSFER TAX

Unless you qualify for the First Time Home Buyers Program (see below), you will be required to pay Property Transfer Tax at the completion of your purchase. Property Transfer Tax is as follows:

First \$200,000.....	1.0%
\$200,001 - \$2,000,000	2.0%
\$2,000,001 - \$3,000,000	3.0%
Over \$3,000,001.....	5.0%

First Time Home Buyers Program - you will be exempt from paying transfer if:

- a) The property will be your principal residence
- b) Located in BC
- c) Purchases up to \$500,000 (non-new properties)
- d) Property purchased from developer up to \$750,000 (new properties)

DOWN PAYMENT

Depending on the lender and the property type, down payments can vary. A general rule of thumb is that for a condo/townhouse or detached house, a minimum down payment of 5% is required, whereas bare land typically requires a down payment of at least 50%.

The Canadian Mortgage and Housing Corporation (CMHC) requires any buyer to purchase mortgage insurance when the down payment is less than 20%.

Insurance rates range from 2.40% - 4.50% depending on your down payment.

Full insurance rates can be found at: www.ratehub.ca/cmhc-mortgage-insurance

OTHER COSTS

- 1) House Inspection: \$300-600
- 2) Lawyers Fees: \$1000-\$1200
- 3) GST if new development
- 4) Foreign ownership tax

DETERMINING AN ACCURATE PRICE RANGE

Buying a home is an investment in your future, but it should not hold you back from doing other things that are important to you. Speak to a mortgage specialist or your bank to figure out what you can afford, before you start looking for your dream home.

ANTHONY IBHAHE

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