



MARK GOLDADE PERSONAL REAL ESTATE CORPORATION



COLDWELL BANKER

**PREFERRED
REAL ESTATE**

Understanding Real Estate Closing Costs

What to expect when it comes to costs associated with purchasing real estate in Winnipeg.

Closing Costs and Variables

This document provides an overview of some of the most common potential costs involved in finalizing the purchase of your new property in Winnipeg. While not all of these costs will apply to your particular situation, it is crucial to understand all possible expenses associated with your purchase. Generally, you should set aside 2-3% of the purchase price for additional closing costs.

We've done our best to provide accurate cost estimates, but please note that many of these expenses can vary significantly. It's important to verify all costs with your lawyer, banking/mortgage professional, home inspector, insurance company, and any other professionals you'll be working with during the home-buying process. As always, Mark Goldade Personal Real Estate Corporation will guide you through the entire process and answer any questions you may have.

Land Transfer Tax

The land transfer tax in Winnipeg is based on the purchase price of the property.

The rates are as follows:

- 0% on the first \$30,000
- 0.5% on \$30,001 - \$90,000
- 1% on \$90,001 - \$150,000
- 1.5% on \$150,001 - \$200,000
- 2% on the remaining balance over \$200,000

Additionally, there is a \$70 transfer of land registration fee. For reference:

- A \$200,000 purchase: land transfer tax = \$1,720
- A \$400,000 purchase: land transfer tax = \$5,720
- A \$600,000 purchase: land transfer tax = \$9,720
- A \$800,000 purchase: land transfer tax = \$13,720

Other Potential Fees

Surveyor's Certificate

- Confirms the property's location, encroachment, and zoning: \$500

Title Insurance

- Required by all major mortgage lenders. It protects the lender & purchaser to ensure the property has a clear title: \$300 - \$700

Zoning Memorandum

- Confirms the structures on the property comply with zoning bylaws: \$40 - \$150

Tax Certificate

- Indicates whether there are unpaid taxes outstanding on the property: \$35

Title Search

- Provides details on any encumbrances, charges, or liens registered against the property: \$26

Miscellaneous Costs

- File materials, couriers, postage, photocopying, tax charges, etc.: \$100 - \$200

Additional Considerations

Property Tax Adjustment

- Property taxes are adjusted according to the possession date. If the current tax year has been fully paid, the buyer will reimburse the seller for the number of days remaining in that tax year.

Disbursements

- Out-of-pocket expenses that you may be required to prepay in case the item is needed during the legal transaction.

Home and Fire Insurance

- Required by a mortgage lender to have home/property/fire insurance on the property on possession day. Rates vary by provider: \$1,000 - \$2,000 per year.

Moving Costs

- These vary widely. From installation costs of Wi-Fi to tapping into hydro power or adding in a septic system. Every property is different and the costs will vary as well.

Hook-ups

- Installation costs for utilities such as Wi-Fi, hydro power, or septic systems. Costs will vary.

Cleaning, Decorating, Renovating

- Many buyers prefer having their home professionally cleaned when they take possession. The home may also need new paint, carpet cleaning, minor repairs, and new furniture to match the home. If you're planning on doing more extensive renovations like an addition, new windows, or a new roof, it's a good idea to have those estimates done prior.

Financing and Legal Fees

Down Payment

- If you must borrow to buy a home, the minimum down payment you can make is 5% of the purchase price.

CMHC Insurance

- If you need to borrow more than 80% of the money for your home, you'll be applying for a high-ratio mortgage insured by the Canada Mortgage and Housing Corporation (CMHC). This insurer charges a fee for this insurance, typically ranging from 1.00% to 3.25% of the principal amount of the mortgage.

Mortgage Application Fees

- Most lenders charge a mortgage application fee ranging from \$100-\$500. For an "insured" mortgage, there may be a further application fee of \$75 - \$175, plus premiums.

Mortgage Discharge Fees

- If you have a “closed” mortgage and sell your home before the mortgage matures, there can be penalties and discharge fees that can be quite costly. These fees vary but are often a combination of your interest rate along with the current market rate.

Legal Fees

- Typically, legal fees range from \$600 - \$1,000 for a standard home purchase, plus title insurance of \$300 - \$700 per title of the property. More complex purchases will cost more in terms of the time the lawyer must invest.

GST

- GST is payable on the purchase of new build homes. It is also applicable to the purchase of land and larger land purchases with a residential resale building on it. Standard residential resale properties are exempt from paying GST. GST is charged on REALTOR® commission fees.

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