ANA BASTAS
REAL ESTATE TEAM

10 CLOSING COSTS WHEN BUYING A HOME

A Buyer's Guide to Budgeting With Confidence

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WELCOME HOME STARTS WITH SMART PLANNING

Buying a home is one of the most exciting milestones in life — but closing costs often catch buyers by surprise.

At Ana Bastas Realty, we believe informed buyers make confident decisions. This guide breaks down the 10 most important closing costs you should plan for so you can move forward prepared, empowered, and stress-free.

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1. Home Inspection

A professional inspection helps identify potential issues with the home's structure and major systems such as plumbing, roofing, and electrical.

Estimated Cost: $350 – $450

Why It Matters:
Protects you from unexpected repairs and strengthens your negotiating position.

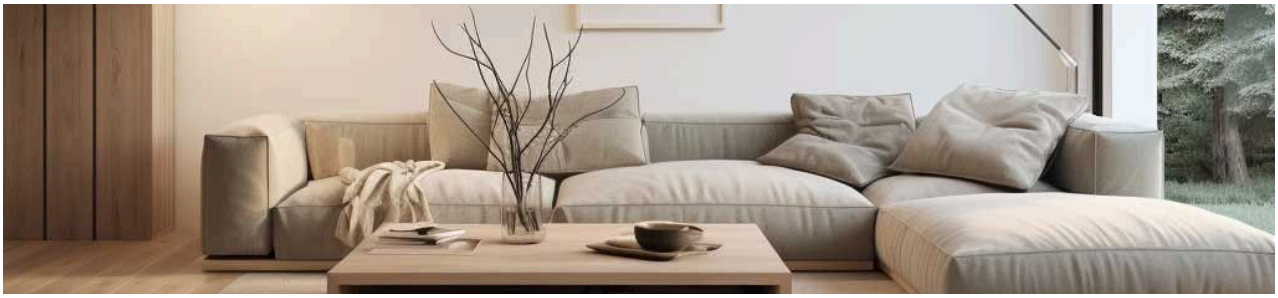
2. Legal Fees

A real estate lawyer or notary ensures your transaction is legally protected and properly registered.

Estimated Cost: $800 – $1,500 (plus disbursements)

Includes:

- ✔ Contract review
- ✔ Title search
- ✔ Mortgage registration
- ✔ Closing coordination



3. Home & Fire Insurance

Your lender requires proof of insurance before funding your mortgage.

Estimated Cost: Starting at $500 per year

Coverage Protects Against: Fire damage, theft, water damage, and liability claims.

4. Mortgage Insurance Tax (If Applicable)

If your down payment is less than 20%, mortgage default insurance is required. While the premium is added to your mortgage, **provincial sales tax** (PST) must be paid upfront at closing.

Example:
Mortgage Insurance Premium: $5,000
PST at 8% = **$400 due at closing**

5. Land Transfer Tax

Most provinces and some municipalities charge a land transfer tax when ownership changes.

Typical Range: 0.5% – 2% of purchase price

Good News:
✔ First-time buyers may qualify for rebates or exemptions.

6. Title Insurance

Title insurance protects you against fraud, ownership issues, and defects in property title or survey.

Estimated Cost: $150 – $350

One-Time Fee — Lifetime Protection

7. Prepaid Adjustments

You may need to reimburse the seller for prepaid expenses such as:

- Property taxes
- Utilities
- Water bills

Estimated Cost: Several hundred dollars
This ensures your new home expenses are already paid for the first few months.

8. New Construction Costs

If purchasing a newly built home, additional fees may apply beyond the base purchase price:

✔ Landscaping
✔ Driveway paving
✔ Upgrades

Taxes:
5% GST or 13% HST (often included)
Federal rebate may reduce effective tax to approximately 3.5% for homes under $350,000.

9. Appraisal Fee

Your lender may require an appraisal to confirm the market value of the property.

Estimated Cost: $300 – $500

This protects both you and the lender.

10. Moving-In Expenses

Plan for final setup and move-in essentials:

🚚 Moving truck or movers
🔐 Rekeying locks
🧹 Cleaning supplies or services
📦 Packing materials

Estimated Budget: $500+

First-Time Buyer Bonus: Tax Credit

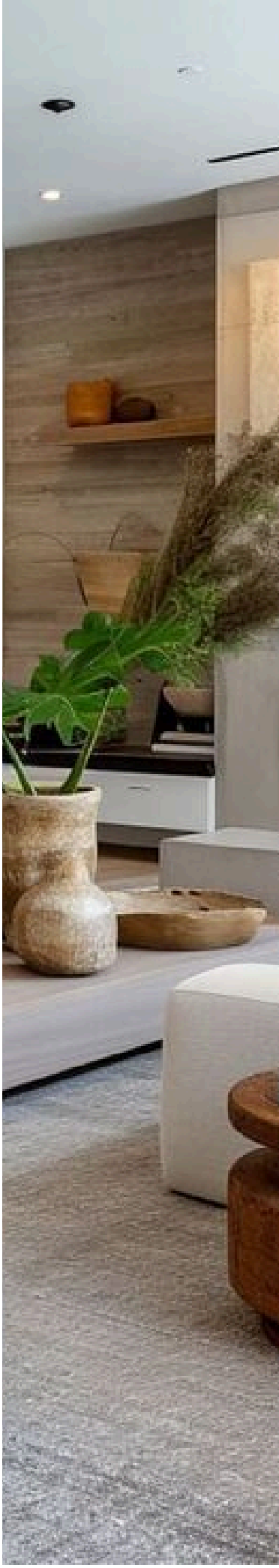
Eligible first-time buyers can receive:

🎯 **Up to $750 in Federal Tax Savings**

This credit helps offset closing costs when you file your income tax return.

AB Advantage™ Buyer Tip

On average, closing costs can range from **1.5%** to **4%** of the purchase price. Knowing this ahead of time ensures you have **confidence, clarity,** and **control** throughout the buying process.



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