SASKATOON BUYER GUIDE

# HOME-BUYING COSTS EXPLAINED

A practical guide to budgeting beyond the down payment and preparing for the costs of closing and ownership.




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The purchase price and mortgage payment are only part of the cost of buying a home. Buyers should also prepare for deposits, professional services, closing adjustments, moving expenses and ongoing ownership costs.

This guide helps you identify the expenses that may apply and the questions to ask before making an offer.

### PLAN FOR THE FULL COST - NOT ONLY THE PRICE.

A clear budget helps protect your options and your peace of mind.


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BUILD THE CASH PLAN

# More Than a Down Payment

Before shopping, separate the money required for the purchase from the money needed to complete the transaction and settle into the home.

## 1.5% - 4%

**GENERAL CLOSING-COST PLANNING RANGE**

The Financial Consumer Agency of Canada advises buyers to be prepared for upfront or closing costs of roughly 1.5% to 4% of the purchase price. Your actual amount depends on the property, financing and services required. This estimate is separate from the down payment.

### 1 Down payment

The portion of the purchase price you pay from your own funds. Minimum requirements depend on the price, lender and mortgage-insurance rules. Confirm the required amount and acceptable sources of funds early.

### 2 Offer deposit

Money provided after an accepted offer according to the contract. It generally forms part of the purchase funds at closing, but timing and handling vary. Your REALTOR® and lawyer can explain the terms.

### 3 Closing-cost reserve

Cash kept available for legal fees, title-related charges, adjustments, inspections, moving and other transaction expenses. Avoid using every available dollar for the down payment.

### 4 Emergency buffer

Funds for immediate repairs, appliance replacement, changing utility bills or an unexpected delay. The right amount depends on the home's condition and your household budget.

BEFORE YOU REMOVE CONDITIONS

# Due-Diligence Costs

Some costs arise while you are deciding whether the property and financing are right for you.

### 1 Home inspection

A qualified inspector assesses visible components and identifies concerns that may require more investigation. The price varies with the property and scope. Specialized inspections may cost extra.

### 2 Lender appraisal

A lender may require an appraisal to support the property's value for financing. Ask whether one is needed, who arranges it and whether the fee is paid up front.

### 3 Specialist reviews

Depending on the home, buyers may consider sewer-line, electrical, structural, environmental or other specialist assessments. These are property-specific, not automatic requirements.

### 4 Condo document review

Condominium buyers may pay for documents and professional review. Understand the reserve fund, bylaws, insurance, planned work and any special assessments before proceeding.

## PROPERTY-SPECIFIC ITEMS TO ASK ABOUT

- Whether a survey, real property report, title insurance or another title-related solution is appropriate.
- Whether the property uses a septic system, well, leased equipment or other systems requiring additional review.
- Whether planned renovations need contractor estimates, permits or a larger repair reserve.
- Which costs remain payable if you decide not to proceed after completing due diligence.

WHEN THE PURCHASE COMPLETES

# Costs at Closing

Your lawyer and lender should provide the final figures before completion. Review the statement carefully and keep funds accessible.

## 1 Legal fees and disbursements

Your lawyer handles legal documents, searches, mortgage instructions and the transfer of funds and title. Ask for an estimate that separates professional fees, taxes and third-party disbursements.

## 2 Title and registration costs

Saskatchewan purchases involve title registration and related search or service charges rather than a generic provincial land-transfer-tax estimate. Your lawyer can confirm the current transaction-specific amount.

## 3 Tax and utility adjustments

The buyer may reimburse the seller for prepaid property taxes or other agreed items covering time after possession. Adjustments can also work in the buyer's favour when amounts remain unpaid.

## 4 Insurance and lender items

Property insurance is commonly required before mortgage funds are advanced. Your lender may also identify appraisal, interest, mortgage-insurance or other charges relevant to your financing.

### NEW OR SUBSTANTIALLY RENOVATED HOMES

GST may apply to new or substantially renovated housing. Some buyers may qualify for a federal rebate, and the purchase contract may state whether tax or an assigned rebate is included in the advertised price. Confirm the treatment with the builder, lawyer and tax professional rather than relying on a general percentage estimate.

### ASK BEFORE CLOSING

What amount must be delivered, by what method, and by what deadline?

AFTER YOU RECEIVE THE KEYS

# Move-In and Ownership Costs

A comfortable purchase budget leaves room for the first months of ownership - not just closing day.

## COMMON COSTS AFTER POSSESSION

- Moving, storage, cleaning, utility setup and address changes.
- Immediate repairs, painting, window coverings, locks, tools or appliances.
- Mortgage payments, property taxes, insurance, utilities and routine maintenance.
- Condominium fees and possible special assessments, when applicable.
- A longer-term reserve for major systems such as roofing, heating or plumbing.

## YOUR HOME-BUYING COST CHECKLIST

- [ ] Down payment and deposit are available from confirmed sources.
- [ ] Closing-cost reserve is separate from the down payment.
- [ ] Inspection, appraisal and specialist-review estimates are recorded.
- [ ] Legal, registration, insurance and adjustment estimates are requested.
- [ ] Moving, setup, repairs and the first months of ownership are budgeted.
- [ ] A contingency amount remains after the transaction is complete.

## BUILD YOUR BUDGET BEFORE YOU BUILD YOUR SEARCH.

Plan the purchase price, closing costs and ownership costs together.

**BOOK A BUYER CONSULTATION: 639.317.7700 | josef@lywak.ca | lywak.ca**

General information only. Costs and eligibility vary. Confirm current amounts with your lender, lawyer and qualified advisers.
References: Financial Consumer Agency of Canada - Buying a Home and Down Payments; CRA - GST/HST New Housing Rebate.