



**IF YOU ARE PURCHASING A NEW HOME, YOU NEED TO BE AWARE OF THE FOLLOWING COSTS:**

Lawyer's Fees

Down Payment

Fuel Adjustment

Property Tax Adjustment

Land Transfer Tax

Surveyor's Location Certificate/Title Insurance

Service Nova Scotia Fees

Land Registration

Please consult with your lawyer regarding these costs



**Land Registration**

In 2003 the Nova Scotia Land Registration Act came into effect. In order to sell, mortgage, or subdivide your property, you are required to "Land Register" your property.

It is the Vendor's responsibility to ensure the property is Land Registered prior to sale. However, it is not necessarily the Vendor who pays for this. This aspect should have been discussed before you finalized your Agreement of Purchase and Sale.

Land Registration Costs can range anywhere between \$800.00 to \$1000.00 for a single parcel of land.

If in your agreement, you agreed to pay for this, you will be responsible for all associated fees as well. In some instances the Vendor and Purchaser agree to split the cost of this 50/50.

For more information on the Land Registration Act and procedures, please do not hesitate to ask your solicitor.

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# BUYING A NEW HOME?

Expect the Unexpected



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# Congratulations!!!!

The agreement is signed, your offer is accepted, and financing is in place. You are finally on your way to owning a new home. Now what?

Whether you are a first time home owner, or you are buying a new home to suit your changing needs, there are a few things you need to know about the unexpected costs associated with your new home purchase.

Buying a home and preparing for the closing date is an exciting time. Be aware of unexpected costs and prepare for these costs in advance:

- ◆ **Lawyer's Fees**: Depending on the law firm you choose, and the complexity of your new home purchase, legal fees can range anywhere between \$300.00 to \$1000.00 plus applicable taxes and fees.
- ◆ **Down Payment**: Financial Institutions usually require first time home buyers to pay at least 5% of the Purchase Price and second time home buyers are required to pay 10% of the Purchase Price. It is important to check with your financing institution to see if either of these apply to you. Unless you are making a down payment of at least 25%

of the Purchase Price, there will be a mortgage insurance fee which will be

added by your financial institution to the principal amount of your mortgage.

- ◆ **Fuel Adjustment**: Vendors whose homes that are heated by any source other than electricity usually require a fuel adjustment in addition to the Purchase Price. This can range anywhere from \$600.00 - \$1300.00 depending on the heat source.
- ◆ **Property Tax & Water/Sewer Adjustment**: If the Vendor has paid the property taxes and the water/sewer (if applicable) in advance, the Purchaser is responsible to reimburse the Vendor for property taxes for the portion of the tax year that the Purchaser will be occupying the property. The tax year for most municipalities runs from April 1 to March 30. A simple formula for figuring the tax adjustment is as follows:  
$$\frac{\text{Yearly Taxes}}{365 \text{ (or 366)}} \times \text{days remaining in tax year}$$
- ◆ **Land Transfer Tax**: Some municipalities charge a certain percentage of the Purchase Price to transfer lands, other municipalities do not. Each municipality's Land Transfer

Tax is different.

Information on Land Transfer Tax can be found at:

<http://www.gov.ns.ca>

by searching keywords:

**“Deed Transfer Tax”**

**For Example:**

The *Town of Amherst's* and the *Town of Springhill's* Land Transfer Tax is 0.5%.

The *Town of Parrsboro's* Land Transfer Tax is 1.0%

There is no Land Transfer Tax for properties located in the Municipality of the County of Cumberland.

- ◆ **Surveyor's Location Certificate and/or Title Insurance**: Most financial institutions require that you obtain either a Surveyor's Location Certificate or Title Insurance. Fees for Surveyor's Location Certificates vary by Surveyor as do fees for Title Insurance by company. This can cost anywhere between \$300.00 to \$550.00. Ask your solicitor to explain the pros and cons of each.
- ◆ **Service Nova Scotia Fees**: Registration/Recording fees are prescribed by the Province of Nova Scotia. You will be

required to pay \$81.08 to register your  
Deed and an additional \$81.08 to  
register your mortgage. Total: \$162.16