

REAL ESTATE CONVEYANCING

A successful purchase or sale of real estate begins with a properly drafted Contract of Purchase and Sale. A 15-minute consultation with one of our lawyers during the subject removal period can help identify and **solve** problems **before** you are finally committed. The cost of your consultation will be deducted from your legal bill when we handle your purchase, sale or mortgage.

For buyers, we typically review the following:

- If the subject conditions have not been removed – has a mortgage agreement been signed or is financing still conditional – has adequate disclosure been made – are reports from building inspectors, engineers, strata corporations, realtors, municipal offices, and others, satisfactory in all respects?
- If buying a strata-titled home - have you received copies of all engineering reports, bylaws, rules and regulations of the strata corporation, a Form B Information Certificate and minutes of all council and owners' meetings held in the last two years before removing subject clauses?
- If buying new construction - does the contract clarify who pays the GST, and does the GST residential rebate apply and how is it handled? How are builders' lien holdbacks, disclosure requirements, inspections, HPO warranties, deficiencies and construction delays addressed? Will there be extra costs for couriering bank drafts or escrow closings?
- Do you qualify for the First Time Home Buyers Property Transfer Tax Exemption? To qualify you must be a Canadian citizen or Permanent Resident who has lived in BC for at least 12 months (or has filed two income tax returns) and the purchase price of the home must be less than \$525,000 (for a partial exemption) or \$500,000 (for a full exemption).
- If you plan to use the property for a special or business purpose, or have concerns about the past or future use of the property - we recommend that you make enquiries of the planning, building, fire and bylaw enforcement departments of your district or municipal hall to ascertain whether there are building, bylaw or fire code violations or work orders outstanding against the property.

Legal and Third Party Costs:

The table below sets out our legal fees and applicable taxes for typical transactions. Additional fees may apply for a purchase of **new construction** or rushed, postponed or disputed matters. Third party costs are always an extra client expense and are explained on the next page. Consult www.lawboutique.ca or call us so we can help you estimate the legal fees, taxes and third-party costs for your transaction.

<u>Item</u>	<u>Legal Fee</u>	<u>Taxes</u>	<u>Total</u>
Home Sale	\$500.00	\$ 60.00	\$ 560.00
Home Sale with Mortgage	\$600.00	\$ 72.00	\$ 672.00
Home Purchase	\$800.00	\$ 96.00	\$ 896.00
Home Purchase with Mortgage	\$900.00	\$ 108.00	\$1,008.00
Mobile Home Purchase	\$700.00	\$ 84.00	\$ 784.00
Mortgage Alone	\$600.00	\$ 72.00	\$ 672.00
Mortgage with Discharge (Refinance)	\$750.00	\$ 90.00	\$ 840.00
Discharge of Mortgage/Lien alone	\$250.00	\$ 30.00	\$ 280.00
Transfer to Family Member	\$700.00	\$ 84.00	\$ 784.00

CLOSINGS COSTS & ADJUSTMENTS

This sheet will help you estimate your CLOSING COSTS – legal costs, third party costs and buyer’s adjustments which you will experience when buying a property. We will prepare a Statement of Adjustments for each sale or purchase which shows all of your closing costs and how they are customarily shared between buyer and seller in accordance with the Contract of Purchase and Sale:

BUYER’S ADJUSTMENTS

- Property taxes for the entire calendar year are payable in full in the first week of July (the “due date”) - if you buy the property before the due date, the actual or estimated property taxes payable for each day of the year will be calculated (the “*per diem* amount”) and the seller will provide the buyer with a property tax credit in the *per diem* amount for each day the seller has occupied the property in the calendar year – if you buy the property after the due date, you will have to pay the seller the *per diem* amount for each day that you will occupy the property in the calendar year
- property tax prepayments made by the seller, or their mortgage lender, and any overpayments, will be factored into the property tax adjustment and any property tax or utility account in arrears will be paid from the seller’s sale proceeds
- Utilities which are billed as a single (bulk) charge are adjusted in the same manner as property taxes although their due date is by the first week of April
- Metered utilities require the seller’s lawyer or notary to be put on an undertaking to pay the cost of the meter reading, and the seller’s share of metered water or sewer utilities, from the seller’s sale proceeds

GOVERNMENT TAXES AND FEES

- Property Transfer Tax: 1% on first \$200,000 of purchase price and 2% on the remainder UNLESS EXEMPTED because the buyer qualifies as a first time buyer, or is buying a newly built home, or a property is being transferred to an executor, administrator, spouse, child, child’s spouse or grandchild of the transferor

NEW CONSTRUCTION COSTS

- Property Transfer Tax is payable but is reduced to as little as zero for newly-built homes under \$750,000
- GST is payable but is reduced from 5% to as little as 3.25% for new homes under \$450,000
- Cheque certification and courier charges are an extra expense item required by new home developers
- GST is payable on new, rental or commercial properties

STRATA RELATED COSTS

- Strata Form F Certificate of Payment \$30 and up (required by Land Title Office)
- Strata Form B Information Certificate \$60 and up (required by Lenders)
- Move-in or Move-out fees of \$100 and up (required by Strata Corporation)

LENDER RELATED COSTS

- Title Insurance \$179 and up (if required by Lender)
- Insurance Binder Certificates of \$35 and up (always required by Lender)
- Lender deductions which might include interest adjustments, lender’s legal costs, CMHC insurance premium, application, commitment, appraisal, courier, wire transfer, broker and/or administration fees

WHAT OUR LEGAL FEES DO NOT INCLUDE:

- Drafting or amending Contracts of Purchase and Sale (\$300 per hour)
- Paying out unsecured lines of credit or credit cards, if required by Lender (\$75 per payout)
- Ascertaining municipal zoning, bylaw, fire or permit requirements
- Land Title Office fees, charges, encumbrances or plans; strata forms, minutes, bylaws, rules, regulations
- Fees for maintaining and administering holdbacks for strata levies, builders lien, deficiencies, escrow closings or CRA clearance certificates, negotiating extensions of time, escrow closings, holdbacks or the resolution of any deficiency or builders lien claim