

# The Complete Communicator

JULY 2009

Verico Complete Mortgage Services

## Inside This Issue:

- 1 How to Find a Builder or Realtor?
- 2 Costs Associated with Closing a Home
- 3 Lock Out Crime



**complete**  
mortgage services

THIS NEWSLETTER IS  
COMPLIMENTS OF TERRY MOORE

Phone: 250.215.2862

Fax: 250.861.2906

Email: [mortgages@terrymoore.ca](mailto:mortgages@terrymoore.ca)

Web: [www.terrymoore.ca](http://www.terrymoore.ca)

## How to Find a Builder or Realtor?

### Builder or Realtor

Often, when buying a new home, you'll deal with a builder/contractor. If you're buying a resale home, however, you'll probably encounter a realtor. Below are some tips and advice for finding a reputable realtor or builder.

### How to Find a Builder

Most homes in Canada are built by professional builders, and unless you plan to build a house yourself, you'll need to rely on these people to build your future home.

Unlike a resale property, with new homes you have more say in what the final product looks like. You can opt for a custom builder, which will build one-of-a-kind model for you, or you can buy a property built by a new home builder. That said, there are several things to keep in mind when looking for a builder, such as:

- What is the builder's reputation?
- How long have they been in business?
- Is the company a member of an industry organization or association (such as the Canadian Home Builder's Association)?
- Are they licensed in the province where you intend to live?
- Do they have other developments that you can look at?
- Do they have a list of previous clients for you to contact?
- Do they offer warranty? If so, what does their record look like?
- How much say do you have on how your home ultimately looks?
- How much do they charge for extras?

Some of these questions will be easily answered by the builder. Others, like a company's warranty record, might require some search on your part through provincial new home warranty organizations. Many offer a free warranty reports service on builders, by providing the frequency and dollar value of recent home warranty claims.

### How to Find a Realtor

You'll typically rely on a realtor to help you through the purchase process on the resale market. Since home buying is complicated, realtors can help guide you through much of the paperwork, particularly around initiating and completing a purchase. Your realtor can show you various types of properties for sale on the resale market.

When dealing with realtors, homebuyers do not incur additional costs beyond the purchase price of the home. Home sellers, however, pay a commission to a realtor whenever a sale is made.

*(Source: Genworth Financial)*



## Costs Associated with Closing a Home

Your mortgage isn't your only expense when buying a home. In fact, there are several closing costs that you must pay before you can take possession of your house (to "take possession" means the home is now legally yours). Many of these costs are listed below:

---

***Your mortgage isn't your only expense when buying a home.***

---

- **Appraisal Fee:** This is the cost for a professional to come to your property to assess its value. Your mortgage lender or mortgage default insurer may require an appraisal to determine whether the selling price is reasonable for that market.
- **GST:** You must pay the Goods and Service Tax (or Harmonized Sales Tax) on a newly constructed or substantially renovated home. Resale homes do not require a GST payment. Some of this can be recovered with the GST/HST rebate for new or substantially renovated homes.
- **Home Inspection Fee:** This covers the cost of a professional inspection of your home. Hiring an inspector is voluntary but recommended for resale homes, and usually costs \$400-\$600.
- **Property Insurance:** Since your lender has a large stake in your home, they will often require you to purchase insurance against fire and weather-related damage. It is also a good idea for you to purchase 'contents' insurance to protect your valuables.
- **Land Transfer Tax:** This is a tax charged to buyers in most provinces, usually based on the purchase price.
- **Legal Costs:** This includes fees charged by your lawyers or notary for services such as conducting a title search, drafting a title deed and preparing the mortgage, and registration fees. This will cost over \$500.
- **Mortgage Default Insurance:** High-ratio mortgages (those with less than 20% down payment) generally require mortgage default insurance. The cost is usually added to the mortgage and ranges from 1%-3.25% depending on the amount of your down payment.
- **Mortgage Life Insurance:** Special insurance coverage to cover the cost of your mortgage in the event of death or severe illness is available from most lenders.
- **Moving Expenses:** Costs will vary, depending on whether you do it yourself, rent a truck, or hire professional movers.
- **Prepaid taxes, Utility Bills and Other Charges:** Any previous owner may have prepaid some bills before the closing date, which you will have to reimburse them for. All taxes, utility bills, and other charges incurred after the closing date become your responsibility.
- **Utilities:** Most utility companies charge for hooking up your services and replacing any previous owner's names with your name on the bill.



Keep in mind that there are several closing costs that you must pay before you can take possession of your house.



## Lock Out Crime

Every three minutes, a home in Canada is burglarized. Many of those break-ins occur while the homeowners are away. But burglaries can also take place when you are at home, at any time of the night or day.

To help lock crime out of your home and keep your house and family safe and sound, Canada Mortgage and Housing Corporation (CMHC) offers the following tips:

- Make sure your lighting and landscaping offer a clear view of your house from the street. Keep your windows and doors free of trees, bushes or other obstructions that could provide a hiding place for someone trying to break in. Entrances with good visibility and good lighting let thieves know that your home is not an easy target.
- Secure all doors at all times with good quality deadbolt locks. While horizontal deadbolts are generally more popular, vertical deadbolt locks are actually the most effective option available.
- When choosing a deadbolt, make sure that part of the bolt remains in the lock when in the locked position. The body of the lock should be made of solid steel, brass or bronze and it should have a solid or hardened ring or beveled housing to protect the cylinder from being twisted off with a wrench. This cylinder should have at least five pins and you must be able to unlock it without keys from the inside.
- To further secure the entrances to your home, protect the hinge pins on all doors so they can't be removed from the outside. To secure patio doors, consider installing an anti-Jimmy plate or adding safety bars and auxiliary locks.
- Use the viewer in your front door to see who is there before you open it.
- To keep would-be intruders from using your garage to enter your home, make sure everyone in your family knows to keep your garage door closed and locked at all times. Never leave the remote control for the garage on your car's visor and don't keep maintenance receipts or anything else with your address on it in your car.
- If you live in a remote area or spend prolonged periods of time away from home, consider investing in a burglar alarm system. A carefully selected and properly installed alarm can provide you and your loved ones with some welcome peace of mind.

*(CMHC – [www.cmhc.ca](http://www.cmhc.ca))*



Many of house break-ins occur while the homeowners are away. But burglaries can also take place when you are at home, at any time of the night or day. Protect your family and your home.

---

***Every three  
minutes, a home in  
Canada is  
burglarized.***

---