

Closing Costs:

Legal Fees

- Approximately \$1100 for a purchase and mortgage
- Additional \$900 if selling a property simultaneously

Interest Adjustment

- Calculated from the interest adjustment date, typically the 1st day of the month after completion
- Example: completion on June 20th, interest adjustment on July 1st, first full payment on August 1st

Title Insurance/Survey Certificate

- Required by most banks
- Lawyer or notary can explain differences and pricing

Property Appraisal

- Required for conventional mortgages (20% or more down payment)
- Determines market value
- Ensures lender is not over-lending and borrower is not overpaying
- Typically costs \$375

Property Inspection

- Optional, but recommended
- Thorough evaluation of the structure, systems, and components
- Provides information for the buyer

Property Tax Adjustment

- Based on ownership dates
- Seller pays for time owned before completion
- Buyer pays for time owned after completion
- Calculation: $\text{daily taxes} = \frac{\text{annual taxes} - \text{homeowner grant}}{365}$

Insurance Binder

- Required by the bank
- Proof of sufficient insurance coverage
- Typically sent to the lawyer

Fire Insurance

- Required for houses, not strata units
- Ensures the bank's collateral is protected

Additional Notes

- Lenders may require a minimum of 1.5% of the purchase price for closing costs
- Closing costs are estimated and may vary
- Consult with a lawyer or notary for accurate information