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WHAT YOU SHOULD KNOW ABOUT CLOSING COSTS WHEN BUYING A HOME

You found your house, you were approved for your mortgage, and you're flushed with success. But before you pop the cork on that champagne, you may want to get an accurate read on the closing costs for your house. Remember... you don't have the mortgage funding until the day you close. Canadian home buyers are often shocked in the last few days – when they realize just how much money they need before they can walk through their new front door.

In short, "closing costs" are all of those extra costs that come with buying a home. They're not typically built into the mortgage, so you'll be expected to have some extra funds set aside to cover these costs. How much are you looking at? Generally, you can expect to fork out between 1.5% and 4% of the home's selling price in total closing costs.

A mortgage loan insurance premium can be a significant expense if you're in a high-ratio mortgage – that is, if you have less than a 20% down payment on your mortgage. The insurance is required, and you'll need to pay a premium, which in most cases is added to your mortgage.

You may need to pay an appraisal fee for your new home. In some

cases your lender will want the assurance that your home has sufficient value for the money loaned. Appraisal fees can vary depending on the type of property and its location.

The lender will also want to see some insurance on your home – and you'll want it too. Be sure you have insurance effective from the moment you legally take possession of your new home. Start this conversation early; you don't want to be shopping around at the last minute.

You may also want a home inspection to ensure your property has a clean bill of health. A home inspector can evaluate the structure of the building as well as the major systems: electrical, plumbing, heating, etc. An inspection is always a good idea with an older home, but new homes or condos under warranty should also be reviewed carefully.

Remember, too, that this is a sale: expect to pay some tax. Depending where you are, it'll be called a Land Transfer Tax, Land or Deed Registration Fee, Tariff or Property Purchase Tax. This tax can take buyers by surprise, and the amount owed can be substantial: it is based on a percentage of the purchase price of the property. Your mortgage broker can give you an accurate estimate of what this can add up to in your situation.

For a transaction of this size, you'll definitely want a lawyer or a notary. You're responsible for the legal fees and any disbursements – and these fees can vary. A straightforward transaction could be less than \$1000; your broker can offer you guidance on your situation. Your lawyer or lender may also recommend or even require title insurance, which can save the trouble and expense of surveys or unexpected issues with the property title in the future, and protect you from title fraud.

Other "money up front" costs can include utility hookups, and reimbursement of any bills prepaid by the previous owner: property tax or utility bills for example. Similarly, there may be an interest adjustment, depending what day of the month you close. Finally, make a realistic assessment of your moving costs and what you'll need in the way of furnishings or appliances.

If you're working with an experienced mortgage broker, you're probably ahead of the game; the brokerage industry and especially firms like Mortgage Architects put a strong emphasis on this kind of client education, which means you're unlikely to have any nasty closing cost surprises.

John Cavan is an Approved Mortgage Planner with Mortgage Architects. Mortgage questions and concerns can be directed to John Cavan's office, located at 14 Martin St., Milton. John can be reached by phone: 905-878-7213 or by email: john.cavan@mtgarc.ca. John Cavan's website is www.stressfreemortgage.ca. Contact John today about your stressfree mortgage opportunities.

How to take years off the look of your home

Maybe your home is a little down-at-the-heels and you haven't noticed, let alone done anything about it. Not to worry, Sally Morse, the director of creative services for window treatment manufacturer Hunter Douglas, offers the following tips for an update that are neither difficult nor time-consuming.

The world's at your feet

Wall-to-wall carpeting can really look like yesterday's news so do the easiest thing: Pull it up and expose what's beneath like shiny hardwood or polished concrete. It will be cool on the feet and to the eyes. Throw down a faux cowhide or two if you feel a little "warmth" is needed. They're easy to clean with a quick sweep of the broom and are appropriate with a wide gamut of décors.

If you don't like what's underneath, consider staining a wood floor a lighter or darker hue—pure white and ebony are hot right now, or stenciling it.

For something super-easy, add a border to an area rug. Glue-gun contrasting suede on a sisal, for example. It not only produces a more expensive appearance, but personalizes it.

Dress up and down the windows

The key to modernizing window treatments is to make changes that not only look good, but allow the window to perform more efficiently. Have you had mini-blinds since the 1960s? For a more formal, yet still leisurely atmosphere, Hunter Douglas suggests exchanging them for versatile Vignette Modern Roman Shades. To make the window treatment even more current, the company offers the free Platinum App, a mobile tool that allows you to control its motorized products by shade, room, time, or activity. In advance, just set everything as you want it so that when you arrive home, there's nothing to do but relax.

Fool the eye

Kitchens are among the first rooms to show their age. One way to fix them up is to reface cabinet doors. There are a variety of brands available that are installed over existing frames for a perfect fit and enhanced functionality, and you can choose many details, too, from drawer glides to ornamental accents. Center a coordinating area rug on the floor, and there'll be no mistaking it for any time but the present.

The good kind of mold

Whether it's because they were built when cost was an issue, or an absence of imagination, many older homes lack wall molding. Similar to the right window dressings, molding provides the polished detailing that gives any room the designer touch.

"When it comes to selecting the motif, think about the overall feel of the room,"

advises Sally Morse. "You wouldn't want molding à la the Palace of Versailles in an airy loft or something plain in a palatial salon. They should complement each other." Also key to selecting the right ones is that they be proportional to both the size of the room and the height of the ceiling.

The best quick-fix

Painting might be the fastest and easiest alteration one can make to a room. There are certain colours and combinations—avocado, deep pink, turquoise with brown and orange to name a few—that shriek "old-fashioned." So rifle through your favorite magazines or sites and pick a new palette. It can completely transform a room's mood from yesterday to today. If a total re-do is too radical for the moment, try painting one accent wall, perhaps in the niche of a large room, to establish a cozy spot for reading.

Add your own special touch

Just as you accessorize your wardrobe to suit your lifestyle, do the same with your home. If you have an old-fashioned, bedside table left over from childhood, replace it with a clean-lined chair or stool with a flat, wide seat. Is your bathroom from the Victorian era? Paint the claw-footed tub, and slipcover a chair with terrycloth to match—very spa-like and fun. As importantly, break up suites of furniture. Nothing is more yesterday than matchy-matchy, be it in the living-, dining- or bedroom.

"There's nothing like changing the décor to update an entire house," says Morse. "And be brave. Unlike a real facelift, whatever you do in your home can be fixed easily and inexpensively."

More information is available online at www.hunterdouglas.ca.

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