

MARGARET KERR & JOANN KURTZ



SECOND EDITION

**Buying,**  
**Owning**  
*and* **Selling**  
**a Home in Canada**

MARGARET KERR & JOANN KURTZ



SECOND EDITION

**Buying,**  
**Owning**  
*and* **Selling**  
**a Home in Canada**

# Table of Contents

[Title Page](#)

[Copyright Page](#)

[Acknowledgements](#)

[Dedication](#)

[buying a home](#)

[Chapter 1 - A MANUAL FOR HOMEOWNERS](#)

[DECIDING TO BUY A HOME \(OR AT LEAST THIS BOOK\)](#)

[ONCE YOU OWN A HOME](#)

[QUESTIONS THIS BOOK ANSWERS](#)

[IT'S GREAT TO LIVE IN CANADA . . . BUT . . .](#)

[Chapter 2 - WHAT CAN YOU AFFORD?](#)

[WHEN IS THE BEST TIME TO BUY?](#)

[KNOWING WHAT YOU CAN AFFORD](#)

[WHAT DOES IT COST TO BUY AND OWN A HOME?](#)

[HOW MUCH MONEY DO YOU HAVE FOR YOUR NEW HOME?](#)

[DOWN PAYMENTS](#)

[MORTGAGES](#)

[THE MAXIMUM PRICE TO PAY FOR YOUR HOME](#)

[Chapter 3 - WHERE DO YOU WANT TO LIVE?](#)

[THINK ABOUT WHAT YOU WANT](#)

GO HOUSE-HUNTING WITH A REAL ESTATE AGENT  
HOMES FOR SALE BY THE VENDOR  
HOMES THAT AREN'T FOR SALE

Chapter 4 - EVALUATING THE HOMES YOU SEE

LOCATION OF YOUR HOME-TO-BE  
FEATURES OF THE HOME  
CONDITION OF THE HOME  
SPECIAL CONSIDERATIONS FOR CONDOMINIUMS  
SPECIAL CONSIDERATIONS FOR HOMES UNDER  
CONSTRUCTION

Chapter 5 - MAKING AN OFFER TO PURCHASE

GETTING THE HOME YOU WANT (AT THE RIGHT PRICE)  
MAKING YOUR OFFER  
THE NATURE OF THE AGREEMENT OF PURCHASE AND  
SALE  
THE CONTENTS OF YOUR OFFER  
IT'S IMPORTANT TO HAVE A LAWYER REVIEW YOUR  
OFFER  
PRIVATE SALES  
THE RESPONSIBILITY TO CLOSE

Chapter 6 - THE PURCHASER'S LAWYER

DO YOU NEED A LAWYER?  
WHAT DOES A LAWYER ACTUALLY DO?  
HOW MUCH WILL A LAWYER COST?  
HOW DO YOU CHOOSE A LAWYER?

Chapter 7 - MORTGAGES

WHAT IS A MORTGAGE?

SPEAKING THE MORTGAGEE'S LANGUAGE  
CHOOSING THE MORTGAGE OPTIONS THAT ARE RIGHT  
FOR YOU

WHERE TO GET A MORTGAGE

APPLYING FOR A MORTGAGE

INSURANCE WHEN YOU GET A MORTGAGE

MORTGAGES THROUGH THE VENDOR

AN EYE TO THE FUTURE

PAYING OFF AND DISCHARGING YOUR MORTGAGE

Chapter 8 - HOMEOWNER'S INSURANCE

WHY YOU NEED INSURANCE

A HOMEOWNER'S POLICY

WHAT CAN YOU INSURE?

WHAT CAUSES OF DAMAGE CAN YOU INSURE AGAINST?

HOW MUCH INSURANCE COVERAGE SHOULD YOU HAVE?

HOW DO YOU GET INSURANCE?

HOW MUCH WILL YOUR INSURANCE COST?

HOW DO YOU MAKE A CLAIM?

Chapter 9 - MOVING TO YOUR NEW HOME

PRELIMINARY PLANNING

CHOOSING THE RIGHT MOVER

DECIDING WHAT YOU WANT THE MOVER TO DO

PACKING FOR YOUR MOVE

MOVING DAY

AFTER YOUR MOVE

LONG DISTANCE MOVES

TAX BREAKS

owning a home

## Chapter 10 - YOU'RE HOME. NOW WHAT?

PRACTICAL MATTERS  
PROBLEMS IN YOUR NEW HOME

## Chapter 11 - REPAIRS AND RENOVATIONS

WHY ARE YOU DOING THIS TO YOURSELF?  
PRELIMINARY PLANNING FOR A RENOVATION OR MAJOR  
REPAIR  
WHAT'S INVOLVED IN A RENOVATION OR MAJOR REPAIR?  
WHO WILL DO THE WORK?  
HOW DO YOU FIND THE HELP YOU NEED?  
THE REPAIR OR RENOVATION CONTRACT  
TIPS FOR SURVIVING YOUR RENOVATION OR MAJOR  
REPAIR  
WHEN PROBLEMS ARISE

## Chapter 12 - HOME SECURITY

NEIGHBOURHOOD WATCH  
OUTSIDE YOUR HOME  
WHEN YOU'RE AWAY  
DOORS AND WINDOWS  
ALARM SYSTEMS  
PROTECTION FOR YOUR VALUABLES  
IN THE EVENT OF A BURGLARY

## Chapter 13 - HOME SAFETY AND ACCIDENT PREVENTION

FIRE SAFETY  
CARBON MONOXIDE SAFETY  
ACCIDENT PREVENTION  
PREVENTING WATER DAMAGE  
" TO DO " LISTS

## EMERGENCY PHONE NUMBERS

### Chapter 14 - VISITORS WELCOME AND UNWELCOME

WHO CAN COME ONTO YOUR PROPERTY?  
WHAT CAN YOU DO TO KEEP PEOPLE OUT?  
WHAT CAN YOU DO IF SOMEONE GETS IN?  
HOW SHOULD YOU TREAT THE PEOPLE WHO COME IN?  
SOCIAL HOSTS AND DRUNK DRIVERS  
ANIMAL VISITORS

### Chapter 15 - NIGHTMARES WITH THE NEIGHBOURS

NUISANCES AND ANNOYANCES  
PROBLEMS WITH YOUR IMMEDIATE NEIGHBOURS  
THE CONSTRUCTION ZONE  
IF THE TABLES ARE TURNED

### Chapter 16 - MONEY TROUBLES

SOME SOLUTIONS TO MONEY TROUBLES  
MORTGAGE FORECLOSURE AND SALE  
PROPERTY TAXES  
FAMILY LAW CONSIDERATIONS  
HOW LITIGATION MAY AFFECT YOUR HOME  
BANKRUPTCY AND INSOLVENCY  
EXPROPRIATION

## selling\_your\_home

### Chapter 17 - GETTING READY TO SELL

WHEN IS THE BEST TIME TO SELL?  
GOOD NEWS ABOUT TAXES ON THE SALE OF A HOME

GETTING YOUR ACT TOGETHER  
GETTING YOUR HOME'S ACT TOGETHER

Chapter 18 - PUTTING YOUR HOME UP FOR SALE

THE SALE PROCESS WHEN YOU USE A REAL ESTATE AGENT

HOW TO FIND A REAL ESTATE AGENT  
THE LEGAL RELATIONSHIP BETWEEN YOU AND YOUR REAL ESTATE AGENT

THE SALE PROCESS WHEN YOU SELL PRIVATELY

Chapter 19 - FROM OFFER TO CLOSING

REVIEWING AN OFFER TO PURCHASE  
BIDDING WARS

THE ANATOMY OF AN OFFER  
THE VENDOR'S LAWYER  
YOUR RESPONSIBILITIES UNTIL CLOSING  
THE RESPONSIBILITY TO CLOSE

Chapter 20 - GOODBYE AND GOOD LUCK

APPENDIX

INDEX

Also by Margaret Kerr and JoAnn Kurtz



**BUYING,  
OWNING  
and  
SELLING  
A HOME  
*in Canada***

**SECOND EDITION**

**Margaret Kerr  
&  
JoAnn Kurtz**



**JOHN WILEY & SONS CANADA, LTD**  
Toronto • New York • Chichester • Weinheim • Brisbane • Singapore

Copyright © 2001, 1997 by Margaret Kerr and JoAnn Kurtz

All rights reserved. No part of this work covered by the copyrights herein may be reproduced or used in any form or by any means—graphic, electronic or mechanical—without the prior written permission of the publisher. Any request for photocopying, recording, taping or information storage and retrieval systems of any part of this book shall be directed in writing to the CANCOPY, 6 Adelaide Street East, Suite 900, Toronto, Ontario, M5A 1H6.

The information contained in this book is not intended to serve as a replacement for professional legal or other advice. Any use of the information in this book is at the reader's discretion. The authors and publisher specifically disclaim any and all liability arising directly or indirectly from the use or application of any information contained in this book. A legal or other appropriate professional should be consulted regarding your specific situation.

Care has been taken to trace ownership of copyright material contained in this text. The publishers will gladly receive any information that will enable them to rectify any reference or credit line in subsequent editions.

**John Wiley & Sons Canada Ltd**

22 Worcester Road  
Etobicoke, Ontario  
M9W 1L1

**Canadian Cataloguing in Publication Data**

Kerr, Margaret Helen, 1954 -  
Buying, owning and selling a home in Canada

2<sup>nd</sup> ed.

Includes index.

eISBN : 978-0-470-73967-9

1. House buying—Canada. 2. Home ownership—Canada.
3. House selling—Canada. 4. Home ownership—Law and legislation—Canada. 5. Vendors and purchasers—Canada.
- I. Kurtz, JoAnn, 1951 - . II. Title.

HD1379.K47 1997  
643'.12'0971  
C96-932059-0

**Production Credits**

Cover & text design: Christine Rae

Printer: Trigraphic Printing Ltd.

# ACKNOWLEDGEMENTS



We thank the following for their help:

Michael Kerr, Elaine Chelin, Joe Agostino, Michael Engelberg, Joan Emmans, Sophie Ouellette, J. Brian Cornish, Denis Noel, W. Richey Clarke, Darryl Drover, Terence Morrison, Herbert Suderman, Bryan Salte, Jack Webster, Jane Eagleson, Insurance Bureau of Canada, Canada Mortgage and Housing Corporation, Canadian Real Estate Association, Canadian Gas Association, Canadian Standards Association, Canada Post Corporation, Consumer's Gas, Monnex Insurance Brokers Limited, Sedgwick Limited, Armor Moving & Storage Ltd., AbbeyWood Moving and Storage Inc., Abell Pest Control, Addiction Research Foundation, Nova Scotia Real Estate Association, Ontario Real Estate Association, Prince Edward Island Real Estate Association, Ontario New Home Warranty Plan, Ontario Association of Architects, Office of the Land Registrar of Ontario, Halifax and Dartmouth Real Estate Board, Greater Toronto Homebuilders' Association, Toronto Humane Society—and a special thanks to anyone in Canada who didn't interrupt us while we were working.

*This book is dedicated to  
Helen Kathleen Porter Wood  
and to  
George and Irene Kurtz*

# buying a home



# 1

## A MANUAL FOR HOMEOWNERS



### **DECIDING TO BUY A HOME (OR AT LEAST THIS BOOK)**

If you've picked up this book and you don't already own a home, you're probably thinking about buying one. But buying a home can take a long time and you've got the itch to buy something *right away*. So now you're thinking about buying this book. We want to encourage you to do that. You may think that we are acting only out of self interest, but in fact we're doing you a tremendous service. After all, if you're going to buy something on impulse, it's better to buy a book about buying a home than it is to buy a home.

Actually, even a lot of people who put a great deal of time and effort into finding a home might as well be buying on impulse, for all they really know about buying, owning and eventually selling a home.

That's where this book comes in. You wouldn't buy a car without researching the available models, their features and price, and you wouldn't drive the car without first having a look at the owner's manual. A car only costs a fraction of what a home costs, yet the kind of information that you can easily get about cars is difficult, or even impossible, to get about homes. We think that you should have access to at least as much information about your home as about your car.

## **ONCE YOU OWN A HOME**

If you already own a home, you still need this book. Your relationship with your home is a complex one and is just beginning when you buy a home. Buying is the first stage, but it's followed by owning and then selling. Each stage has its joys, problems, and concerns. You don't need our help to experience your own kind of joy, and you don't need our help to find the problems either—they'll find you. But this book should help you cope with the problems as they arise, and help you identify and deal with the important concerns.

Some of the problems and concerns of home ownership are legal, some are practical, and some are both. Practical books on home ownership tend to focus on hands-on matters like financing or plumbing. Legal books on home ownership are written for lawyers, and even lawyers don't always understand them. This book, on the other hand, is both legal and practical. It's designed to help you to avoid problems as much as to solve them. And it's designed to give you the information you need all in one place and in language that you can understand.

However, this book is not a substitute for legal or other professional advice. There are times when you need a real



estate agent, home inspector, mover, insurance broker, contractor, exterminator—even a lawyer. We try to tell you when it's time to hire a professional. And we try to send you off with enough knowledge to make sure that the person you hire serves you well.

## **QUESTIONS THIS BOOK ANSWERS**

Here's a sampling of some of the questions this book answers.

### ***About Buying a Home***

- When's a good time to buy a home?
- What does it cost to buy a home?
- How much can you afford to pay for your home?
- How large a down payment will you need, and where on earth will you find the money?
- How much will you have to pay for your home each month?
- What should you look for in a neighbourhood and a home?
- What can a real estate agent do for you, and can you do it yourself instead?
- How do you make an offer to purchase a home?
- Do you need a lawyer to buy a home?
- What is a mortgage and how do you get one?
- How can you survive moving day?
- What do you do if there are problems with your new home?

### ***About Owning a Home***

- What kind of home insurance do you need and how do you get it?
- How do you make an insurance claim?

- What renovations will increase the value of your home?
- How do you find a reliable contractor?
- How do you live through a renovation?
- What are construction or builders' liens and how do you avoid them?
- What steps can you take to make your home secure against break-ins?
- How can you prevent accidents in your home?
- What happens if someone gets hurt on your property?
- Who is a trespasser and what can you do about one?
- How do you get rid of stray and wild animals?
- What do you do about noisy neighbours?
- Can you get your neighbour to pay for part of your fence?
- Can your neighbour cut down your tree?
- Can you object to your neighbour's construction project?
- Can you do anything if your property taxes are too high?
- What happens if you can't pay your mortgage?

### ***About Selling a Home***

- When is the best time to sell?
- Should you buy first or sell first?
- Do you need a real estate agent, or can you sell your home yourself?
- How do you make your home attractive to potential purchasers?
- Do you need a lawyer to sell your home?
- What must you leave behind when you move?
- How much money will you get from your sale?

Having the answers to these and other questions dealt with in this book should help you prevent many potential problems and solve others, either on your own or with professional help.

## **IT'S GREAT TO LIVE IN CANADA . . . BUT . . .**

Canada is a big country and the law may vary considerably from province to province. (And don't even get us started about the weather.) Because we've tried to write a book for all of Canada, we've often had to talk in very general terms. This means that we haven't been able to take provincial variations into account on every topic. If you need specific legal advice, don't just rely on this book. Speak to a lawyer.

## 2

### WHAT CAN YOU AFFORD?



No matter how much money you have, the home of your dreams will always cost more than you can afford. That's one of the universal truths of looking for a new home. You can take comfort from knowing that while the place you end up buying may not be your dream home, it is probably the dream home of someone who has even less money than you do.

We know it's hard to put up with someone telling you to be realistic when you are all set to climb ev'ry mountain and follow ev'ry rainbow in search of your dream, and a lot of people don't listen. But a lot of people also buy their dream home only to have it turn into a nightmare—when they wake up and realize how much they have to keep paying for it.

You can avoid the nightmare of buying a home that's too expensive for you by knowing what you can afford before you start looking. This will help you concentrate your hunting efforts on homes in your price range. A good way to keep yourself from buying a home you can't afford is *not to*

*look at* homes you can't afford. In this chapter we'll help you figure out what you *can* afford.

## **WHEN IS THE BEST TIME TO BUY?**

People often wonder whether they can get a deal on a home—or, put another way, afford a home that they couldn't otherwise afford—if they buy at a certain time of year. The answer is maybe yes, maybe no. There are times (like Christmas vacation) when almost no one wants to go house-hunting. If you find something you like at that time of year, you may be able to buy it for a good price because there are very few purchasers competing with you for it. There are other times of the year when almost everyone is out looking. The home you find at that time of year may cost you more because other purchasers are interested in it too.

You may think, then, that it makes sense to shop when no one else is shopping. But sellers also know that they may get less for their home during slow periods, so there will probably be fewer properties on the market for you to choose from. Sellers are more likely to put their homes up for sale when they think there will be a lot of buyers. So you can choose between a smaller selection of homes at (maybe) a lower price, and a larger selection at (maybe) a higher price. If you want to try to buy during a slow sales period, ask a real estate agent for advice about when that might be in your area.

Whatever the time you're looking, you may be lucky enough to find a "motivated seller," someone who has to sell quickly for their own personal reasons. The reason is often divorce (and a split-up of family property) or a job-related move to another city. You can ask your real estate

agent if he or she knows of any sellers who are anxious to make a deal.

Finding a suitable home can take a while, so even if you think you know when to buy to get the best price, you have to start looking before then. The best time to start looking for a home is when you've decided you want to buy a home. And if you find a home that you like at a price you can afford, that's the home to buy and that's the best time to buy it.

## **KNOWING WHAT YOU CAN AFFORD**

To know what you can afford, you have to know

- what it costs to buy and maintain a home
- how much money you have for a down payment
- how large a mortgage you can afford

The most complicated of these three things is calculating how large a mortgage you can afford. This means preparing a budget...something you've probably put off longer than cleaning your oven—and you're probably moving to get away from that dirty oven. Well, you can run, but you can't hide. It's either cleaning your oven and staying put, or doing a budget.

## **WHAT DOES IT COST TO BUY AND OWN A HOME?**

The cost of buying and running a home is probably higher than you think. The actual cost of buying a home includes more than the purchase price, and the ongoing monthly costs of owning it include more than your mortgage

payments. If you make the mistake of failing to take these additional costs into account, you will end up buying a more expensive home than you can afford.

### ***What Are the One-Time Costs of Buying a Home?***

The one-time costs of buying a home are all the things you pay for at the time the home is purchased. They include

- the purchase price
- sales taxes
- lawyer's fees and related expenses
- professional home inspection
- mortgage costs
- adjustments
- new home warranty costs (optional in most provinces), if you're buying a newly-constructed home
- relocation costs
- renovation costs

Some of the money you thought you could use for a down payment has to be used to pay these one-time costs. So you'll either have less money for your down payment than you thought, or you will have to borrow more money than you planned.

### ***The Purchase Price***

The purchase price is what you agree to pay for the home itself. Many people think of this amount as the entire cost of their home. While it is the major part of the cost, it is not the only cost—as you'll see if you keep going.

### ***Sales Taxes***



In several provinces there is a special kind of sales tax charged on the sale of real estate, called a land transfer tax. This tax is calculated as a percentage of the purchase price and can be several hundred to several thousand dollars.

You pay this tax to the provincial government at the time you close the deal for your home. Ask your lawyer or your real estate agent if there's such a tax in your province, and for an estimate of what it would be for a home in your price range.

The purchase price of your home may include things like appliances and curtains which are being sold with the home. (These things are called chattels.) If so, you will also have to pay provincial retail sales tax (H.S.T. where applicable) on the value of the chattels.

If you are buying a newly constructed home, you will have to pay G.S.T. (G.S.T. is often included in the purchase price and not calculated separately—ask your builder whether it's included). But if your house costs less than \$450,000, you can apply for a G.S.T. rebate of up to 2.5 per cent of the purchase price. Your builder will help you with the paperwork.

### ***Lawyer's Fees and Related Expenses***

Your lawyer will charge you for legal services provided in helping you buy your home. The amount of lawyer's fees varies greatly, but you can expect to pay at least several hundred dollars, and up to several thousand dollars if there are problems with completing the deal. We'll discuss the role of the purchaser's lawyer in more detail in Chapter 6.

### ***Inspection Fees***

Some people have their home inspected by a qualified home inspector before they complete the purchase, to make sure that it's in good structural condition and has no plumbing, wiring, or other problems. An inspection can cost several hundred dollars or more.

## ***Mortgage Costs***

If you are borrowing money by taking out a mortgage, the mortgage lender may insist on having the property appraised (inspected to decide its value). Sometimes mortgage lenders charge an appraisal fee in the range of \$100 to \$200. If you get your mortgage through a mortgage broker instead of an institutional lender like a bank or trust company, the broker may charge a brokerage fee. The fee charged could be 1 to 2 per cent of the amount borrowed.

Monthly mortgage payments are usually due on the first of the month. If your home purchase is closing (being legally completed) on another day of the month, the mortgage lender may deduct, from the mortgage money that is being given to you to close the deal, an amount to cover the interest for the time from the closing date to the first day of the next month. (That means you may have to come up with some extra money on closing day to cover any shortfall in the amount of money that the mortgage lender actually gives you.)

If your mortgage is for more than 75 per cent of the purchase price, you'll almost certainly have to get mortgage insurance, which is arranged through the Canada Mortgage and Housing Corporation (CMHC). If you need CMHC mortgage insurance, you will have to pay an insurance application fee of \$75 if your mortgage lender provides an appraisal, or up to \$235 if your lender does not. You will also have to pay a premium for the mortgage insurance. The

amount of the premium varies with the value of the house and the size of the loan, but the highest rate charged is 4.25 per cent of the amount of the mortgage loan. You can make a one-time payment of the premium or have it added to your mortgage and pay it on a monthly basis.

There's much more about mortgages in Chapter 7. Flip there now if you can't stand the suspense.

### ***Adjustments***

If the person selling the home (the vendor) has paid such things as property taxes and utilities in advance, you may have to pay the vendor back for your share of these expenses. You have no way of knowing how much this will be at the time you make your offer to buy the home. Your lawyer will tell you the exact amount just before the deal closes.

### ***New Home Warranty Costs***

All provinces have warranty programs for newly constructed homes. Participation in these programs is optional in most provinces. If your new home comes with a warranty, there will be an enrolment fee that the builder will pass on to you, either by including it in the purchase price or as a separate charge. If you are buying a newly constructed home, be sure to find out whether there is an additional charge for a warranty. Depending on the province and the purchase price of the home, the charge can be between about \$200 and \$1200.

## ***Extra Charges Associated with Newly-Constructed Homes***

If you're buying a house in a new development, you may have to pay an extra charge for a lot that's wider or deeper than the standard lot, or that backs onto green space or that has a west-facing backyard or that's on a corner. If you're buying a condo in a high-rise, you'll pay an extra charge for a suite that's on a higher floor or that has a good view. These charges are typically a few thousand dollars.

You'll also have to pay more to upgrade from standard features. The model you look at may be full of upgrades (high quality carpeting, hardwood floors, expensive tiles and countertops, built-in kitchen appliances, luxury bathroom fixtures, central air), and you may not be thrilled with what the base purchase price will buy you. The upgrades you want could cost several hundred to several thousand dollars (although they could be less expensive if you arrange purchase or installation on your own later).

## ***Relocation Expenses***

You should budget for your moving costs, unless you'll be arriving at your new home with nothing but a suitcase and a can opener. The amount will depend on whether you hire a mover or boldly go yourself. If you hire a mover, the cost tends to go up the more things you have to move and the further you have to move them. Moving with a mover can cost several thousand dollars. We tell you all about moving with a mover in Chapter 9. If you're a do-it-yourself type, you can rent a small moving van or a trailer if you or your friends don't have a suitable vehicle. The rental cost varies with the length of time you need the van or trailer and the distance you drive it.

Once you are in your new home, you will have to get telephone and cable television service, not to mention hydro and water service and maybe natural gas or oil service. You'll have to pay a fee to open a new account or to transfer the services (you can probably figure on \$25 to \$50 per service). You may also have to pay installation fees for telephone and cable TV.

## ***Renovation Expenses***

Not many people move into a home that is in perfect condition, so don't forget to budget for renovations, repairs, redecoration, painting, and cleaning. Also, be sure that you have left yourself enough money to pay for any new appliances or furniture that you may need.

## ***What Does All This Mean?***

It means you need more money than you were planning to spend on your new home—maybe several thousand dollars more than you had planned on. It's a good thing you're reading this before you made an offer on a home that was calculated to take every penny you have! (At least we hope you're reading this *before*.)

## ***What are the Monthly Expenses of Owning a Home?***

Everybody knows there will be monthly mortgage payments after they buy a home, but many people forget about the other regular monthly expenses. These expenses include

- property taxes
- utilities

- home insurance
- maintenance and repairs

## ***Mortgage Payments***

A mortgage is a loan that is repaid in instalments, usually on a monthly basis. The monthly payments include an amount to repay the amount borrowed and an amount to pay interest. The amount of the payment will therefore depend on how much you borrow and the interest rate. If you had to get mortgage insurance and you elected not to make a one-time payment, the monthly payment will also include the insurance premium.

## ***Property Taxes***

Every municipality charges property taxes that are used to pay for municipal services and in most provinces for local schools. They are payable in instalments over the course of the year, sometimes monthly and sometimes at other intervals. Annual property taxes can be many thousands of dollars, depending on the value of your home and the tax rate set by the municipality. Some mortgage lenders pay property taxes for you and require you to repay them on a monthly basis with your mortgage.

## ***Utilities***

You should find out the approximate monthly cost of heating, water, and electricity for any home you are interested in buying to make sure you can afford these utility payments. Since they can vary greatly from home to home (especially heating costs), it's a good idea to find out