

What Expenses to Expect in Ontario and Toronto

Buying a home involves more than the down payment. Use this guide to understand typical one-time and ongoing costs so you can plan with confidence.

A QUICK RULE OF THUMB

- Plan for closing costs between 1.5% and 4% of the purchase price, not including your down payment
- The final amount depends on your mortgage, property type, and location.

ONE-TIME COSTS AT OFFER OR BEFORE CLOSING

Deposit on the Offer

- Paid when your offer is accepted and applied toward your down payment.
- Shows the seller you are serious and financially ready.

Home Inspection

- Reveals hidden issues and upcoming repairs—especially important for older GTA homes.

Appraisal

- Confirms value for your lender. Sometimes paid by the lender, but often by the buyer.

Status Certificate (Condos)

- Reviews the condo corporation's finances, rules, and planned work.
- Typically costs around \$100 and is arranged through your lawyer.

Survey or Title Solution

- Some lenders require an up-to-date survey.
- Most Ontario buyers use title insurance instead, arranged by their lawyer.

LEGAL AND REGISTRATION COSTS

Lawyer's Fees and Disbursements

- Covers the title search, review of the Agreement of Purchase and Sale, closing documents, and fund transfers.
- Disbursements include government searches, couriers, and registration charges.

Title Insurance

- Protects against certain title issues or fraud.
- Usually arranged by your lawyer at closing.

Land Registration Fees

- Government fees to register your deed and mortgage on title.

TAXES AND GOVERNMENT CHARGES

Ontario Land Transfer Tax

- Charged on most purchases in the province, based on price tiers.

Toronto Municipal Land Transfer Tax

- Applies in addition to the provincial tax if the property is located within Toronto.



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First-Time Buyer Rebates

- Eligible buyers may qualify for partial or full rebates on both the provincial and Toronto land transfer taxes.
- Your lawyer applies these automatically on closing.

HST on New Construction

- Applies to most new homes; builders often include it in the price but confirm with your lawyer.
- Rebate rules depend on use, occupancy, and price thresholds.

MORTGAGE-RELATED COSTS

Mortgage Default Insurance Premium

- Required if your down payment is under 20%.
- The premium is added to your mortgage, but provincial sales tax on it is paid on closing.

Interest Adjustment

- Covers interest from your closing date until regular mortgage payments begin.

Lender or Broker Fees

- Some mortgage products include setup or underwriting fees—ask for a complete list before committing.

PRORATIONS AND ADJUSTMENTS

Property Tax Adjustment

- You'll reimburse the seller for any prepaid property taxes or receive credit if taxes are in arrears.

Utilities and Fuel

- Oil or propane tanks may require payment for remaining fuel.
- Water heater or HVAC rentals transfer to the buyer and continue monthly unless bought out.

INSURANCE AND PROTECTION

Home Insurance

- Must be effective on closing.
- Review coverage for water, sewer backup, and overland flooding if relevant to your area.

Title Insurance

- Mentioned above, but worth noting again—most Ontario buyers rely on it instead of a new survey.

MOVING AND IMMEDIATE SETUP

Moving Company or Truck Rental

- Book early, particularly for month-end closings.

Locksmith and Safety Items

- Rekey locks and test smoke and carbon monoxide alarms as soon as you move in.

Utility Connections and Service Fees

- New accounts for electricity, gas, water, and internet may have setup fees or deposits.

Cleaning and Small Repairs

- Set aside a modest budget for paint, hardware, and quick fixes.



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SITUATIONAL OR PROPERTY-SPECIFIC COSTS

Condo Maintenance Fees

- Cover operating expenses and the reserve fund.
- Review the status certificate for any upcoming special assessments.

New Construction Adjustments

- Builders may charge for meter installations, Tarion enrollment, or development levies unless capped in your agreement.
- Review the Schedule of Adjustments with your lawyer.

Rural or Specialty Systems

- Expect possible costs for well and septic inspections, water testing, and system servicing.

HOW TO BUDGET WITH CONFIDENCE

- Obtain a written mortgage pre-approval so you know your rate, payment, and purchase limit.
- Ask your lender for a full list of fees, including interest adjustments and administrative costs.
- Request a closing cost estimate from your lawyer based on your location and price range.
- Add a small contingency fund to cover unexpected costs and keep your closing day stress-free.



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