



RATCLIFF & COMPANY

BARRISTERS & SOLICITORS

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PURCHASER EXPENSES

The following is a summary of closing expenses which can be anticipated by purchasers of BC real estate:

1. **Legal fees, disbursements, taxes:** These expenses will vary depending on the purchase price, whether you are mortgaging the property, whether you are taking title in your personal capacity or in the name of a company or trust, and whether you need registration for GST. These expenses will typically range between \$700.00 and \$2,500.00. We can provide a quote when these details are confirmed.
2. **Property Transfer Tax:** This is a Provincial tax on the purchase at a rate of 1% on the first \$200,000 of the purchase price and 2% on the balance.
3. **Goods and Services Tax (GST):** This is a Federal sales tax of 7% on the purchase price of newly constructed homes or homes which have been used by the vendor, at least in part, for short term rentals. In some instances, payment of this tax can be deferred by the purchaser by becoming a GST registrant prior to the purchase, provided they have the intention of continuing to use the property for short-term rentals.
4. **Social Service Tax (PST):** This is a Provincial sales tax of 7.5% which may apply to furniture purchased with the real estate. If furniture is separately listed and valued in the Contract of Purchase and Sale, the vendor may ask that PST be paid to the vendor for remittance to the Provincial Government.
5. **Closing Adjustments:** These are adjustments to the purchase price of prorated annual or monthly property expenses incurred by the vendor before closing or to be incurred by the purchaser after closing. These adjustments typically include property tax, municipal utilities and strata fees (if applicable). Depending on the type of property and the time of year and month of the purchase, these adjustments can debit or credit the purchaser several hundred to several thousand dollars.

Please direct any questions you may have to us by phone or email.

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