

RE/MAX[®]

WATERFRONT PROPERTY BUYERS' GUIDE





This guide assumes that you are buying a home you intend to live in as your primary residence. If you want to purchase an investment property to rent out, there are additional resources to consider—please contact me directly for more information.

Are you looking to buy a waterfront property in Nova Scotia? With spectacular ocean views and countless beautiful lakes buying waterfront property in this province is a dream for many. While waterfront property is always in high demand, it's still possible to find exactly the right piece of land for you.

Here are some important considerations when looking to buy on a lake, river, stream, or ocean.

Find a REALTOR® at no cost to you

Buying real estate is more than just looking at properties and picking one that works. It's also about finding the right home, at the right price, in the right location, while avoiding inconvenience and costly mistakes—not always an easy task! The best way to achieve these objectives is to work with a professional REALTOR® who understands your needs, wants, time frame, and budget; but most importantly, knows how to negotiate on your behalf to achieve the best possible outcome. In almost all cases, the buyer's agent is reimbursed by the seller.

What kind of property are you looking for?

Do you want a winterized, year-round cottage, a full-time waterfront home, a rustic cottage with an outhouse, or bare land for future development? Are you looking for a tiny getaway close to home, or a large acreage perfect for your retirement someday? While I specialize in the Annapolis Valley and South Shore region, I can refer you to Realtors in other areas of Nova Scotia to find exactly the right property for you.

Obtain Mortgage Pre-Approval

In a sellers' market, it's vitally important that you have your financing in place before beginning your search. When you've got a pre-approved mortgage, a lender has made an actual commitment (subject to conditions such as a property valuation) to loan you money. It's best to get pre-approved for a mortgage before beginning your house search. Your lender or mortgage broker will tell you how much they will lend, what the monthly payment will be and what you can anticipate for closing costs. You'll need to provide them with proof of income, tax information, current expenses, debts, existing properties (if any), etc. Your broker will check your credit score as a part of your application.



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Be sure to tell them about the type of property you're looking for. The down payment required on a winterized waterfront property is typically 5%, but for a non-winterized, no foundation cottage you're typically going to need to have a down payment of 20% or more.

For bare land, you may not be able to get a mortgage at all and may need to pay cash. In all of these scenarios, your bank may consider refinancing your primary home, freeing up to 80% of the equity. Once you're pre-approved, you can narrow down the search for properties.

Questions to ask yourself

Searching for a waterfront property involves asking a lot of questions. Here are some important ones.

- Are you interested in lakefront or ocean? Will just a view do, or do you want to be able to access the water?
- For lakes, if you love to wakeboard, is the lake rock-free and large enough for this activity, or is it more of a kayak and float type lake?
- What is the shoreline like? Is it weedy, just a dock, is there a drop off?
- How about the water? Is the water clear or stained with iron, making it red and opaque?
- Is there an existing dock? What are the regulations about replacing it, or building a new dock?
- What are the neighbours like? Is it a busy lake full of cottagers or AirBnBs, or a more serene spot? Is there public access to the lake near the property?
- What type of boats are allowed, if any?
- Is the property accessible? Many rural properties are not accessible during the winter, especially if it's on a private road that's only maintained in the summer months.
- Is erosion or flood risk a concern? If the property is in a flood risk area, will you be able to insure it?
- What utilities are available? In remote areas, high speed internet may not be available.
- If there's only an outhouse or holding tank currently, is there room on the lot to add a septic system, while still meeting provincial setback requirements? It's important not to assume you can build a year-round home on a small cottage lot.
- What's the light like? In the heat of July and August, where are the sunny and shady spots?



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Your Realtor will set you up with a custom email notice of houses or properties that meet your budget, location, etc. They can also give you a heads up when properties that meet your needs are about to hit the market, so you're ready to move quickly to book a remote or in-person showing.

Taxes and the CAP

When land is sold in Nova Scotia, a Deed Transfer Tax (DTT) may be applicable. Rates are set by each municipality and the DTT payable is calculated based on the sale price of the property. Deed Transfer Taxes are collected on behalf of the municipality through Land Registration Offices when the deed is registered/recorded. Property taxes differ from the Deed Transfer Tax and are determined by the municipality based on the assessed value of a property. You can contact the municipality where the property is located, or search this database from the Government of Nova Scotia, to find the property tax rate.

Do you understand the CAP? The provincially legislated Capped Assessment Program (CAP) limits, or 'caps', the annual increase in taxable assessment for eligible residential properties. The amount 'capped' is based on the Nova Scotia Consumer Price Index (CPI), which is set by Statistics Canada. Homes owned by residents of Nova Scotia are typically eligible for the CAP, which assists homeowners in staying in their home longer with lower property taxes, even if the assessed value of the home rises significantly.

This means that when a home is sold, the CAP resets. Your property tax bill will be higher than the previous owner's bill. As a Nova Scotian resident, you'll be eligible for protection under the CAP going forward.

Ready to Buy?

As your Realtor, and as someone who owns waterfront property, I can help you navigate buying your waterfront property. I work around your schedule, travel requirements, and style of shopping. Days, evenings, and weekends are all fair game. In this business, we need to move quickly. More than just the initial offer, negotiations are often ongoing from point of first contact with a seller to the sold sign going up. I know the approaches to take to ensure my clients get a great deal.

A sale is never over for me. I'm always available after keys change hands, to help with questions after the fact. Give me a call or text at **902-349-1022** or drop me an email at **keith@keithkucharski.com**.



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