

↓ The True Cost of Homeownership

One-Time Expenses

Appliances

Will the appliances in the home need upgrading—now or in the near future? Don't forget to check out the water heater and HVAC.

Furniture

Moving from a one-bedroom apartment to a three-bedroom house often means you'll need more furniture. Evaluate furniture needs and costs for your new home.

Remodeling

Before purchasing a home that needs remodeling, ask a contractor to give you an estimate. Homeowners often underestimate the costs.

Ongoing Expenses

Principal, interest, taxes, and insurance (PITI)

If you have a fixed rate mortgage, the payment will remain the same for the life of the loan. Taxes and insurance may increase.

Homeowner Association Fees

Fees or assessments for a condo, townhouse or single-family home with an association can increase yearly. Compare fees of similar properties line-by-line. Check what the fee includes; for example, utilities gas, electricity, garbage pickup, and water. Watch out for special assessments for capital repairs and improvements to common areas.

Exterior maintenance

Replacing the roof, painting the siding or trim, sealing the driveway, sealing the deck, replacing windows, gutter cleaning or repair, septic and well maintenance are just some of the additional exterior maintenance costs in owning a home. Some jobs you can do yourself, but others require professionals. Don't forget the tools that go along with home maintenance: power washers, compressors, heavy-duty ladders, and power tools.

Interior maintenance

If you've been renting, your landlord probably picked up the tab for repairs and general maintenance. Once you own your home you'll be footing the bill. You will need to maintain

appliances, plumbing and electrical systems, carpets, floor and wall coverings, and so on.

Utilities

If you are renting, you're probably used to budgeting for utilities. But the cost of heating a one-bedroom apartment can pale in comparison with the bills for an entire house. A real estate professional can help you find out about the current occupant's costs but family size and usage impacts those numbers.

Yard care and snow removal

Plan on buying a lawnmower and other landscaping tools or budget for a professional lawn service. Include a snow shovel or snow blower if you live in a cold climate.

Pest control

Depending on location, be sure to schedule a termite inspection before you purchase a home. Purchasing a termite infestation bond may be in order. Even if there is no infestation at the time of the inspection, that's no guarantee these or other pests won't show up.

Transportation Costs

Don't forget to calculate transportation costs whether by public transportation or your own vehicle. Budget for gas, oil, insurance, tires, and regular maintenance. Will you need to purchase another car to take care of all of the family's transportation needs?

