



WHAT EXPENSES TO EXPECT **BUYING A HOME**

Budgeting for a new home can be tricky. Not only are there mortgage installments and the down payment to consider, there are a host of other—sometimes unexpected—expenses to add to the equation. The last thing you want is to be caught financially unprepared, blindsided by taxes and other hidden costs on closing day.

These expenses vary: some of them are one-time costs, while others will take the form of monthly or yearly instalments. Some may not even apply to your particular case. But it's best to educate yourself about all the possibilities, so you will be prepared for any situation, armed with the knowledge to budget accordingly for your move.

Use the following list to determine which costs will apply to your situation prior to structuring your budget:

- Purchase offer deposit
 - 5-20%
- Mortgage insurance
 - If the down payment is under 20% of the purchase price, CMHC insurance premium is due.
 - Your lending institution may require a policy to cover the amount of your mortgage.
- House insurance
 - Approximately \$1500+ depending on size, location, property features, etc.
- Appraisal fee
 - The lending institution may require an appraisal. The cost to be determined by your lender.
- Home inspection
 - Approximate cost \$500-600 depending on the size of the home.



WHAT EXPENSES TO EXPECT **BUYING A HOME**

- Legal fees
 - Approximately \$2000-3000.
- Land transfer tax
 - Approximately 2.5% of purchase price.
- Moving expenses
 - Approximately \$3000-4000.
- Maintenance fees
 - If purchasing a condo there will be a monthly fee for common area and maintenance utilities.
- Title insurance
 - Obtain this through your lawyer.
 - Covers title fraud, errors in surveys on public records, encroachment issues, existing liens.
- Property taxes
 - Can be paid with your mortgage payment OR pay taxes directly to the municipality.
- Service charges
 - Utility setups in new home such as phone, cable, internet, etc.