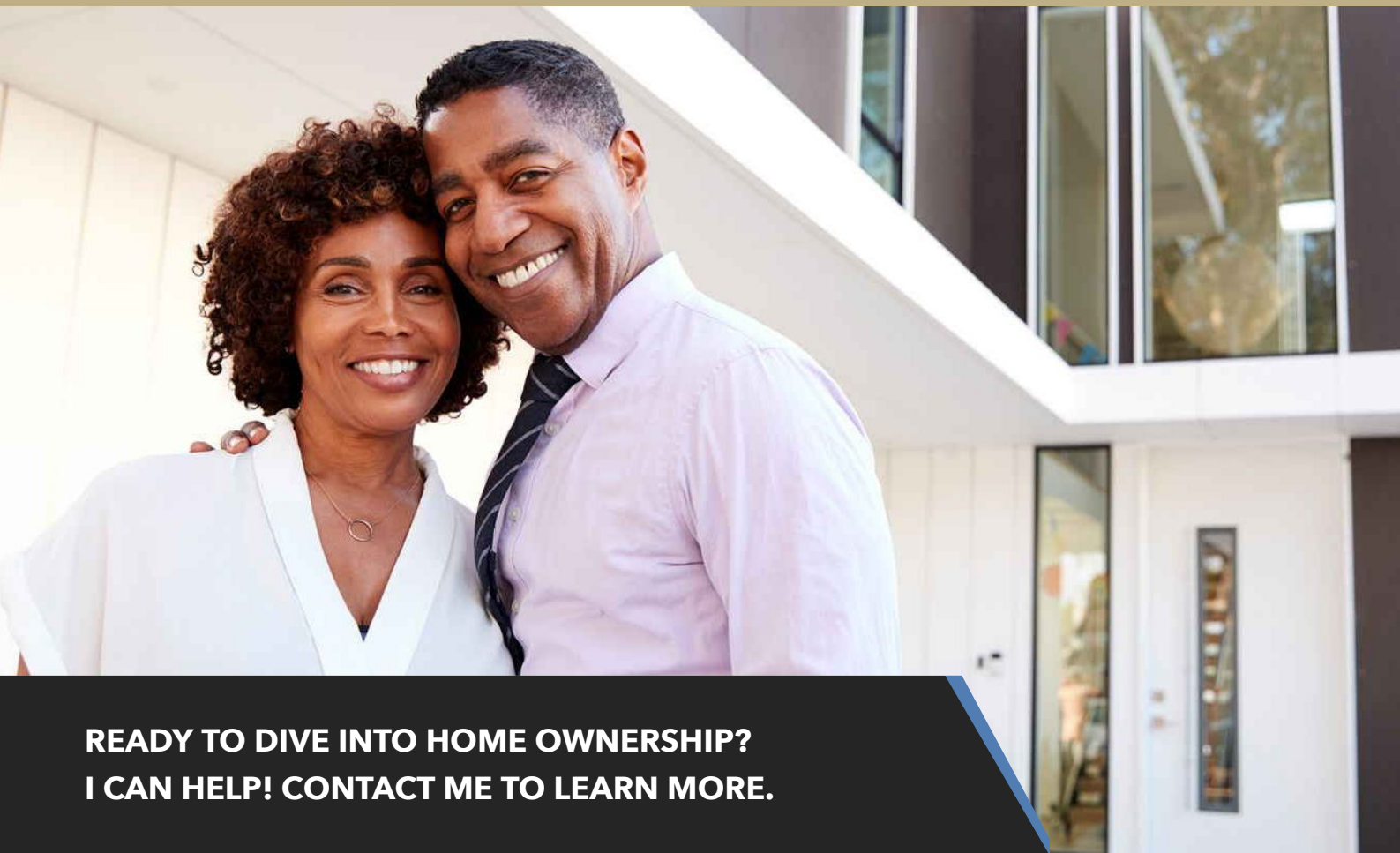


FIVE UNEXPECTED COSTS OF HOME OWNERSHIP

For many people, buying a home is the biggest purchase you'll ever make! But the expenses don't end when you sign on the dotted line. Be prepared for these additional costs.



**READY TO DIVE INTO HOME OWNERSHIP?
I CAN HELP! CONTACT ME TO LEARN MORE.**



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Think forking over your life savings for a down payment was the end of the story? Unfortunately, there are additional costs that may surprise you.

Don't let them get you down! If you plan in advance, you can be prepared for these five additional costs of owning a home.

IN THIS, YOU'LL FIND INFO ON:

CLOSING COSTS

02

HOME MAINTENANCE

03

PROPERTY TAXES

04

UTILITIES

05

HOMEOWNERS INSURANCE

06



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CLOSING COSTS

There are several different fees that will be included in closing costs. These will be decided during negotiations for your home. But they are something for which you need to be prepared.

Most commonly, you will have to come to the closing table with a check (or have paid closing costs in advance). Fees could include:

- Mortgage taxes
- Attorney fees
- Title insurance
- Lender application fees
- Recording fees
- Real estate tax reimbursements

Many people pay between 2-5% of the cost of the home in closing costs. While the fees change depending on where you live and many other factors, you should be prepared that this is a real cost you could be responsible for.



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HOME MAINTENANCE

There are both predictable and unexpected home maintenance costs that you need to be ready for.

Even with a thorough inspection, things in your home will break down. Some of these can be very costly. For instance, if your HVAC system or appliances have aged out of manufacturer warranty, it's on you to pay the full cost of repairing or replacing them when they break down.

There are also regular home maintenance items you'll have to take care of. These include things like replacing air conditioning filters, getting your home painted, cleaning the roof and maintaining systems and appliances.

Numerous housing studies indicate that you will probably pay between **1-2%** of your home value each year to maintain your home.



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PROPERTY TAXES

Property taxes vary significantly and are unique to each home. Before you buy a home, you should count property taxes in with what you will pay on your mortgage each month. You have to pay property taxes and, in some areas, they can be very expensive. This calculation will save you the headache or surprise of a much higher monthly payment

Sometimes, once you add in property taxes, you'll realize you can't afford to live in a certain area. Sometimes, people grieve taxes, which is a way of legally appealing the amount of property taxes. This would require a lawyer and isn't always successful.

The important things to remember are:

1**Know what the property taxes are on your home****2****Add property taxes into your home budget****Radka Hnilicova**

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UTILITIES

Utilities for a home may be higher than you expect. Keep in mind that these also vary seasonally. So, if you move into a Florida home in December, you may be elated at your low air conditioning bill. However, when July hits, it could triple.

There are several factors that impact your water and electric or gas bill. As you buy a home, you may want to consider how these factors could affect your monthly home budget. For instance, it may be worth paying more up front for a home that is energy efficient, because you will have a lower utility bill each month.

One of the aspects a home inspection will look at is the quality of home systems, like the age and quality of your HVAC and the quality of a home's insulation and windows. All of these impact how efficient a home is at handling temperature. The quality of your water pressure and water heater are also important, as any appliance that is older or leaking will run your bill up.

Do some research in addition to what you learn on a home inspection and find out what average utilities run for a home you want to buy.



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HOMEOWNERS INSURANCE

Every home with a mortgage requires homeowners insurance. Insurance is required because it covers natural disasters, fires and floods. If something catastrophic occurs, homeowners insurance will cover the cost of repairs for damage and replacing lost items.

Homeowners insurance is usually bundled in with your mortgage but you have some decisions to make. You may be allowed to choose a homeowners insurance company you want to work with. While the rates are fairly set and not subject to negotiation, you'll also want to be aware of some above and beyond costs you could pay. For example, are you in a flood zone? Or, if you're buying a condo, do you need a liability rider for accidents that happen on the property?

Discuss all aspects and responsibilities with your insurance broker to be sure you are fully covered. Then, add this into your budget.



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THESE ARE FIVE COSTS YOU JUST HAVE TO PLAN FOR. THE BEST WAY TO BE PREPARED IS TO ASK AN EXPERT!



I'm here to answer all of your real estate questions. I'm sure you can find the right mortgage and fee structure to fit your budget. Contact me to start the hunt for your new home!



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