



Your Financial Life

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Your financial firsts



Your home



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Your relationship



Your small business

The list price is right — but have you factored in these 8 extra costs?

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You've been pre-qualified for a home loan, handpicked your dream house and negotiated the right price. You're ready to take the plunge and sign on the dotted line, but before you do, it's important to take into account all possible costs associated with your new digs in addition to your mortgage.

Consider these eight home-related expenses:

1. **Home inspection fee:** Before you close, it's customary for the buyer to hire a home inspector to make sure the home meets building standards or is "up to code" for that city. The [Chicago Tribune](#) reports that home inspections cost roughly \$350 for single-family homes and \$300 for condos, on average. Leaving this item unchecked can be a costly mistake. Sure, the house might look beautiful, but home inspectors can detect problems so you're not stuck with bad plumbing or a leaky roof.
2. **Appraisal fee:** Your mortgage lender will require an appraisal — the current market value of the home — before they'll finalize your loan. Appraisals generally cost \$300 to \$400, according to [realtor.com](#). You may have the option to roll it into your closing costs. Check out these [tips from Investopedia](#) to boost your appraisal.
3. **Utility bills:** Unlike renters — who may have some basic utilities built into their monthly rent payment — homeowners are responsible for paying all bills, such as water, gas, electric, home phone, cable and Internet. And this can add up faster than you may think. For example, keeping an apartment or home warm in the winter and cool in the summer can be pricey, depending on where

you live. In fact, the [U.S. Energy Information Administration](#) forecasted that an average household would spend \$914 to heat with electricity during the winter of 2013. Need help planning? Use these [home energy calculators](#) to calculate estimates of your potential energy bills.

- 4. Assessments:** Unlike a home, a condominium is often part of an association, through which owners share the cost of garbage pick-up, landscaping, snow removal and other maintenance services. Condo owners pay a monthly assessment, in addition to their mortgage, to pay for the upkeep. If you're buying a condo in a new development, your Realtor will estimate the assessment, but it may increase over time. Also, be aware of special assessments, which are additional costs on top of the regular assessment for major repairs or upgrades, like new carpet for the lobby or fixing the building's ventilation system.
- 5. Property taxes:** Homeowners in the U.S. are required to pay property taxes, which are usually levied by your local government. The amount will vary depending on your location. As one way to spread out your tax payments, you can ask your mortgage company to include the taxes in your monthly payment by setting up an escrow account, if one is not already required by the lender. To determine what your property taxes will be, you can check with your county assessor's office or recorder's office. For more on escrow accounts, read this article from [realtor.com](#).
- 6. Parking:** In a busy metropolis, having a parking space may be a luxury, not a guarantee. Even if you buy a home, some cities require that you purchase a parking sticker or permit to keep your car on the street. Check your city's official website to investigate costs. If you're curious about the best and worst cities for parking, check out this [2014 list from NerdWallet.com](#).
- 7. Homeowner's insurance:** Your mortgage lender will require homeowner's insurance. Similar to auto insurance, there are different home insurance agencies and rates vary. Shop around to find the best agency, but don't choose one solely based on price. Research the company's claim service and financial stability, because you don't want to be left in the lurch if an insurer takes forever to process your claim. Also, be sure to look at the entire insurance policy and what it covers before selecting coverage. Check out this article on [Investopedia](#) to learn more about homeowner's insurance.
- 8. Repairs and rehab:** Set aside some money for future repairs, regular maintenance and rehab projects; [Investopedia](#) reports that mortgage-data firm HSH Associates suggests that homeowners should assume maintenance and repair costs will come to about 1 percent of the property's value each year. You never know when you will need a new washing machine or to get your water heater fixed.

Want to learn more? Check out [12 Hidden Costs of Homeownership](#) from U.S. News & World Report.

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