BUYING A HOME

WHAT EXPENSES ARE INVOLVED...

Budgeting for a New Home — What to Expect

Budgeting for a new home involves more than just your down payment and monthly mortgage. Many Buyers are surprised by additional fees, taxes, and closing costs—some one-time, others recurring. The key is preparation: knowing what to expect allows you to plan realistically and avoid financial surprises on closing day.

Expenses will vary depending on your situation. Some costs apply to every Buyer, while others depend on the property, lender, or location. Use the following list (not provided here) to identify which costs are relevant to you so you can build an accurate, stress-free budget for your move.

1. Purchase offer deposit agreed upon in the offer.

2. Inspection by certified building/home inspector.

3. Appraisal fee: Your lending institution may request an appraisal of the property. The cost of this appraisal is your responsibility.

4. Survey fee: If the home you are purchasing is a resale (as opposed to a newly built home), your lending institution may request an updated property survey. The cost for this survey will be your responsibility and will range from $700 to $1,500 CAD.

5. Mortgage application at your lending institution.

6. 5% GST: this fee applies to newly built homes only, or existing homes that have recently undergone extensive renovations.

7. Legal fees: A Lawyer must be involved in every real estate transaction in Ontario. They review all paperwork. Experience and rates offered by Lawyers range quite a bit, so shop around before you hire.

8. Homeowner's insurance: Your home will serve as security against your loan for your financial institution with fire protection. You will be required to buy insurance in an amount equal to or greater than the mortgage loan.

9. Land transfer (purchase) tax: This tax applies in any situation in which a property changes owners and can vary greatly.

10. Moving expenses such as packing, movers, truck rentals, extra entry fob/cards, and elevator deposits might be applicable.

11. Interest adjustments are a one-time cost that covers the interest owed between your closing date and your first full mortgage payment.

12. Maintenance fees: If you are moving to a new condominium, you will likely be charged a monthly condo fee which covers the costs of common area maintenance.

13. Service charges: Any utilities you arrange for at your new home, such as cable or telephone, may come with an installation fee.

14. Renovations and painting to "make the home your own" can add significant upfront costs, so be sure to budget for any planned upgrades before or immediately after moving in.

15. Furnishing a new home can add up quickly, so it is wise to pay for all décor and smaller household items in cash. Avoid using credit for major purchases until after your closing date, new debt or large credit charges can negatively impact your mortgage approval if you are buying with financing.

JSM REALTY



MICHAEL MARTINS

WWW.MICHAELMARTINSANDTHE6IX.COM

SALESPERSON

416-826-1485

MICHAELMARTINSJSMREALTY@GMAIL.COM

AND THE SIX