

Whether you are looking to buy your first home, or trading up to a larger one, there are many costs - on top of the purchase price - that you must figure out into your calculation of affordability. These extra fees, such as taxes and other additional costs, could cost you with an unwanted financial nightmare on closing day if you are not informed and prepared.

Some of these costs are one-time fixed payments, while others represent an ongoing monthly or yearly commitment. While not all of these costs will apply in every situation, it is better to know about them ahead of time so you can budget properly.

Remember, buying a home is a major milestone, and whether it is your first, second or tenth, there are many small but important details, not to mention stress and excitement, to deal with during the process. The last thing you need are unbudgeted financial obligations in the hours before you take possession of your new home.

Read through the following checklist to make sure you are budgeted properly for your next move.

1) Appraisal Fee

Your bank or lending institution may demand an appraisal of the property which you would be responsible to pay for. A typical cost of this appraisal is \$175.(yes)

home (vs a new home), your lending institution may ask for an updated property survey. The cost for this survey typically runs \$450-\$800. (Not likely to happen)

2) Property Taxes

If your downpayment is less than 25%, your lending institution may decide to lump your property taxes in with your mortgage payments. This tax payment continues even if you pay off your mortgage. Even if your property taxes are not added to your monthly payments, your lending institution will demand annual proof that your taxes are paid in order to continue extending your home loan.

4) Property Insurance

Home insurance covers the replacement value of your home (structure and contents). Your lending institution demands proof that you are thus insured as it is their security against your mortgage. (Yes)

3) Survey Fee

When the home you purchase is a resale

5) Service Charges

Any new utility service you hook up, such as telephone or cable, will require an installation fee. (Yes, \$50 each)

6) Legal Fees

Even the most straightforward home purchase should have a lawyer involved to

review all paperwork. Shop around, as rates vary greatly depending on the complexity of the issues and the experience of the lawyer. (Yes, usually \$500.)

✓ 7) Mortgage Loan Insurance Application Fee

High ration mortgage require mortgage loan insurance. CMHC application fees are:
 -\$75 if an appraisal is provided by the lender
 -\$235 if no appraisal is provided.
 This type of insurance will cost you between 0.5%-3.5% of the total amount of the mortgage, but can be added to the mortgage monthly payments so you don't have to pay this money as a lump sum.

✓ 8) Mortgage Brokers Fees

A broker is entitled to charge you a fee in order to source a lender and organize the financing. (Bad credit situations only) Typically this fee is around 2% of total mortgage. However, it pays to shop around because many mortgage brokers will provide their services fee to you by having the lending institution absorb the costs. (No fee)

✓ 9) Moving Costs

The costs for a professional move is typical - \$50-\$100/ hour for a van and 3 movers, and -10-20% higher at the end of the month or in the summer. (Up to you)

✓ 10) Maintenance Fees

Condos charge monthly for common area maintenance such as groundkeeping and carpet cleaning in the hallways. Costs will vary depending on the building, but the minimum

vary depending on the building, but the minimum will be a couple of hundred dollars a month. (Only with a condo)

✓ 11) Water Quantity and Quality Certification

If the home you purchase is serviced by a well, a \$50-\$100 fee will apply to certify the quantity and quality of the water. (Free)

✓ 12) Local Improvements

If the town you live in made local improvements (such as the addition of sewers or sidewalks), this could impact a property's taxes by thousands of dollars. If your new home's previous resident decided to pay for these improvements over time (rather than in one lump sum), this additional monthly charge on your tax bill would transfer to you. (You will know before offer)

✓ 13) Land Transfer Tax

Anytime real estate changes hands in Ontario, a land transfer tax is applied. There is a calculation for this tax, but for budgeting purposes, it is roughly 0.5% - \$55,000, 1% \$55,000-\$250,000, 1.5% above \$250,000, & 2% above \$4,000 where the land contains one or two single family residences. (First time home buyers don't pay the first 2K of land transfer tax)

✓ 14) HST is only charged by buyers lawyer for the service