



“Home Cents®” Help Tips

10 Common Costs of Home Ownership

1 Property Tax

Many of the services you'll enjoy in your new neighbourhood from parks and recreation to road maintenance and schools are funded in part by municipal property taxes. Rates vary widely, from region to region and home to home. Annual taxes can top several thousand dollars in urban centres and even in smaller towns, so some homeowners opt to pay in installments. Your lender may provide an option or they may require you to combine property taxes with your mortgage payment.

2 Energy Costs

If you are used to keeping the lights on and the thermostat up because utilities are included in your rent, you will now have to pay for these costs. Budget to cover monthly gas, electric or oil bills which fluctuate with the seasons. Some utility providers offer “equal” payment plans. Your REALTOR® can ask a home's seller to confirm past costs as a cost estimate.

3 Phone, Cable and Internet Services

The costs of being “connected” can easily add up to a couple of hundred dollars a month. Moving into a new home might be a good time to consider whether you need both a land line and a wireless phone line or if you can bundle these services for a discount.

4 Home Insurance

Protect your home, its contents and your property against damage and liability. Prices can vary, depending on your home, neighbourhood and or area but plans for costs that typically start at a minimum of \$500 per year. Keep in mind that a lower cost policy may not offer the comprehensive coverage you may want and or need. You can keep costs down by choosing a higher deductible.

5 Municipal Services

Some municipalities change fees for services like water, sewer and garbage removal. For example, homeowners in some largely urban centres pay \$150 to \$250 per year for curbside collection of garbage, recycling and compost.

6 Fuel or Transit Costs

If you will be commuting a longer distance to work, consider whether you will face higher fuel or public transit costs or whether you will have to pay for parking.

7 Monitored Security

If you opt for home protection, monitoring can cost on average \$20 to \$40 or more per month depending on your plan.

8 Home Maintenance

Plan to cover all the occasional costs to keep your house or other property in good working order, such as changing furnace filters, carpet cleaning, cleaning your eavestroughs and touching up interior and exterior paint. You will find it easy to spend \$30 or more a month on such home maintenance items and services.

9 Property Upkeep

Consider outdoor areas that may need tending to such as wooden decks, fences, gardens and lawns. Even when you do the work yourself, budget at least a few hundred dollars seasonally for items like wood stains, landscaping supplies, plants etc.

10 Repairs

These are larger, less frequent expenses like replacing the roof, furnace, air-conditioning units, appliances etc. Housing experts recommend setting aside 1% to 3% of the value of your home each year. Given the vast difference in home prices this can run anywhere from \$1,000 to \$100,000 annually.

Summary

While the cost of owning and operating a home or recreational property can add up to hundreds of dollars every month, I can help you to plan ahead in order to manage and budget these expenses allowing you to be comfortable with your financing.

Compliments of **RICK CROUCH**

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