

Don't let these home expenses take you—and your budget—by surprise

Buying a home can be a fantastic investment. However, some buyers—especially first-timers—don't understand all the financial obligations related to purchasing and owning a home. Here are several expenses other than purchase price that you should know about.

What will my loan cost?

There are several types of loans, and the costs vary depending on the length of the loan and other terms. Your San Antonio area REALTOR® and a mortgage professional can help you determine which loan works best for you and its associated costs. In addition to ongoing costs of the loan—which may be constant or could fluctuate, depending on the type of loan—the charges to close the loan can be many thousands of dollars.

How much goes to the tax man?

Public schools, water treatment plants, roads, hospitals, airports—these and many other public services are funded by property taxes. And property taxes can add up to a significant expense. You and your REALTOR® can research property taxes to see what the current owners pay and how your taxes might differ depending on which exemptions you qualify for. Taxes also vary by area—you may even find that homes relatively close to one another are subject to different taxing entities.

What will I pay to protect my largest asset?

Your mortgage lender will insist that you insure your home. Even if you buy your house with cash, you'll still probably want some financial protection should anything damage your home and your belongings. Homeowners insurance costs vary based on factors such as construction materials, location of the home, deductible amount, types of coverage, and whether the property has an alarm system.

What's my tab for all these neighborhood amenities?

When you buy a house located in a homeowners association, you get the benefit of shared amenities. Your HOA may maintain a pool and clubhouse, security, landscaping, and other features. Some homeowners associations charge a minimal amount, while others can set you back several hundred dollars a month. That cost may be worth it to you for the amenities, but factor this expense into your housing budget.

Can I afford to update the hall bath?

Remodeling and repair bills can be hefty. If the house you buy needs a new roof, AC, or flooring—or you'd like to freshen up the 1970s décor—make sure to take these expenses into consideration. Before you purchase the property, you'll want to get a professional inspection of the house. An inspector can alert you to conditions that are not readily apparent that may require a significant amount of money to remedy.

What does it cost to keep cool?

You may be able to request past bills from the utility company or the current owners, but keep in mind that your usage could differ from theirs. You can also estimate ongoing maintenance costs, such as keeping the landscaping in good shape, painting the exterior and similar tasks.

There's one item many people overlook when determining the overall cost of a home: resale value. Consider variables that go into the resale value of a home: whether the neighborhood is on the rise or in decline; the quality of nearby schools; construction that could increase or decrease the desirability of living there; and other factors can give you a general feel for price appreciation of your property.

Your San Antonio area REALTOR® can help with these and other considerations to make sure you are getting a good deal in the long run.