

9 HIDDEN COSTS OF BUYING A HOME



Homeowner's Association Fee (HOA fee)

If you're planning on living in a condo, HOA fees are almost always required to cover the costs of maintaining the building's lobbies, patios, landscaping, pools, and elevators. It may also apply in some neighborhoods, and maintenance fees for co-ops are a similar cost.

Private Mortgage Insurance (PMI)

This cost applies if you don't have a 20% down payment. PMI can cost between 0.3% and 1.5% of the mortgage, depending on the size of your down payment and your credit score.



Mortgage Interest

The cost is highly variable depending on your income, debt, credit score, down payment, and length of your mortgage.



Home Insurance

The cost varies depending on where you live—people living in areas more prone for natural disasters or crime can expect to pay more.



Closing Cost

These include appraisal fees, attorney fees, title insurance, and property transfer taxes. Closing costs will typically range anywhere between 3-6% of the home cost.



Property Tax

This is expressed as a percentage of your home's value and varies depending on location, but in NJ, you can expect to pay an average of \$12,000-15,000 in property taxes each year.



Maintenance

Tasks such as house cleaning, yard care, gutter cleaning, carpet cleaning, and pressure washing can add up. US households pay an average of \$3,435 each year to outsource maintenance costs.



Renovations

It varies person to person and year to year, but plan on setting aside some extra cash for various renovations and updates as they arise.



Utilities

Factor in an extra \$3,000 annually to cover utility cost such as electricity, gas, and water.

