

# The 8 Most Unexpected Costs of Owning a Home

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The goal of homeownership is one that many of us aspire towards. But with all of that aspiration, very few of us are prepared for all that it entails. The transition between renting property and calling it your own is quite drastic with many elements that you have probably yet to consider.

If you currently rent, you may see your monthly check as something that could be going towards a mortgage payment. But keep in mind that the mortgage is only a fraction of the money you will spend during your time in your new home. So before you make such a life changing investment, here are eight unexpected costs of home ownership to think about.

## 1. Property Taxes

Do you know how much it costs to own property in your area? The answer is probably more than you think. Property taxes are one of the biggest expenses for new homeowners, and some of the most frequently forgotten when budgeting.

Consult with a local mortgage broker to get an estimate of what taxes will cost you in your first year, and immediately calculate that into your monthly payment. But be prepared for changes. Taxes are constantly on the rise, so make sure to budget with that in mind.

## 2. Homeowners Insurance

Another big cost of owning a home is insuring that home. Perhaps you have paid renter's insurance before to cover the cost of your possessions. But insuring an entire home is a lot more expensive. There are all sorts of elements to factor into how much you will be paying. Older homes are often more expensive to insure, due to potential risks with outdated plumbing and electrical systems. Plus, if you live in an area that is prone to hurricanes, earthquakes, floods, or tornadoes, you'll also be paying for hazard insurance.

## 3. Extensions and Modifications

Very few people purchase a house and keep it exactly as is. It could be a small change like repainting the living room, or a big change like installing a pool in the back yard. Whatever the modifications are, make sure you are accounting for them in your budget.

Often times, decisions are made about our homes with our hearts, not our heads. We like the idea of how a refurbishment will make our house look, not how it will make our bank account look. It is wise to be logical when considering home improvements, but also planning ahead by saving in case you fall in love with a new bathroom tile design.

## 4. The Lawn

Maintaining a lawn is a huge, and often unexpected expense for new homeowners. Depending on where you live, expenditures will vary. If you live in an area prone to droughts, you will have to spend more on watering the lawn. If you live in a more humid climate, the grass will need to be cut more often. But whether you are paying for a monthly lawn service or spending your own time to do it yourself, it will cost you something.

Keep in mind that you may have a Homeowner's Association that will mandate certain aspects of your home's appearance. Be sure to do your research and be familiar with any requirements your neighborhood might have so you are not caught off guard later on.

## 5. Pest Control

Another expense that is often not considered until it is too late is pest control. When you rent, it is easy enough to call up the landlord to address any unwanted varmint. But when the property belongs to you, you are on your own.

Research ahead of time to find out if your area is especially prone to a particular type of pest. It is also wise to look into regularly scheduled inspection as opposed to waiting for a huge bill after infestation has already occurred.

## 6. Routine Maintenance

There are all sorts of extra maintenance expenses that come with owning a home as well. Cleaning the gutters, repairing appliances, servicing the heating or cooling system, addressing any leaks. These are all issues that cost time and money, and that you will likely face with homeownership. Even the cost of replacing air filters and light bulbs will be higher with more space.

Also keep in mind that once you find a problem, you will likely find more. If you bring a repairman out to fix an electrical shortage, odds are high that he will find something else wrong that may cost much more than you anticipated.

## 7. Saving For Emergencies

Ever heard the advice to save for a rainy day? As a homeowner, you really have to do this...in case the rainy day brings flooding or other unexpected property damage. As opposed to the cost of optional extensions and modifications, a tree falling through your roof is a cost that will need to be faced immediately.

Make sure to do your homework to find out what are possible emergency expenses you might have to face. It is easy enough to think about weather-related risks, but often we don't consider the possibility of emergencies until we are dealing with them first-hand. Having a solid financial safety net will help you be better prepared.

## 8. Accidents Happen

Smaller scale emergencies happen, too. Chairs break, wine gets spilled on carpet, and so on. Do you have kids or pets? If so, the question is not if they will do damage to your home, but when they will do it (and how much will it cost you when it happens).

When you are renting property, the worst you have to worry about is not getting your security deposit back. When the house is yours, an unreturned security deposit is often the low end of what you will be spending.

This is really just the tip of the iceberg regarding unexpected expenses, but will hopefully start you thinking and researching. Homeownership is a serious undertaking that will cost you much time, money and effort. But for all of the costs, the benefits are many. With proper planning and advisement, all of those expenses are worth it when you have something you are proud to call your own.