

Buying a Home: What Expenses to Expect



Budgeting for a new home can be tricky. Not only are there mortgage installments and the down payment to consider, but there are also a host of other - sometimes unexpected - expenses to factor in. The last thing you want is to be caught financially unprepared, blindsided by taxes or hidden costs on closing day.

These expenses can vary. Some are one-time costs, while others will be monthly or yearly installments. Some may not apply to your situation. But it's best to educate yourself about all the possibilities so you can be fully prepared and budget accordingly.

Use the following list to determine which costs may apply to your purchase:

1. Purchase Offer Deposit

A deposit is typically submitted with your offer to purchase and held in trust until closing.

2. Home Inspection

A certified building inspector should evaluate the condition of the property. This is a critical step to help avoid future surprises.

3. Appraisal Fee

Your lender may require a professional appraisal of the property to confirm market value. The cost is typically your responsibility.

4. Survey Fee

If the property is a resale home, your lender might require an updated land survey.

5. Mortgage Application Fee

Some lenders charge a fee to process your mortgage application. This may be waived or built into your rate but check in advance.

6. 5% GST

This tax applies to newly built homes or homes that have undergone extensive renovations. (Not usually applicable to resale homes.)

7. Legal Fees

A lawyer or notary will review all documents, handle the transfer of title, and complete the legal paperwork. Fees vary - shop around for someone with both experience and reasonable rates.

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8. Homeowner's Insurance

Required by lenders as a condition of the mortgage. The policy must cover the full replacement value of the home.

9. Land Transfer Tax

This tax is due when property ownership changes. The amount varies by province or municipality.

10. Moving Expenses

Budget for moving trucks, storage, packing supplies, and any hired help on moving day.

11. Service Charges

Installing services like cable, internet, electricity, or gas may involve connection or installation fees.

12. Interest & Property Tax Adjustments

Depending on your closing date and mortgage payment schedule, you may owe interest between the closing day and your first full payment.

13. Property Tax Adjustments

Property tax adjustments ensure each party pays their share. The lawyer calculates this at closing, with credits or reimbursements based on the closing date.

14. Renovations and Decorating


Many buyers choose to paint, refinish floors, or renovate immediately after moving in. Budget for any planned improvements.

15. Maintenance Fees (for Condominiums)

If moving into a condo, expect a monthly fee for shared maintenance costs (e.g. snow removal, landscaping, building upkeep).



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