

Tips for Buying: How much does that home really cost?



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A \$200,000 home costs more than a \$185,000 home, right? Well, yes and no. Assuming the same type of financing for both homes, the \$200,000 home does cost more initially. But many factors contribute to the overall long-term cost of a house. Here are some things to keep in mind when trying to determine the true cost of purchasing a particular home:

- Does it have a pool or hot tub that requires maintenance?
- How much yard maintenance is required and who will perform it?
- Are there trees that should be removed?
- What are the utility costs? Although your usage won't be exactly the same as the current owners, you may be able to get their utility bills for the past year from them or directly from the utility company.
- How soon will the roof need to be replaced?
- Does the house need repainting?
- Does the electrical system need upgrading to handle the load for your appliances and electronics?
- Does the home have aluminum wiring, lead-based paint, or other safety or health hazards you will want to address?
- Does the house need new carpeting or flooring?
- What remodeling projects do you see as a must?
- Will appliances need replacing? What items convey?
- What are the estimated property taxes for the property?

Also, be sure to get a professional inspection to identify other potentially costly problem areas.