



## The Cost of Homeownership

When planning to buy a house, especially for the first time, there are numerous budget items to consider. Here's a comprehensive list to guide potential first-time homebuyers:

1. **Down Payment:** Typically a percentage of the home's price. Common down payment amounts are 5%, 10%, or 20%, but it can vary.
2. **Mortgage Payments:** Principal and interest on the loan.
3. **Property Taxes:** These can vary greatly depending on your location.
4. **Homeowners Insurance:** Essential to protect against potential damages or losses.
5. **Private Mortgage Insurance (PMI):** Usually required if your down payment is less than 20% of the home's price.
6. **Closing Costs:** This includes a variety of fees such as loan origination fees, appraisal fees, title insurance, escrow fees, and more.
7. **Home Inspection:** To identify potential issues with the property.
8. **Credit Report Fee:** Your lender may charge this to pull your credit report.
9. **Earnest Money:** A deposit showing the seller you're serious about buying.
10. **Moving Costs:** Whether you're hiring a company or renting a truck.
11. **Homeowners Association (HOA) Fees:** If applicable to your property.
12. **Initial Maintenance and Repairs:** For any immediate work the property may need.
13. **Furnishing and Decoration:** Buying new furniture, fixtures, or decor items.
14. **Emergency Fund:** Always a good idea to have a fund for unexpected repairs or issues.
15. **Ongoing Maintenance and Repairs:** This includes seasonal work, landscaping, and regular wear and tear.
16. **Utilities:** Gas, electricity, water, sewage, garbage, and possibly others like propane or oil.
17. **Internet and Cable:** Service setup and monthly bills.
18. **Home Warranty:** If not provided by the seller, you might consider purchasing one for peace of mind.
19. **Potential Renovations or Upgrades:** If you're considering any immediate changes.
20. **Landscaping:** For homes without established yards or gardens.
21. **Pest Inspection and Treatment:** Especially important in certain regions.
22. **Reserve Funds:** For HOA (if applicable) or for larger long-term repairs such as roof replacement or structural issues.
23. **Increase in Commute Costs:** If moving farther from work, there might be increased transportation costs.
24. **Property Tax Increases:** Over time, property taxes may rise.
25. **Rising Insurance Premiums:** Homeowner's insurance can increase, especially if the property or area is prone to natural disasters.
26. **Opportunity Costs:** Consider the potential returns if the money used for the house was invested elsewhere.
27. **When planning to buy a house, it's essential to be well-prepared and knowledgeable about these potential costs. Working with a financial planner or mortgage advisor can provide tailored advice for individual situations.**

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