

# The hidden costs of buying a new home

Buying a house is the biggest financial commitment you're likely to make in your entire life. So it's important that you're adequately prepared for the new venture in your life. Unfortunately, the price tag of the home isn't the only cost factor to take into consideration.

 By [Queenie Bates](#) 19 Dec 2013



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These are other some of the additional costs you should be aware of:

## Bond registration and transfer costs

These are generally the biggest 'extra' costs involved in buying property. They're also unavoidable. To give you a rough idea, on a R1 million bond, the bond registration cost would be about R19,759, while the transfer cost would be around R28,875.

You can work out the fees on properties that you are considering by using the calculators at [Ooba house finance](#).

## Moving costs

You've bought your new home, but now you actually have to move in. Moving costs can be anywhere from R5,000 to R15,000, assuming it's in the same city. To keep your costs down, make use of the discounts most moving companies offer if you move during the week and in the middle of the month. Even better is if you go the bakkie-for-hire route or have a friend with a trailer who's willing to lend a hand.

## General repairs and maintenance

Some homes are in perfect condition already, especially if brand new and just waiting for you to move in. Sometimes a little maintenance is needed, which includes cleaning, repainting and general repairs. You may even want to do some renovating. You'll need to set aside some cash for this.

The cost depends on the state of the property, your personal tastes and what you're willing to live with. Set aside some money for any unforeseen expenses that may crop out. Try gain access to the property ahead of moving in, so that you can write up a realistic budget for what you will need to spend, although some of the costs may still be unforeseen until you actually move in.

## The utilities

If you are buying a freehold property (not a sectional title), you will have to register for your water and electricity connection, as well as telephone and internet lines if you need them. These costs vary from area to area.

to area, but in general you can put aside around R1,000 to R3,000 for connecting the electricity, water and telephone. Internet will depend on what type of connection you want. Obviously, these are start-up costs, and the monthly rates you still need to make.

## **Rates, taxes and levies**

A freehold property requires you to pay rates and levies. Depending on the value of your property, this can range anywhere from a couple of hundred to a few thousand rand every month.

Rates cover sewer usage and garbage removal, while your taxes are calculated against the value of your property. These costs should be made available to you during the house-hunting phase though.

With a sectional title, on the other hand, levies are set by the apartment block's body corporate, which are used for the general upkeep of the building.

Some suburbs have extra levies that are used for security purposes, like a boom operator. These are usually voluntary, but it's good to contribute if they benefit you.

## **Security**

A new home means a new [security strategy](#). When buying a new home, it's a good idea to assess the security of the other houses in the area, and find out about the crime rates from the local police station, and then update your own security accordingly. And you'll have to budget for a monthly armed response fee as well.

## **Insurance**

Your bank and home loan provider will likely insist you have homeowner's insurance to cover any structural damage to the property. There are competitive options available to you and they can be included in your monthly bond repayments. Just take note that this coverage doesn't extend to your possessions. That's something else entirely.

Entering that privileged world of property ownership is an exciting step for anyone to take. With forethought and planning, you can budget for the major expenses associated with owning your new home.

## **ABOUT QUEENIE BATES**

I'm a freelance writer, where my office is my bedroom and my platform is the World Wide Web. I'm still interested in the marketing game, but I get involved as a pen-monkey from behind laptop. I live with my partner and our two beloved Great Danes. When not reading or writing you can probably find me on the beach or exploring nature trails.  
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