



# Set budget for moving expenses

Tom Lebour

TREB PRESIDENT'S COLUMN AS IT APPEARS IN THE TORONTO STAR

May 21, 2010

In the last five years an average of more than 80,000 homes per year have changed hands in the Greater Toronto Area. While our reasons for changing the scenery are as diverse as the city itself, there's no doubt that a different space or lifestyle can offer new inspiration and more importantly, an opportunity for a fresh start financially.

The key to ensuring that you begin your next chapter with a solid financial footing is careful budgeting of all costs associated with the transaction.

While many homebuyers plan for the most apparent expenses such as the deposit and down payment, mortgage insurance costs, appraisal and inspection fees, land transfer taxes and legal costs; there are a number of less obvious expenses that should also be taken into account.

Transporting your belongings is one such expense. Professional moving costs can range from hundreds to thousands of dollars so it's best to be sure you're comfortable with the company you've chosen by seeking referrals from family and friends. Even if you only plan to rent a truck, be sure that you fully understand the agreement and account for extra gas and mileage costs. Include packing supplies like tape and bubble wrap in your budget as well.

When it comes to moving, it's wise to expect the unexpected. Since delays can happen at either end, budgeting funds for accommodations, storage facilities and additional rental fees is a must. Given that settling in doesn't happen overnight, you should also expect the additional costs of eating take-out food for a few days. Anticipate a higher than normal grocery bill at the outset as well, as you restock staples that may have been discarded prior to your move and replenish much-needed cleaning supplies.

To make your new house a home you'll want to set aside some funds for furniture, window treatments, light fixtures and area rugs. Even minor assorted hardware items can add up. Utility, phone, television and Internet service providers typically charge to establish a connection. As well, to provide for better security, plan to have your locks re-keyed or replace the entire lockset yourself.

As a condition of your mortgage you will need to obtain home insurance. Since premiums can vary widely, be sure to get a number of quotes. Remember as well, that if the seller has prepaid utility bills and taxes beyond closing, you will be required to reimburse them. If you're moving into a larger space, higher ongoing utility costs should also be considered. Account for the fact that property taxes could also increase significantly if you're a move-up buyer.

While the preparation might seem a little daunting, the benefits of your new investment far outweigh the inconveniences of moving. A home after all, is not only the sole type of investment in which you can live while it appreciates; it's also a place to build memories that last a lifetime.

To ensure you're well prepared for your next move talk to a Greater Toronto REALTOR® and visit [www.TorontoRealEstateBoard.com](http://www.TorontoRealEstateBoard.com) where you'll find available properties, neighbourhood profiles and the latest market statistics.

Follow TREB on [www.twitter.com/TREB\\_Official](http://www.twitter.com/TREB_Official), [www.facebook.com/TorontoRealEstateBoard](http://www.facebook.com/TorontoRealEstateBoard) and [www.youtube.com/TREBChannel](http://www.youtube.com/TREBChannel)

*Tom Lebour is President of the Toronto Real Estate Board, a professional association that represents 28,000 REALTORS® in the Greater Toronto Area.*