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10 Things New Homeowners Should Do to Save Money

Quick home tips to put more money back in your pocket. Buying a new home will likely be one of the most expensive purchases you ever make. Between the realtor fees, property transfer tax, and the legal fees, you could be left with a somewhat smaller bank account. Now that you've purchased a new home, you have to think about your mortgage, insurance, property tax, utilities, renovation costs, and more.

A new home purchase is an exciting time and you can make sure you don't detract from the incredible experience by having a sound financial plan.

Keep reading for 10 smart tips that every new homeowner should do to save themselves money. These tips are straightforward and will help you handle the costs of new homeownership more easily.



1. **Save On Moving Costs:** This tip may be too late if you're already enjoying the comfort of your beautiful new home. But, if you haven't moved yet, we can't stress how important it is to reduce moving costs. On average, it can cost between \$870 and \$1,160 to move a two-bedroom apartment in Canada during high season. The pricing will vary depending on your home size, the number of movers needed, and the hours worked.

In comparison, a large U-haul truck and buying some pizza and beer for your friends can cost you under \$350. If at all possible, opt for the do-it-yourself move. It may be a lot more grunt work and planning, but it's well worth the savings.

2. **Change Your Mortgage to Bi-weekly Payments:** This tip is more about your long-term savings. If you've signed up for a mortgage with monthly payments, consider switching it to bi-weekly. A bi-weekly payment schedule accelerates your mortgage payments and takes payments every two weeks. By the end of the year, you've made 13 monthly payments instead of 12.

Let's say you have a \$600,000 mortgage over 30 years, with an interest rate of 4.5%. If you switch to accelerated bi-weekly payments, you'll save a total of \$84,104 in interest and finish paying your mortgage off in 25.6 years! Mortgage lenders allow you to make this change at any time, so visit your bank today and switch to bi-weekly to start saving.

3. **Make Smart Furniture Decisions:** One of the most exciting aspects of having a new home is all the decorating possibilities. With online shopping becoming more prevalent this year than ever before, virtually every home store is at our fingertips. It can feel so easy to order new things online.

The next suggestion is to consider alternative methods for furniture shopping. Consider buying something second-hand from Kijiji, Facebook Marketplace, or a used antique shop. You could also try asking for a discount for taking the floor model home from a furniture store. Whatever you do, try to find sales or discounts, so you're always purchasing furniture within your budget.

4. **Do (Some) Home Repairs Yourself:** Many new homeowners want to make improvements to their new home. Whenever possible, consider doing some of the home repairs or improvements yourself. You can save thousands by opting to make simple home improvements on your own. Of course, do your research first to establish how comfortable you are taking on a given project. You can find incredibly useful videos on YouTube that walk you through projects or step-by-step guides online.

Some of the more popular home improvements that are well-suited for DIY are painting, fence repairs or installation, minor plumbing, carpentry, or flooring projects. Taking the DIY route can result in significant savings. The cost of painting the exterior of a 2,000 square foot home can range from \$3,200-\$7,200. In comparison, a DIY paint job will cost you an average of \$15-\$50 per gallon plus a good chunk of your time, of course. Sometimes breaking a sweat is a great way to save.

5. Use Professional Contractors When Needed: For the home repairs and renovations you can't do yourself, it's recommended you always use professional and insured contractors. This tip might seem strange as a cost-savings suggestion, since quality contractors aren't the cheapest option out there. But, this is one of those times you won't want to cut corners.

Working with unskilled professionals can actually cost you more money in the long run. They may make mistakes in their work that will only result in you having to hire someone else later on. Additionally, if you work with an unlicensed contractor, your home insurance policy can become void. Lastly, if the contractor is uninsured and makes a mistake on the job that leads to flooding or significant issues, you'll have to pay for these repairs out-of-pocket. These are all costly risks that make working with non-insured and non-certified contractors simply too high.

Make sure to read reviews, ask them about their insurance policy, and find out if they're licensed in their field.

6. Fix Drafty Windows: Drafty windows are a common problem for older homes. While it may seem like a minor issue, a small gap means money is flying out your window. As you pay to heat your house in the winter or cool it down in the summer, that energy is escaping and likely costing you hundreds of dollars.

If you have the budget, consider installing brand new energy-efficient windows. While this will be a bit of an upfront cost, it can save you up to 40% on your utility bills throughout the year. It can also improve the curb appeal of your home, as energy efficient windows are a top feature that buyers are looking for right now. If this isn't an option for you, applying weather stripping to your windows is a cheap and easy DIY alternative.

7. Cancel Your Cable: According to the Canadian Radio-Television and Telecommunications Commission, Canadians spend an average of \$52.58 on paid television services per month. That might not sound like a lot, but over a one-year span, that adds up to almost \$631. That's enough to purchase a few double pane windows!

In contrast, Disney+ starts at \$8.99 per month, while Netflix and Crave plans start at \$9.99 per month. Subscription services provide just as much value as cable, you can switch between them when you want to change things up, and you'll save hundreds of dollars throughout the year.

8. Bundle Insurance: Now that you're a homeowner, you've likely gotten (or are about to obtain) home insurance. If you also have other types of insurance (such as car insurance, jewelry protection, or extended personal health), consider bundling your services. Insurance providers often offer significant discounts for each additional insurance product you purchase with them. Just bundling home and auto insurance can save you hundreds of dollars in a year.

9. Choose LED Lights: LED lights are more expensive as an upfront cost, but they are well worth the investment. On average, LED lights can last 25,000 hours. They outlast and outperform their cheaper alternatives, meaning there's savings to be had in the long run. They're also considered the eco-friendly choice as you have to replace them less frequently, so less waste goes to the landfill.

10. Check Your Water Heater Temperature: As soon as you move into your home, check your hot water heater and lower its temperature to 55 degrees Celsius. Most people don't use water hotter than this level, so it only serves to increase your utility bills for no reason. This is just one of many ways you can have an energy-efficient home, which costs you less money and is better for the planet.

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