

## Moving Costs

Whether you use a professional moving company or rely on friends (do-it-yourself), there will be costs associated with the move. Such things as truck rental and food for friends should be included in your calculation.

## Renovations/Repairs

If you are moving into a new property, it is unlikely that you will have these costs. However, if you are moving into a resale property, there will likely be some things to do. Even if there are no apparent repairs, it is likely you will want some rooms painted, carpeting added or removed or some other details changed. All of these should be considered with your additional costs.

## Property Insurance Adjustment

A financial institution will require you to have insurance on the property before the mortgage will be finalized. If you have previous insurance coverage, your new coverage will result in an increase or a decrease for the remainder of the year. The lawyer will calculate the difference and add it (or subtract it) with your other costs.

### Property Insurance Adjustment Calculation Example

The Chartrand Family just bought a new house. They had insurance on their old house, but need to make sure the new house is covered. Their insurance will increase from \$600/year to \$720/year. If they move into their new home on October 1<sup>st</sup>, calculate how much extra they will have to pay the insurance company.

NOTE: OCTOBER TO DECEMBER = 3 months  
so, they will have to pay the extra insurance for 3 months that year

- ① Calculate the extra insurance for the 3 months  
 $\Rightarrow 720 - 600 = \$120$  extra for the entire year  
 or  $\$120 \div 12 = \$10$  per month extra
- ② So, they will pay  $\$10 \times 3$  months = \$30 more for the 3 months.

## Property Tax Reimbursement

All properties in Manitoba are taxed by the municipality. These taxes were explored in Lessons 4 and 5 of this unit. If the previous owners have already paid property tax for the year, you will be responsible for reimbursing them for the portion of the year that you live in the house. The lawyer will make this calculation and add it to your costs.

### Property Tax Reimbursement Calculation Example

The Eddi family just bought a new home. The previous owners paid \$2400 in property tax for the entire year. The Eddi family move into their new home on May 1<sup>st</sup>, calculate their amount of property tax reimbursement.

- The previous owner paid \$2400 and lived for 4 months  
 so, they would have to be re-imbursed for 8 months of property taxes.
- $\Rightarrow$  monthly property taxes  $\Rightarrow \$2400 \div 12 = \$200$  per month
- $\Rightarrow$  Amount of Taxes to be reimbursed  $\Rightarrow 8$  months  $\times 200 = \boxed{\$1600}$