

5 Hidden Costs of Relocation

selfstorage.com (Credit Karma)

If you've got your eye on a new city where you can buy a bigger house with an affordable mortgage payment, don't be too quick to sign those closing documents.

If you don't do a little research first, you may get ambushed by unexpected costs of living in the city of your dreams.

Below are five cost-of-living factors you need to check out before you move:

AUTO INSURANCE

Michigan has the highest car insurance rates in the U.S., according to Insure.com's state-by-state rate comparison. The average annual premium in Michigan is \$2,738. Montana ranks second place at \$2,297. Compare those rates with Maine (\$808) and Ohio (\$900), the states that boast the lowest rates.

Other high-premium states include New Jersey (\$1,905), Louisiana (\$1,842), New Jersey (\$1,905) and Oklahoma (\$1,778). Before you move, compare auto insurance rates online and with at least three insurance companies.

GAS PRICES

Pump prices vary greatly, depending on where you live. For example, in early October, a search at AAA Gas Prices showed the average price per gallon to be \$2.78 in California, \$1.98 in Texas and \$2.30 in Georgia.

Check out AAA Gas Prices or GasBuddy to view maps displaying average regional, state and city gas prices.

HOMEOWNERS' INSURANCE

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Finding out how much you'll be paying for homeowners' insurance is especially important when buying a house, said Amy Bach, executive director of United Policyholders, a national consumer advocacy group based in San Francisco. The insurance price tag in disaster-risk areas can also become an obstacle to selling a property.

"Mostly, it's the flood issue," said Bach. "Flood insurance in a flood zone can run anywhere from \$2,000 to \$12,000 per year." Search online to find disaster risks associated with the city you plan to move to and compare insurance companies and rates. Call insurance agents local to that area to find out what additional types of insurance you'll need.

TAXES

When you combine local income taxes, property tax, sales tax and other city taxes, you'll find vastly different total amounts for cities across the U.S.

For example, estimated annual property tax for a hypothetical family living in Newark, NJ, earning \$50,000 is \$4,900, according to a 2015 report published by the Government of District of Columbia Office of Revenue Analysis. Compare that with Chicago, where property tax for the same family would be around \$1,700. State and other taxes also vary greatly. Check out the full report to find the tax burden you'll face when you relocate.

OVERALL COST OF LIVING

If you earn \$50,000 per year and move from Austin, TX, to Denver, CO, you'll need to earn \$57,000 annually to maintain your current standard of living in the new city, according to Bankrate's Cost of Living Calculator. Move from Austin to San Diego and you'll need a 50 percent annual salary increase to \$75,000 due to overall cost of living.