



THE ADDED COST OF PURCHASING PROPERTY

BUYING A PROPERTY CARRIES MORE COSTS THAN JUST THE PURCHASE PRICE, SO DON'T FORGET TO ACCOUNT FOR THESE EXTRAS. IN ADDITION TO MOVING COSTS, COUNCIL RATES, STRATA FEES, RENOVATIONS AND FURNITURE, HOMEBUYERS FACE ADDITIONAL FEES TO COMPLETE THEIR PROPERTY PURCHASE.

STAMP DUTY

Stamp duty must be paid in order for mortgage documents to be legal. It's essentially a tax levied by the state or territory government on the purchase value of the property or the market value, whichever is greater.



INSURANCE

Depending on your loan-to-valuation ratio (LVR), you may be required to take out lenders mortgage insurance (LMI). Although the borrower pays for it, LMI is not insurance for the borrower; it protects the lender should you default on the loan. You may also need building insurance if you are not purchasing a strata property.

LEGAL COSTS

The legal transfer of ownership of the property will require a solicitor, conveyancer or settlement agent. He or she will perform property and title searches to ensure the seller is entitled to release the property, for instance, by checking the strata body corporate records.

BORROWING COSTS

Lenders have application, valuation and settlement or loan approval fees that vary depending on the lender. Finance Brokers are familiar with these fees and can help you take them into account when choosing a lender.



AGENT FEES

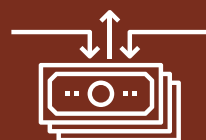
First-home buyers don't have to worry about paying commission, since it is charged to the vendor of the property, most often as a percentage of the sale price. However if you're selling your current home to buy another, you'll probably have to take these fees into account.

INSPECTIONS

Pest and building inspections are an added cost, but they can save you from dealing with a major building problem after the purchase is complete. The amount is often dependent on the size of the property.



LINK FINANCE GROUP will make sure you understand the finer details of financing your purchase. Contact us today!



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