

Don't forget these costs when buying.

Buying a home is a milestone, whether it's your first, third or fourth. In addition to the price of a home, there are some other costs you'll incur. Some of these costs are one-time fixed payments, while others represent an ongoing monthly or yearly commitment. Not all costs apply to every sale or purchase. However, when you are aware of the following items you won't be hit with any surprises on closing day.

Inspection fee

An inspection performed by a professional inspector is a sound investment. For \$300 - \$500 approx, you'll receive a written report on areas that are structurally sound and those where repairs are required.

Appraisal fee

When you apply for a mortgage, your lending institution will ask for an appraisal of the property. Each lending institutions valuation fees are varied so it's best to enquire as to the costs.

Property insurance

Insurance on your home covers the replacement value (structure and contents). To protect their investment on their loan, financial institutions require this coverage. Allow for \$500 - \$1,000. It is diligent to insure the property once a binding contract has been signed.

Service charges

There will be an installation fee for utility services, including telephone, water, electricity, gas and cable. Hook up fees vary depending upon the service.

Legal fees

A lawyer should review every real estate transaction. Fees are determined by the complexity of the issues involved. Shop around and ask for an estimate prior to hiring any conveyance lawyer.

Mortgage loan insurance fee

Depending upon the down payment, some lending institutions require mortgage loan insurance.

Mortgage application fee

Some financial institutions charge a mortgage application fee to process your application. If your request for a mortgage is turned down, most will return the application fee to you. Each time you renew a mortgage some institutions also charge a fee.

Moving costs

Costs for professional movers range from \$65.00 - \$100/hour approx for a van and two movers. Prices may be higher during peak moving times. Shop around for quotes

Closing costs

With the purchase price of a resale home, the closing is always "subject to usual adjustments." This means that any amount that the seller has already prepaid will be adjusted so that the home buyer pays the excess amount back to the seller, and vice versa. These adjustments can include: rates, etc.

Interest adjustment costs

Most lenders expect the first mortgage payment one month after closing the purchase, however, if you close mid-month, some lenders expect the first payment at the beginning of the next month, two weeks before you would normally expect. Or they charge a pro-rated interest to make up the difference. Its best to check with your lender.

Stamp Duty Rates

Most states levy a one-time tax based on a percentage of the purchase price of the property. Your legal representative can advise you on the fees that are charged. The rates vary on whether the property is a Principal Place of Residence, Investment property or First Principal Place of Residence,

Please feel free to call me at anytime.

I am very happy to assist and provide you with the latest up -to -date Information.

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