



# The Smart Guide to...

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## fees and charges

There are costs associated with buying a property and you should be aware of these when you are working out your budget. Below is a general guide to the typical costs. We can help you fully understand what applies in your circumstances and prepare a loan worksheet for you with an estimate of costs based on the price of your property.

### Stamp Duties & Transfer Fees

There is a government stamp duty charge that is based on your property purchase price. This is payable after exchange but before you settle. A second type of government stamp duty may be payable by companies & on commercial properties based on the loan amount. Some states charge a transfer fee. First home buyers and people building new homes are given some relief on stamp duty costs depending on the purchase price.

### Document Transfer & Title Registration Costs

These are government fees applied to each document that is lodged for registration on the property title. Typically there is one transfer or discharge document per property, and one mortgage document that you will need to pay for at settlement.

### Legal Fees

You will have to pay for the services of your solicitor or legal representative such as reviewing the purchase contract and advising you on your mortgage documents. The cost of this service varies widely and it's best to ask what they are upfront.

### Property Inspections & Other Documents

It is in your interest (but not compulsory) to get a pest, building and/or strata inspection completed on the property you're interested in buying. Sometimes surveys and searches can also be required. Your legal representative can arrange these or you can arrange them yourself.

### Mortgage Insurance

Depending on how much your loan amount is as a percentage of your property value, you may have to pay mortgage insurance. This protects the lender against any loss if you default on your loan. Mortgage insurance does not cover the person who borrows the money.

### Application Fee

Your loan may have an application fee which generally covers the approval, set up, valuation and the lender's solicitor's costs of preparing the loan documentation and attending settlement. The solicitors may also incur expenses at settlement, for example bank cheque fees. You will be responsible for these costs.

Please use this information as a guide only - it is not advice. You should seek professional advice when buying a property or taking out a loan and always refer to your loan contract for full terms and conditions.