



BORROWING COSTS

Loan application fee

There is a standard upfront loan establishment fee. The fee covers the preparation of loan application documentation, legal fees for standard mortgage preparation and one standard valuation.

Appointing your legal representative

You will need to appoint a conveyancer/solicitor to ensure that the contract is in your best interest and does not contain any unsatisfactory terms. Make sure you know your legal representative's qualifications and exactly what service they are offering.

Their role is to:

- give advice on the property contract,
- facilitate council, strata and company title searches,
- order pest and building inspections,
- arrange for the signing of contracts,
- negotiate with the vendor's solicitor on your behalf,
- arrange for the settlement process, and
- deal with any difficulties that arise during the settlement period.

It is a good idea to 'shop around' for someone experienced, or call the office for our recommendations.

Inspections

Building and pest inspections are a must! Enlist the services of an authorised pest and building inspector. Your purchase contract can be subject to a satisfactory inspection or your inspection can be scheduled during your cooling off period.

The inspector will provide a written report pointing out any faults in the property, whether they can be repaired and how much these repairs are likely to cost. The report will also highlight any unsafe or unauthorised renovations and extensions that can be ascertained. You may be able to use this report to negotiate conditions in the contract as well as the price.

Pest inspections are not usually covered in a building report. Ask for proof of ongoing termite inspections. If no proof exists, your inspector will provide a report that complies with the Australian Standard. If buying at auction you will need to arrange this prior to the day of the auction.

Shop around to compare prices and ensure that the company you choose is fully licensed and insured. These reports could save thousands if you were to buy a property that needed unforeseen repairs.

In the case of a strata title property, your contract for sale will provide the name of the strata manager so that you can arrange for an inspection of the books and records of the owners' corporation.

Your legal representative should also advise you of any future developments which could affect your home by checking with the local council.

Stamp duty

The amount of stamp duty payable varies from state to state. Your conveyancer/legal representative will advise you of the amount payable or you can check your state's website.

State/Territory	Website
ACT	www.revenue.act.gov.au
NSW	www.osr.nsw.gov.au
NT	www.revenue.nt.gov.au
QLD	www.osr.qld.gov.au
SA	www.revenuesa.sa.gov.au
TAS	www.treasury.tas.gov.au
VIC	www.sro.vic.gov.au
WA	www.dtf.wa.gov.au

INSURANCES

Mortgage protection and lender's mortgage insurance

Mortgage protection and lender's mortgage insurance (LMI) are for two different situations.

Mortgage protection is insurance that supports you in case you become involuntarily unemployed or are unable to work due to illness or disability. Your mortgage is likely to be the biggest financial decision you will make in your life. It makes sense to ensure that you can continue to meet your commitment in the case of unforeseen events.

However lender's mortgage insurance is usually required where your deposit is less than 20% of the purchase price of your property and protects the lender in the event that you default on your repayments.

Home and contents

Your home and contents insurance should provide you with adequate cover should you need to repair or replace your home (ie, house, garage, shed) and your contents in the event they are destroyed, damaged or stolen.

Income protection

This insurance is designed to pay you a predetermined percentage of your monthly income (usually 75%) should you be unable to work due to illness or injury.

Life

Life insurance provides a lump sum payment to your beneficiaries in the event of your death. If you are the main income earner in the family, this insurance will help your family manage their future (eg paying out mortgages, schooling and other family expenses) without your ongoing earning capacity.

TPD – Total and Permanent Disability

You can choose to cover yourself for either total and permanent disability or death options, providing you can no longer work or in the event that you die due to illness or accident. When combined with life insurance, this can provide security for you and your family for the rest of your life.

MOVING COSTS

Compare prices! Obtain three estimates from reputable or recommended carriers. Ask what the estimates include (eg insurance) and consider whether it may be worthwhile for them to do the packing for you. Add in the costs of transporting pets and delicate or special items. There may also be fees to disconnect and connect utilities.

We can provide you with information on stamp duty in the state of your purchase, comparisons of various loan application fees and have access to insurance recommendations. We will also quote any LMI due.