

# Buying a House? Have You Considered...

## The True Cost of Buying a House...

In addition to the stated purchase price of a house, there are several costs that need to be considered. Typically, the cost of buying a house can be categorised into 'Purchase Costs' and 'Finance Costs' as illustrated below:

### Purchase Costs

- 1) The purchase price of the House
- 2) Stamp duty on the Property  
Stamp duty is charged by the state government on all land transfers. Stamp duty is applied on a sliding scale which increases with the purchase price.
- 3) Settlement Agent Fees  
Maximum settlement agents fees are set by the Settlement Agents Supervisory Board. The fees are set on a sliding scale, increasing as the price of the house increases.
- 4) Registrar of Titles  
This is another government charge, applied to register your name on the Certificate of Title.
- 5) Settlement Disbursements  
Typical settlement disbursements will include land title searches, rating authority enquiries, strata body enquiries, postage and stationary etc.
- 6) Incidentals / Other Costs  
These may include costs such as white ant certificates, allowances for rates and taxes, additional searches and enquiries, legal advice (if needed) etc.

### Finance Costs

- 7) Mortgage Stamp Duty  
All mortgages must be stamped.
- 8) Establishment Fee  
Most lenders charge an establishment fee, which varies from lender to lender, and range between \$600 to \$1,000.
- 9) Lenders Mortgage Insurance  
With most lenders, if you are borrowing more than 80% of the value of the house, you will be required to take Mortgage Insurance. This insurance cost depends on the amount being borrowed.
- 10) Registration of Mortgage  
All mortgages must be stamped (mortgages are generally registered on the Certificate of Title of the property). The government charges a fee for registration of the mortgage.

## Are Your Eligible for the First Home Buyers Grant?

First Home Buyers who qualify under the First Home Buyers Scheme should received a grant of \$7,000 from the Federal Government.

The First Home Buyers Scheme changes as the government sees fit. To see if you are eligible for the grant and the amount of the grant, contact AustAsia Finance Brokers today on 9227 6300.

## Need Help in Financing your House?

If you need assistance with financing the purchase of a house, you should contact AAFB immediately. AAFB is an independent finance broker and holds a finance brokers license. The Company is accredited with over 30 lenders, ensuring that we can find a loan that is best for YOU.

## Ten Reasons to use AustAsia Finance

### The Costs of Buying a House... An Indicative, Practicle Example

Purchase Price	\$150,000
Deposit (15%)	\$22,500
Loan Amount	\$127,500

#### Other Purchase Costs

Stamp Duty on Property	\$7,500
Settlement Agent Fees	\$565
Registrar of Titles	\$125
Settlement Distbursements	\$110
Incidentals / Other	\$400
Total Purchase Costs	\$8,700

#### Finance Costs

Mortgage Stamp Duty	\$548
Establishment Fee	\$600
Registration Fee	\$75
Lenders Mortgage Insurance	\$2,065
Disbursements	\$105
Total Finance costs	\$3,393

#### Total Funds Requires

Purchase Price	\$150,000
Purchase Costs	\$8,700
Finance Costs	\$3,393
Total Funds Required	\$162,093
Less Loan Amount	\$127,500
Funds Required	\$34,593

**Important Note: These figures are estimates only and are for illustrative purposes only. They are intended as advice or intended to be relied upon.**

## Why AustAsia Finance Brokers?...

### Because you deserve the best.

#### Brokers

1. Have someone representing YOU!
2. Friendly, Professional, Experienced, Ethical
3. No cost to you... we are paid by the lender
4. Truly independent advice... we are not owned by a bank, lender, life office, superannuation company, or fund manager
5. Extensive knowledge of the finance industry... what is available? - We are experienced and write loans with over 30 lenders - banks and non-banks
6. Analysis of the loans available... what is best for you?
7. On-going personal service, reviews and support
8. Pre-approvals... know how much you can lend, before you buy
9. Licensed Finance Broker
10. Member of the Finance Brokers Association of Australia

#### 5 Requirements to Establishing a Loan

When arranging a loan, lenders use two criteria:

##### i) Security of the Loan

Typically, a lender will undertake a valuation on the property, to ensure that the value of the property is greater than the amount borrowed against it.

Alternatively, if you secure the loan against another asset, valuation of that asset is usually undertaken.

##### ii) Serviceability

You must illustrate to the lender that you have a sufficient ability to cover the interest repayments. Essentially, your income must be greater than your commitments... including the loan. Typically, you will be required to provide evidence of:

##### ❖ Current Employment and main Income

At least 3 months if employed... if self employed, you need a 2 year trading history to demonstrate your income.

##### ❖ Other sources of Income

Proof of other sources of income such as rental income from other assets. This will also include any ongoing allowances paid to you by Centrelink.

Once you reveal your full income, your commitments are deducted. This will include a minimum living allowance, based on your living arrangements (eg. single adult, married couple, number of dependents etc).

#### 6 How Can AustAsia Finance Brokers Help You?

AustAsia Finance Brokers holds a finance brokers license, issued under the Finance Brokers Control Act (1975). We can assist in arranging finance for:

- ❖ Individuals - Residents & Non-Residents;
- ❖ Investors;
- ❖ Companies;
- ❖ Businesses.

We can assist with:

- ❖ Residential property finance;
- ❖ Commercial property finance;
- ❖ Equipment and leasing finance.

