

FIRST HOME BUYERS.



RayWhite.

REFRESHERS FOR FIRST HOME BUYERS.
THE BASICS COVERED.

Buying a property for the first time can feel like you're playing a game of monopoly. Roll the dice, land on your dream property. Roll it again, land on an unexpected cost. We cover some of the basic costs you should account for.

Stamp duty is a government tax on certain transactions, including real estate. It's a tax you generally have to pay within 30 days of settlement when buying a property. Stamp duty charges vary over the different states of Australia, and again vary depending on certain factors such as:

- If you're a first home buyer
- If the property is going to be your primary residence or an investment property
- If the property is established, new or vacant

Lucky for first home buyers, NSW has recently gotten rid of stamp duty for first home buyers purchasing properties valued up to a certain amount!

The stats say NSW first home buyers are entitled to:

- No stamp duty on property under \$650,000, or vacant land under \$350,000.
- Discounted stamp duty on properties between \$650,000-\$800,000, or vacant land between \$350,000-\$450,000.
- \$10,000 grant for new properties under \$600,000 and owner-builder/building contracts worth under \$700,000.

Other fees first home buyers should account for are:

- Pest and building inspections (the fee depends on the size of your property. Usually \$200 upward)
- Legal/conveyancing fees. The involvement of third parties in the buying/selling process is necessary. For example, conveyancers can help value your property by looking out for planning restrictions that could affect the value of it. They can also advise you on how to undertake pest inspection processes, or pay stamp duties, amongst other things. (Fee - anywhere from \$500 to \$2200)
- Bank fees (these will be itemised by your bank. Think - mortgage registration, loan service fees) Banks tend to have certain packages that discount the total amount of fees you pay.
- Lenders mortgage insurance (protection of the lender if the proceeds from the sale of your property do not cover the outstanding amount you owe the lender)
- Moving and repair costs (subjective to the condition of the property)