

MELCORP Real Estate



FEE ASSOCIATED WITH
Buying a home

It's not just the final buying price you have to pay when it comes to purchasing a home.

THERE ARE A NUMBER OF COSTS THAT ARE ASSOCIATED WITH A HOME'S PURCHASE THAT YOU MAY NOT EXPECT. MELCORP REAL ESTATE HAVE COMPILED A SUMMARY OF THESE TO HELP YOU BECOME BETTER PREPARED IN YOUR HOME BUYING JOURNEY.



Your deposit

Your initial deposit is the first contribution you make as a buyer when purchasing your home. The more significant your deposit the less you will need to borrow from a lender. Generally, an initial deposit is 20% of the value of the property. Following making your deposit, you will go on to pay monthly repayments over the lifetime of the loan.

To help guide you through all the financials of buying a home, speak to [Melcorp Finance](#).



The sale price of the property

Once you have signed the contract of sale with the vendor and you have made your initial deposit, you will then be expected to pay the balance of the buying price upon settlement.

A settlement term can range from 30-120 days. During this time, you will need to ensure your loan arrangements are set to pay the balance of the sale price on the settlement day.



Costs associated with your loan

Loan application fee

Often, you will be required to pay an application fee when buying a property. This is a one-off charge simply for making a loan application. These fees range between \$500- \$1000.

Valuation fee

This fee is charged so that a lender is assured that a property is worth the amount you are asking for, should they need to recoup their loan and be forced to sell the property if you were to default on repayments. This can range from \$200-\$300.

Annual fee

You may be charged an annual fee on your home loan. These can vary between \$250-\$450 per annum.

Stamp duty

Stamp duty is a tax from the government charged when you buy a property. The payable amount depends on the location of the property. You may be eligible for concessions or exemptions on this charge, such as if you are a first home buyer.



Insurance costs

Home and contents

You can bundle your home and contents insurance. These insurances cover the cost of rebuilding in the case of an occurrence outside of your control (storm, flood, fire or theft). It's best to gather a number of quotes on these to ensure you are getting the best rates.

Lender Mortgage Insurance

If your initial house deposit was less than 20 percent of the value of the home, your lender will require you to take out Lender Mortgage Insurance. The amount you are required to pay will depend on the size of your loan. **Melcorp Finance** can help you decipher this figure and find a solution best for you.



Inspection costs

Pest inspection

You want to ensure the home you intend on buying is fit to live in and will not cost you money to repair that you didn't expect. A pest inspector will investigate a property to check for the presence of any damaging pests. If pests are uncovered, these reports will help you to ask for appropriate treatment to be undertaken to remove them. You can expect around \$350 for this service.

Building inspection

Building inspections are very important in ensuring the current condition of a property and any indication of potential issues. You will receive a detailed report of the structure and state of the home. Expect to pay around \$350 for this inspection.



Solicitor fees

It is important you engage a solicitor to manage the settlement and associated documentation for the purchase of your property. They will assist in navigating the legalities of the process and should make the ordeal less complicated. Fees can vary here, depending on the complexity and needs of the property.

THE HOME BUYING PROCESS AND ITS ASSOCIATED COSTS CAN BE COMPLICATED. MELCORP ARE HERE TO PROVIDE CLARITY AND OFFER A HELPING HAND DURING THIS TIME. CONTACT US SHOULD YOU WISH TO DISCUSS YOUR LENDING REQUIREMENTS, OR RECEIVE TAILORED ADVICE ABOUT SUITABLE PROPERTIES.