

Council and Water Rates Adjustment

The buyer and seller share these costs in proportion to the length of time each party owns the property during the rating period.

Electricity Reconnection

The electricity is usually disconnected when the ownership of the property changes.

Approximate cost: \$0 (existing customers of one year and Centrelink Concession Card holders with good credit history)

\$180–\$200 (security deposit for new customers)

Telephone Reconnection

Telephone lines are usually disconnected when the property changes hands.

Approximate cost: \$59 (where phone connected previously) **\$299** (where phone not connected previously)

Removalist Cost

Removalist costs will depend on distance, how much furniture you have, and who is doing the packing.

Approximate cost: \$550 - \$3,500

First Home Owner Grant Scheme

The First Home Owner Grant Scheme is a national scheme to assist first home buyers. The Scheme provides a \$7,000 grant to people buying or building their first home. The grant is not means tested and, in NSW, the Scheme is administered by the Office of State Revenue.



A Guide to the Cost of Home Purchase

Further information

If you have any questions about the information in this brochure, please contact the **Home Purchase Advisory Service**:

Telephone: Freecall 1800 806 653

TTY Service: 1800 628 310

Email: advisory@housing.nsw.gov.au

Housing NSW's website has current information on home purchase issues and services, including all the Home Purchase Advisory Service publications.

Website: **www.housing.nsw.gov.au**

The information contained in this brochure was current as at February 2008.

Interpreter Services

If you have difficulty understanding English, contact the Translating and Interpreting Service (TIS) on 131 450. The Translating and Interpreting Service will telephone Housing NSW for you at no cost.



Introduction

This brochure is a guide to some of the costs you will need to pay when you buy a home in NSW. The costs are approximate only and are subject to change. Home purchase costs vary considerably depending on such things as type, location and value of the property.

Home Loan Application Fee

This is the fee charged by a bank or other lending body when you apply for a loan.

Approximate cost: \$Nil - \$800

There may be additional costs preparing and registering the mortgage.

Valuation Fee

Your lender usually requires a formal valuation of the property you are buying. This fee may be included in the application fee charged by your lender.

Approximate cost: \$Nil - \$400

Mortgage Insurance

Your lender will require you to take out mortgage insurance if you are borrowing more than a set proportion of the property's valuation. This insurance protects the lender if you default on the loan and the property is sold for less than the outstanding loan amount. Premiums vary according to the loan amount, property price and the loan-to-value ratio. The mortgage insurance premium is a once-only payment.

Approximate cost: \$300 - \$12,000

Survey Report

A survey shows where the property is in relation to the boundaries of the land. Lenders often require a survey report.

Approximate cost: \$400 - \$700

Conveyancing Fees

Conveyancing is the process of transferring the property from the seller to the buyer. You can engage a solicitor or conveyancer to do this or you can do it yourself.

There are no set fees charged for conveyancing. You should get a written estimate of the likely costs before engaging the solicitor or conveyancer.

Approximate cost: \$700 - \$2,500

Disbursements

Your solicitor/conveyancer will charge for some of these expenses paid on your behalf during the conveyancing process.

Title search	\$20-\$80
Local council (S 149)	\$40-\$100
Local council, building certificate (S 149D) (Application must be lodged with survey report)	\$210
Sydney Water (S 66)	\$15
Drainage diagram	\$15
Department of Education and Training	\$13
Land tax (S 47)	\$15
Roads and Traffic Authority	\$26
Transgrid (electricity/power stations)	\$27
Council rate enquiry	\$55
State Rail Authority	\$28
Outstanding notices for council	\$40-\$150

Stamp Duty

You must pay contract stamp duty on the purchase price of the property (or valuation in certain circumstances). Duty must be paid within three months of the date of exchanging contracts, unless buying 'off the plan' or a house and land package.

Contract Stamp Duty Scale

Purchase Price	Rate
Up to \$14,000	\$1.25 per \$100 (\$10 minimum)
\$14,001 - \$30,000	\$175 plus \$1.50 per \$100
\$30,001 - \$80,000	\$415 plus \$1.75 per \$100
Over \$80,000	\$1,290 plus \$3.50 per \$100
Over \$300,000	\$8,990 plus \$4.50 per \$100
Over \$1,000,000	\$40,490 plus \$5.50 per \$100

Mortgage Stamp Duty for owner/occupiers was abolished on 1 September 2007. Mortgage duty on investment housing ceases on 1 July 2008.

First Home Plus: The NSW Government's duty concession scheme for first home buyers provides exemptions or discounts on contract stamp duty for first home buyers in NSW. For further information about First Home Plus, enquire with the Office of State Revenue or your solicitor/conveyancer.

Inspection Fees

Building Inspection

A building inspection checks structural soundness and lists any visible defects and necessary repairs.

Approximate cost: \$300-\$700

Pest Inspection

A pest inspection checks for any signs of past or present pest infestation.

Approximate cost: \$200-\$350

Strata Inspection

A strata inspection examines and reports on the written records of the owners' corporation. It is additional to the certificate that the seller supplies, providing relevant information about strata levies, insurances.

Approximate cost: \$200-\$350

Home Building Insurance

We suggest that you arrange home building insurance before completing the purchase. The cost of building insurance will depend on the age, size, location and type of construction of the property. Two types of insurance cover are available.

Replacement cover: to reinstate your property to its former condition. It means, simply, new for old.

Indemnity cover: to repair or reinstate your property taking into account depreciation on the dwelling.

Approximate cost: \$220-\$1,000