

# Purchase Budget: Work out what you could pay for your next home

	Estimate		Actual
Value of current home	-----		-----
Less Mortgage	— _____		— _____
Equity	= -----		= -----
Cash	+ -----		+ -----
Borrowing limit	+ -----		+ -----
Available funding	= -----		= -----
Less selling costs:			
Agent's commission	— -----		— -----
Advertising	— -----		— -----
Legal	— -----		— -----
House preparation	— -----		— -----
Moving costs	— -----		— -----
Temp accomodation	— -----		— -----
Other	— _____		— _____
Sub-total	= -----		= -----
Less stamp duty	— _____		— _____
Buying limit	= -----		= -----

## Stamp Duty in Victoria

What you can expect to pay in addition to the purchase price of the property you buy

\$0 - \$25,000	1.4 per cent of the value of the property
\$25,001 - \$130,000	\$350 plus 2.4 per cent of the value of the property in excess of \$25,000
\$130,001 - \$440,000	\$2,870 plus 5 per cent of the value of the property in excess of \$130,000
\$440,001 - \$550,000	\$18,370 plus 6 per cent of the value of the property in excess of \$440,000
\$550,001 - \$960,000	\$28,070 plus 6 per cent of the value of the property in excess of \$550,000
More than \$960,000	5.5 per cent of the value of the property

This information is provided as a general guide only and does not constitute a quote or advice. Please consult your financial advisor for specific advice.

## Typical costs in buying & selling

### **Advertising your house for sale:**

This can be as little as around \$1,000 or as much as over \$15,000 depending on the value of your house and the approach your selling agent takes. CAUTION: Often agents will try to get you to spend as much as possible because it helps them promote their brand.

TIP. Get quotes from two or three different agents so that you can compare.

### **Agents' selling commission:**

In Victoria the commission rate on the sale of a house commonly varies between 1% and 3%, and in special cases may be lower or higher than this range. The most common for a suburban house is around 2% plus GST = 2.2%. There is no amount set by regulation as the applicable commission rate and you are free to negotiate this rate with your agent.

CAUTION: The agent that offers you a low commission rate won't always do the work required to get you the best result.

TIP. Get quotes from two or three different agents so that you can compare.

### **Legal and/or Conveyancing fees:**

Either solicitors or conveyancers can prepare the necessary documentation for your sale. This includes the Section 32 (Vendors Statement). CAUTION: Conveyancers cannot offer

you legal advice. If a legal issue came up you would have to engage a solicitor to advise you. Fees for document preparation generally range from \$500 to \$1,000.

### **House preparation:**

Depending on how much work is required to bring the presentation of your house to its best level you will need to budget accordingly. Often it can be very advantageous to make quite a significant investment in pre-sale preparation as this could both raise the selling price of your house and shorten the time it takes to sell. CAUTION: Get professional advice before doing any substantial work, otherwise you may be spending money you won't get back at the end. Your agent should be able to advise you on what work will give you a return and what won't.

TIP. Get advice from two or three different agents so that you can compare.

### **Stamp duty:**

In Victoria this is roughly around 5% and varies depending on the price bracket the house you're buying falls into. Your financial advisor will be able to give you an accurate figure.

**NOTE:** The costs described above are indicative only and do not constitute a quote. Please verify all costs with a professional advisor.