

Do you know how much buying a home really costs?

▶ The true cost of buying a home goes well beyond the purchase price...

Do you know what you'll be up for when the SOLD sticker goes on? Take a look at the top home buying costs you may not have thought of, and our tips on ways to save.

1. The price of your home.

This is important – the listed price of a property isn't necessarily the one you'll have to pay. Some hard bargaining can see you save thousands of dollars. As a general rule, try offering 10% less than the listed price, or more if the property has been on the market for a while. Bear in mind, lenders generally want to see a deposit of at least 5%, so don't commit to a property you can't afford.

2. Stamp duty.

Stamp duty is compulsory. It's levied by all state/territory governments so it's as unavoidable as a pair of socks from grandma on your birthday. Some states offer savings for first home buyers, and certainly in WA this is the case.

Also, there are ways to trim the tab. Because duty is based on the price paid for a property (when you buy it), buying vacant land first and building later can mean paying less duty at the time of purchase than buying an established home.

Either way, the more you can negotiate on price, the more you'll save on stamp duty. Contact the Office of State Revenue in your area for details of concessions.

3. Conveyancing.

Conveyancing covers everything from reviewing the contract of sale through to transferring your new home into your name. It's a job that can be done by a

solicitor, but you may be able to halve the cost by using a professional conveyancer. Budget for around \$1,000 though fees vary widely so shop around. Let us know if we can assist with a recommendation.

4. Pest and building inspections.

It just makes business sense to see what's going on under the covers of your potential new home. A pest and/or building inspection isn't essential but it will reveal structural faults, dodgy building work or nests of white ants the vendor may be trying to hide. Allow around \$500 for a combined report. A poor pest/building report can be useful in price negotiations – if you expose future costs or problematic areas, the vendor might drop the price. Either way, make sure you can afford any repairs once the place is yours.

5. Loan and account-keeping fees.

Just like the loans themselves, home-loan application fees are super variable. They can range from \$0 through to over \$700, so it pays to compare between lenders. Watch out for ongoing account-keeping fees too. They quickly stack up. Use the 'comparison' rate to discover the true cost of a loan, including those hidden extras.

6. Lenders Mortgage Insurance (LMI).

LMI applies if you borrow 80% or more of your home's value. It protects the lender, not you – it's to help cover their losses if you renege on the agreement. That makes it a cost worth minimising.

The easiest way to do this is by saving the largest deposit possible. You may be able to bundle LMI into the total cost of the loan rather than paying it upfront. Of

▶ Too loyal or time-poor for a better rate? Problem solved

Another month, another rate cut. Finance can be so tedious. That is until you realise it could mean more money in your pocket. **But how?**

For many, matters of personal finance are so dull and/or difficult, they are immediately filed in the too-hard basket. And for their trouble, or lack thereof, these people are often slugged with a 'lazy tax' - the price paid for staying put.

Loyalty too, or simply being time-poor, can also be offences punishable by debt in the world of finance.

But it doesn't have to be this way.

A 2018 Australian Competition and Consumer Commission (ACCC) report showed that new borrowers with an average-sized residential mortgage paid up to \$850 less a year in interest than existing borrowers with the same lender.

However, despite the apparent benefits, actively ensuring an interest rate remains suitable is a practice that continues to elude many.

Fortunately, there are people out there whose job it is to assist in this process. We can play a vital role in assisting borrowers through the process of ensuring their mortgage is competitive.

course, this means paying interest on the premium over the loan term, which bumps up the cost.

7. Home building insurance.

The very moment you pay a deposit, you have a financial interest in a property. That means you're potentially liable for injuries and accidents that happen there, even if you haven't moved in yet. And it means any damage to the property is up to you to cover. You need to take out home building insurance without delay. Save on premiums by arranging cover online or ask about multi-policy discounts on

home building insurance with your current insurer.

8. Getting set up with utilities.

Unfortunately, utilities usually don't come with you to your new house. You'll probably have to pay to reconnect them, and maybe even pay a disconnection fee at your old place. Connection fees for power and/or gas can be around \$80. Allow more if you're adding internet and pay TV.

Make sure you allow for time, too. Book appointments in advance so you don't get caught in the dark. This is a good time to shop around for energy providers – it could save you a bundle in power bills.

9. Furniture removal.

Moving costs can range from a case of beer and a barbecue for a few mates with a ute through to several thousand dollars for a full-service removalist. Work out what's affordable for you. Plus, you should probably budget for supplies to get you through moving day. Shop around for moving gear. Truck-hire companies often have "free" days over the weekend, and second-hand boxes can save you a small fortune. Check out freebies on Facebook Marketplace or Gumtree.



Embrace our beautiful state of WA for your next winter getaway, all without breaking the bank

WA really does have some of the country's best and most affordable destinations for getting away from the hustle and bustle. A great way to make the most of your trip is to find a central caravan park or camp site and use it as your base to explore it's surrounding.

So when the weather cools down and you're ready to make your escape, take your pick from our three favourite destinations.

Pemberton and Margaret River for adventures, Truffles, Cascades and Wineries.

Our lushest South West region is at its best in winter and spring. With so many wonderful spots to discover, there really is so much natural beauty to take in. From Beedleup Falls in Pemberton to Quininup Falls in Margaret River, trekking through trail-friendly forests when the cascades are in full flow are an outdoors paradise.

Don't miss out on Margaret River during winter to enjoy food, music, wine tours, tastings, farmers markets and of course the Margaret River truffle season! Who doesn't enjoy celebrating all things truffle, with truffle dog demonstrations, truffle-cooking experiences all while enjoying the taste of the fresh black truffles. Celebrate with full days of truffle hunting and bonfires not to mention the fantastic array of music, beer and Margaret River's famous wine tastings.

If you're looking to get a little more daring on your visit and your climbing skills are on point, consider climbing the giant Karri trees in Pemberton all while exploring the surrounding national parks. If that's not enough there's always the cave tours for those who love to discover the beauty below us.

After a full day of activities, relax at the Margaret River Tourist Park, whether you prefer a caravan or camping site, a unit or cabin, this park can accommodate and is conveniently placed to all the major attractions.

Warm Tropics in Broome and the Kimberleys.

If you are looking to get away from the cooler Perth weather, look no further than tropical Broome in the Kimberley region. During the 'dry season' you will enjoy warmer swimming weather during the day, around 30° then temperatures dropping to around 14° at night.

Not a fan of crowds? Visit WA's North West in the winter 'off season', around early June. Peak season starts up in July and August. You will be able to enjoy a Camel ride along the renowned Cable Beach or learn a little more about the town's local pearling history at Willie Creek Pearl Farm. Take the time to explore the local national parks such as Windjana Gorge, Purnululu National Park, Bell Gorge or Tunnel Creek National Park. There are gorges and cascades a plenty as well as scenic hiking trails and swimming spots. There is plenty of fishing spots for the angler in you, then finish your day off with a glass of wine and take in the beautiful sunset.

There are multiple resorts to enjoy in Broome however if you are looking for a more budget friendly holiday there are plenty of camping and caravan sites.

Whale Watching in Albany and Augusta.

From June to August it's whale watching season in Albany and Augusta. Cold but well worth every moment! Get an early start at perusing the local farmers' markets followed by a visit to the Old Convict Gaol for a bit of a history lesson. Feeling hungry? Check out Emu Point for their famous oysters, finish your day off with a trip to the Albany wind farm where you can also enjoy the view of the breathtaking coastline.

For a more natural experience head to Torndirrup National Park where you will find The Gap; a 24-metre drop where the ocean meets the rocks. While you are there check out the natural rock formation that has occurred over many years by the strong swells of the Southern Ocean. You will also find a natural bridge as well as fields of wildflowers making some Insta worthy shots.

Top ways to cut your expenses and increase your savings

Is the key to saving a home deposit as simple as giving up smashèd avo toast for breakfast? Well not quite, but spending less does make a difference.

On top of a budget, a savings plan and strategies such as a high-interest savings account, an effective way to save is to reduce or eliminate expenses.

Start by understanding your spend

It can be easy to lose track of how you're spending money, especially due to cashless payments and credit cards.

Many online banking systems include tools to categorise debits and make a budget – take advantage of them. Or download an app that helps you track your personal expenses on the go, like ASIC's TrackMySPEND.

Find savings in the essentials

Some costs can't be avoided – but many everyday expenses can be reduced. For example you could:

- Move in with your parents/relatives, or move into a cheaper rental or share house (short-term discomfort can pay off in the long term).
- Implement tactics like meal planning, making grocery lists and buying in bulk to save money on food. Set aside a budget for eating out/take-away and stick to it.
- Shop around to reduce your regular bills – you may get better value if you switch, or tell current providers you intend to switch. Seek discounts for taking out multiple policies with one insurer.
- Use the car less: take public transport; carpool with colleagues; or try walking or riding. You'll be amazed at how quickly it all adds up to savings.

Make sure you're paying off debts or credit cards completely each month or as much as possible, to avoid the added expense of paying interest.

Reduce common overspending

If you spend excessively on things like buying clothes, going out or expensive hobbies, it may be unrealistic to cut the expense entirely. Set a weekly or monthly limit and reduce that limit over time.

A survey of more than 1000 Australians showed that 73 per cent have a problem with overspending. In particular, people tend to go overboard when Christmas rolls around.

To reduce gift expenses, be like Santa: make a list (and a budget). Buy only planned items within your allocated budget – then stop! Ask your family for support; it's easier to put a cap on gift values if everyone else does too.

Another common way Aussies overspend is on holidays. CommBank research has shown that a third of holidaymakers spent more on their trip than planned. Do your research and set a daily budget.

Costs that could be eliminated

Look for opportunities to eliminate costs. Cancel unused services. Update your internet or mobile plans if you're always paying for excess data.

Ask yourself: are you really using that gym membership? Are you getting value from your subscriptions? Remember, every wasted dollar is money you could be spending on your own home.

How can I avoid paying LMI?

Fixed Rates

best in market at time of going to print **2.19** % PA

comparison rate **2.64** % * PA

How to avoid paying LMI

Lender's Mortgage Insurance (LMI) is required when the value of a loan is more than 80 per cent of a property's purchase price or property valuation if refinancing. In very basic terms, a lender considers a loan to carry a higher risk if the loan-to-valuation-ratio (LVR) is above 80 per cent and LMI is payable. Here's how you can avoid paying the costly premium.

Save for a higher deposit

The purpose of LMI is to protect lenders should the borrower fail to make loan repayments when the LVR exceeds 80 per cent. When the loan amount is more than 80 per cent of the value of the property being mortgaged, the risk to the lender of not recouping their costs, should the borrower default, is increased. A higher deposit means a smaller loan amount and therefore a lower LVR thereby reducing the lender's risk. A loan of 80% or less of the property's value is the key to avoiding paying LMI.

Get a guarantor

If you don't have the financial capacity to meet a 20 per cent deposit but still want to avoid LMI, you do have the option of getting a guarantor for your loan. A close relative, such as a parent, sibling or perhaps a grandparent, may be eligible to act as a guarantor and they use the equity in their property to help you secure yours and keep your total loan below 80%. In some instances, having a guarantor on your loan may mean

that you won't need a deposit at all. You will still need to be able to service the loan on your own (without the guarantor's assistance), but it will alleviate the need to save the 20% deposit.

Industry Specialisation Offers

Some lenders are offering to waive the LMI up to 90%LVR for certain industry specialists, eg some Medical professionals, Accountants, Lawyers etc. To find out if you qualify for this when applying for finance, speak to us today.

Winners of our monthly customer satisfaction survey draws:

Mar - S&R Glover

Apr - C Hancock

May - M Robert

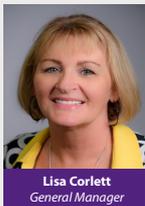
These wonderful **imfs** clients each receive a \$100 Miss Chow's voucher. We thank all of our clients for taking the time to complete the survey and provide us with invaluable feedback.

*The comparison rate quoted in this publication is based on a secured loan of \$150,000 over a term of 25 years. This comparison rate is only true in this example given, and may not include all fees and charges. Different terms, fees or other loan amounts may result in a different comparison rate.

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