

CONGRATULATIONS – YOU'RE BUYING YOUR FIRST HOME!

If you are buying your first home then as well as excitement you're also likely to be confused and worried about all the things you need to think about. As well as the concerns about whether you can afford the monthly repayments and if the mortgage company will grant the loan you'll also be wondering what the other costs are that you need to think about. In fact, it's one of the most regularly asked questions we get - what are the **other** costs involved in buying or moving home? That's why we've put together this simple calculator which you can print off and use as a working document to record your numbers and identify your spend.

Very simply the **other** costs fall into two categories – those you've got to pay such as Stamp Duty, valuation fee, solicitors etc and the additional costs which you can control such as how much you spend on furnishing your new home.

SURVEY

Most lenders offer three different levels of survey and the one you choose is dependent on you unless your mortgage company insist on a particular type of survey. Find out whether you are likely to have a Basic Valuation report (cost around £250), a Homebuyer survey and valuation (cost circa £400) or a Building survey (cost circa £600) and add this to the cost column

COST

STAMP DUTY

Stamp Duty (Stamp Duty Land Tax) is a Government tax –and is a lump-sum tax that anyone buying a property or land costing more than a set amount has to pay. It's probably one of the highest costs involved in buying your home - the amount you'll pay is based on the price of the property. Below are the details of the rates that will apply.

Purchase Price	Stamp Duty rate on that portion of the purchase price
Up to £125,000	Zero
£125,000.01 to £250,000	2%
£250,000.01 to £925,000	5%
£925,000.01 to £1,500,000	10%
£1,500,000.01 +	12%

SOLICITORS FEES

You'll normally need a solicitor or licensed conveyor to carry out all the **legal** work when **buying** and selling your home.

Legal fees are typically £850-£1,500 including VAT at 20%. They will also do local searches, which will **cost** you £250-£300, to check whether there are any local plans or problems.

COST

OTHER FEES

There may well be other fees to take into consideration such as an arrangement fee or a mortgage broker fee. To give you some idea a mortgage arrangement fee is usually around £1,000 – this can be added to the mortgage loan amount but you will pay interest on this as part of your borrowing.

If you choose to use a mortgage broker to help you arrange your mortgage then there will be a fee for this service. This is typically around £500 but can be more so check out how much you need to budget for as part of your overall costs

MOVING COSTS

As this is your first home it could be that you don't have too much to move and that you'll do it yourself but if this isn't the case then you'll need to budget for a removal van and make sure you take this into account.

FURNISHINGS

You probably have a lot of what you'll need before you buy your property but there's always something else you can think of. Work out what your essentials from day one and how much you want to spend on furnishing your new home. Remember though that it's always good to live somewhere and get a feel for it before you splash out on expensive items.

INSURANCE AND OTHER UTILITIES

Remember that you're responsible for insuring the property as soon as you exchange contracts so you'll need to fund this before you move in. These days it definitely pays you to shop around and you may decide to pay by direct debit.

There will also be other costs such as digital TV installation, TV Licence fees and all of those other essentials!