



# DENTAL & MEDICAL

## FINANCIAL SERVICES

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## The cost of setting up a home

### What first-time buyers need to budget for beyond the deposit

Buying a property is a major financial decision, but the costs don't stop once you've paid your deposit and secured a mortgage. Setting up a home involves a series of one-off and ongoing expenses that many first-time buyers often underestimate.

From legal fees to furniture, budgeting carefully can make the difference between a smooth move and financial stress.

#### Upfront costs beyond the deposit

Most buyers know they'll need a deposit, but other upfront costs can also add up quickly. Legal and conveyancing fees (ranging from £500 to £1,500) vary depending on the property's value, location, and the complexity of the transaction<sup>[1]</sup>. Buyers also pay for searches and disbursements, which can increase the total cost by several hundred pounds.

Survey costs also vary. A basic report may cost between £300 and £500, while more detailed homebuyer surveys typically range from £600 to £900. A full structural survey is the most expensive option, often exceeding £1,000 for larger or older properties<sup>[2]</sup>.

Moving costs are an important factor. Hiring professional movers for a three-bedroom house can cost around £1,200, although prices vary depending on the distance and level of service. Even if you choose a more affordable van rental, you still need to consider the costs of fuel and insurance.

#### Essential household expenses

Once you're in, daily running costs start immediately. Council tax is among the highest, with Band D properties averaging just under £2,000 per year in England. Utilities, including gas, electricity, and water, can cost between £150 and £250 per month, depending on usage and the property's efficiency.

Broadband and TV packages usually cost between £25 and £60 per month. Home insurance is another expense, averaging about £300 annually for combined buildings and contents cover.

These figures vary depending on location, property type, and provider, but collectively, they illustrate how household bills can substantially increase monthly expenses.

#### Furnishing and equipping your home

Furnishing a first property is one of the most underestimated expenses. Even essential items, such as a bed, sofa, table, and chairs, can cost several thousand pounds. Market surveys estimate that furnishing a two-bedroom property costs between £4,000 and £5,000<sup>[2]</sup>.

Appliances represent another expense. If not included in the purchase, items such as a washing machine, fridge freezer, and cooker can cost £1,500 or more. Smaller essentials like kettles, pans, bedding, and light bulbs can quickly raise the total. Many first-time buyers spread these costs over months or years, but it is still wise to set aside funds for immediate necessities.

#### The impact on first-time buyers

These costs are added to already high deposits and mortgage repayments. Recent data show that the typical first-time buyer deposit is now over £60,000 nationwide, and more than £68,000 in certain regions<sup>[3]</sup>. With budgets stretched, some delay purchasing furniture or rely on family support to cover initial expenses. Others choose second-hand items or buy gradually, prioritising essentials first.

What's clear is that budgeting only for the deposit and mortgage leaves little room for the true cost of setting up a home. Careful planning helps prevent unexpected debt or the need for high-interest credit to cover short-term financial gaps.

#### Planning ahead

For anyone preparing to buy their first property, planning out the likely costs in advance can help reduce stress. Listing every major category, such as legal fees, moving costs, council tax, utilities, insurance, furniture, and appliances, offers a clearer understanding of the financial commitment.

Setting aside an extra 5% to 10% of the purchase price for these additional expenses is often a useful guideline. While each household varies, the key is to avoid being caught out by costs that are predictable but easy to overlook.

Homeownership offers security and the freedom to personalise your space, but it begins with realistic budgeting. Knowing the full picture makes the journey into your new home more manageable. ■

#### Want to balance your mortgage decisions with professional advice?

If you are considering remortgaging or purchasing a property, we will explain how much you might be able to borrow before you submit an application. To find out more, please contact us.

#### Source data:

<sup>[1]</sup> [comparemymove.com/guides/conveyancing/average-conveyancing-fees](https://comparemymove.com/guides/conveyancing/average-conveyancing-fees)

<sup>[2]</sup> [moneyhelper.org.uk/en/homes/buying-a-home/estimate-your-overall-buying-and-moving-costs](https://moneyhelper.org.uk/en/homes/buying-a-home/estimate-your-overall-buying-and-moving-costs)

<sup>[3]</sup> [unbiased.co.uk/discover/mortgages-property/buying-a-home/average-first-time-buyer-deposit](https://unbiased.co.uk/discover/mortgages-property/buying-a-home/average-first-time-buyer-deposit)