



COSTS TO BE AWARE OF AS A FIRST HOME BUYER.

August 2025



LEGAL DISCLAIMER

The information contained in this guide is general information and is not intended to be financial, legal or tax advice.

Before making a financial decision, talk with one of the Financial Advisers at Vive financial Services Limited regarding mortgage advice or an appropriate professional for tax and legal advice.

Vive Financial Services Limited believes the information in this guide is correct at the time of publishing, but things do change, so seek advice before taking action.



VIVE



AN INTRODUCTION.

Hi, we are Vive Financial Advisers. We help hardworking kiwis make confident decisions with their home loans and insurances.

We've helped many kiwis get into their first home, by guiding them through getting their first home loan.

Buying your first home is exciting. However, it's important to go in with your eyes wide open before you progress in your journey so there are no unexpected surprises.

The expenses below may seem foreign to you, but they will be explained in further detail below.

Expenses have been split between pre-purchase, post-purchase and optional expenses to make it easier to budget.



VIVE



Vive Mortgage & Insurance Brokers

5.0 ★★★★★ 36 Google reviews



alen

Local Guide • 21 reviews • 1 photo



★★★★★ 45 weeks ago

Jith and Maaru have been excellent advisers! They both made a great effort to understand our future goals and provided valuable insights on buying our first home. Jith's diligence in answering our questions has been second to none. I highly recommend Vive as a mortgage broker and insurance advisory organization.



Thangaval
7 reviews

★★★★★ a year ago

I highly recommend Jith from Vive. He's been our mortgage advisor for the past 10 months as we navigated buying our first home. He has been exceptional from day one, guiding us through every step of the buying process. Jith is knowledgeable and readily answers any questions about buying a house, even on weekends. We would wholeheartedly recommend Jith to our friends.



Steve
5 reviews



★★★★★ 4 months ago

As first-time homebuyers, we were nervous about finding the right mortgage advisor, but Jith made the process easy. He explained loan options, rates, and insurance clearly, with no hidden fees. Always available and responsive, he guided us through paperwork and helped us feel confident in our decisions.



Hannah
5 reviews • 0 photos

★★★★★ 13 Nov 2023

Jith was fantastic to work with! He is patient, knowledgeable, and was very supportive of me during the home buying process which I appreciated. Wouldn't hesitate to use Vive again in the future :-)

LISTS OF COSTS TO EXPECT.

- i Introduction
- 1 Deposit
- 2 Legal fees
- 3 Builders report
- 4 LIM report
- 5 Registered valuation

Pre-purchase Expenses

- 6 Mortgage repayments
- 7 Council rates
- 8 Home Insurance
- 9 Body Corp
- 10 Low Equity Margin
- 11 Furniture & Fittings
- 12 Moving costs

Post-purchase Expenses

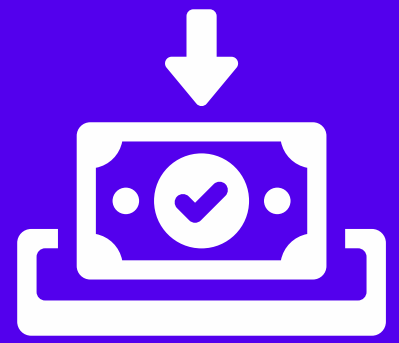
- 13 Life Insurance
- 14 Estate planning

Optional

Don't get scared. We'll work through these.

COST #1

DEPOSIT



You will require between **5% - 20%** of the purchase price as a deposit.

This is your down payment on your home. You will not be able to get a home loan approved by the bank without a down payment.

COST #2

LEGAL FEES



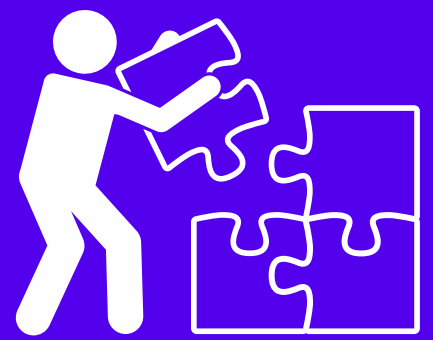
Don't get too tight when engaging a lawyer as you get what you pay for! A price range of **\$1,800 - \$2,500** is healthy.

You will need to engage a lawyer/ conveyancer as they assist with the legal aspects of buying a home.

Their services include (but not limited to): property searches, title transfers, reviewing the Sale and Purchase agreement and getting your KiwiSaver withdrawn (if your KiwiSaver is being used as part of your deposit).

COST#3

BUILDERS REPORT



It is vital to get a building inspection done on the house you want to buy as any potential issues with the house can be identified before you commit to the purchase.

Budget **\$400 - \$800**.

This is a broad range as it will depend on the city/town, complexity and size of the property.

We also recommend doing a meth testing as part of your builders report depending on the suburb/city of the house.

COST#4

LIM REPORT



Land Information Memorandum (LIM) report shows the information that the council has about a property such as: zoning, land issues, building consents/ permits, rate and other information that the council thinks is relevant.

It's important to have this information because it can affect whether you can get house insurance on the property, which is a requirement by the banks for settlement to occur.

For example, insurance companies don't like un-consented work and major land issues.

LIM reports cost between \$0 - \$780 (at the time of writing this) depending on urgency and which part of the New Zealand the house is located in.

Sometimes the real estate agent has a LIM report so you may not need to purchase it. However, your solicitor is likely to recommend you get your own copy.

COST #5

REGISTERED VALUATION



Cost: \$900 - \$1,200

The bank may require a valuation of the home you want to buy through an approved valuer on their panel. This is so the current value of the house is in line with the purchase price.

If you have less than 20% deposit, you are highly likely to need a registered valuation.

COST #6

MORTGAGE REPAYMENTS



Your mortgage repayment is dependent on your total home loan, interest rate and repayment term.

Your mortgage repayments will be made-up of principal and interest.

Principal is the portion that pays down the mortgage balance and the interest portion goes directly to the bank and does not affect the mortgage balance remaining.

COST #7

COUNCIL RATES



Council rates typically range from **\$2,500 to \$4,500 per year**, depending on the property's location, size, and value.

Rates are calculated based on the capital value (CV) of the property and fund local services like rubbish collection, water supply, parks, and infrastructure. Some councils charge separately for water, which can add \$500–\$1,500 per year depending on usage.

Council rates fund services such as waste collection, parks, libraries, and road maintenance. They also contribute to the development and maintenance of public facilities.

COST #8

HOME INSURANCE



Home insurance in New Zealand covers damage to your house from events like fires, storms, and earthquakes.

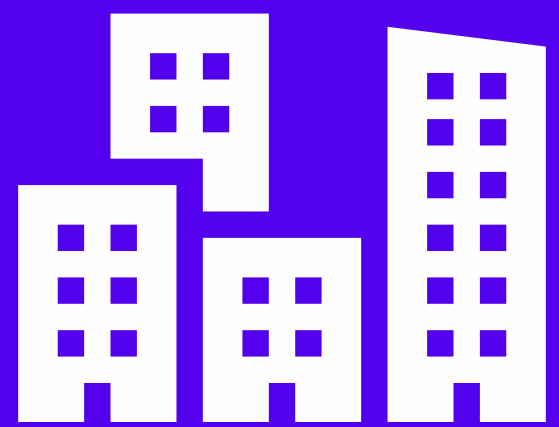
Lenders require home insurance for mortgage drawdown. For first-home buyers, costs typically range from **\$1,500 to \$3,500 per year** but can be \$2,500 to \$5,000+ in high-risk areas like Wellington.

Contents insurance, if added, costs around \$300 to \$800 per year.

Most policies include an EQC levy

COST#9

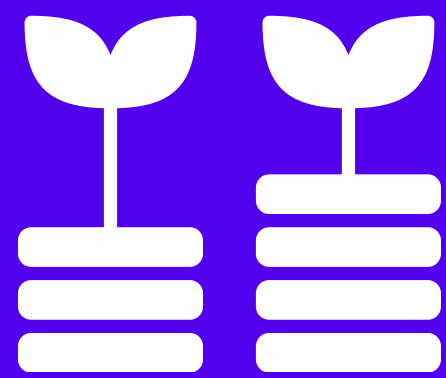
BODY CORP



Body Corporate is the legal entity that manages and maintains a multi-unit property, such as an apartment complex or townhouse.

Body Corporate fees in New Zealand vary based on property type, location, and amenities. Standard apartments or townhouses typically cost **\$2,000–\$5,000 per year**.

Note that if you have Body Corp fees (you won't require home insurance as it's part of the body corp fees).

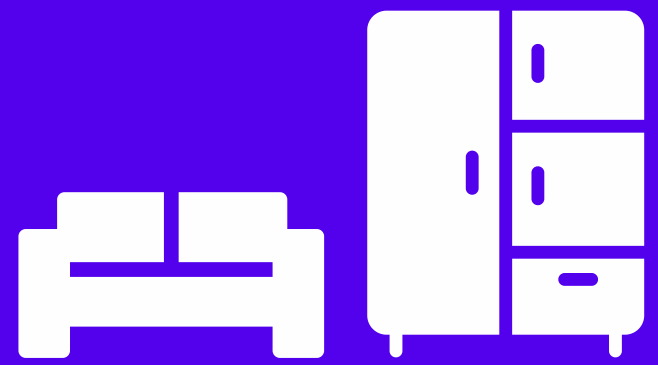


This only applies if you have less than 20% deposit

- LEP is a one-off fee that's added onto your mortgage. Only a few banks do this, and it is usually between 0.25% to 2.0% on top of your loan.
- LEM is when a bank adds to the interest rate on your mortgage. This is because they see less than 20% deposit as a risk. The lower the deposit, the higher the interest rate added. The interest rate added is between 0.25% to 1.75%. Once you pay down your mortgage (or property value goes up) and the LVR goes below 80%, your LEM will fall off.
- You will either get LEM or LEP - not both.
- As a result, 20% deposit is highly recommended to save on LEP or LEM.

COST #11

FURNITURE & FITTINGS



There is no requirement to go crazy on decorating and fitting out your new home as soon as you move-in. However keep this aspect in mind.

COST #12

MOVING COSTS



If you already have furniture and fittings that need to be moved to your new house. You can get professional movers/ family and friends.

Professional movers will be able to do the job quicker. If you are moving within the same city. You can get this done for around **\$400 - \$500**.

Friends and family will be the cheaper option but keep in mind that you may need to hire trailers/van unless your family/ friends already have them.

There could also be connection costs
i.e. connecting electricity and broadband.

COST#13

LIFE INSURANCE



As exciting as it is to get your first home, the reality is that you inherit a large debt.

If you or your partner were to pass away prematurely - can the surviving members of your family afford to make mortgage repayments and continue to have a good standard of living?

Life Insurance can give you the peace of mind that the rest of your family is taken care of if you or your partner passes away.

The cost will be dependent on the level of cover, your age, gender and smoking status.

COST#14

ESTATE PLANNING.

When you get your first home is a perfect time to get your Will sorted. You can speak to your solicitor to give you advice on this area.

CONGRATS!

YOU'VE MADE IT TO THE END OF THE GUIDE.



FOR MORE, VISIT

VIVE.CO.NZ >

We have other guides for first home buyers, available under the resources tab, on our website.

**OR BOOK A FREE
CHAT WITH US.**

BOOK A CHAT >

We can give you a snapshot of where you are, and how far you are from your first home.