

Property

How to be a first-time buyer. Page 18

Beware of ideas above your station

A loft conversion may be the answer to your space crunch, but is it the right move, asks **Andrew Don**



When it comes to adding value to your home, a conservatory rates higher than a loft conversion, but lower than an extension. *Alarmy*

YOU ARE outgrowing your home but very reluctant to move.

Perhaps it has something to do with the last time, when deliverymen dumped your belongings because of a last-minute hitch in completion, the fleas the previous cat owners left with the carpet or the solicitor who was always in meetings.

Whatever the reasons, you face a toss-up between trying to avoid the John Waynes of the building fraternity or braving another move.

Your only consideration might be the extra space you need but you might want to also evaluate which is the better investment.

Do you choose a loft conversion, a new-build single or two-storey construction, a conservatory, a garage or a basement conversion?

An extension on the back might give you a larger house but at what cost to your already tiny garden? And a crude extension that is not in keeping with the rest of the property is more

likely to detract from the resale value, as might a conservatory that is constructed on the cheap.

Jeremy Leaf, the Royal Institution of Chartered Surveyors' housing spokesman, says: 'Generally speaking if you overdevelop a smaller property, you don't get a bigger return than buying a larger property.'

Nationwide gives the hypothetical scenario of someone moving from a £350,000 house to one worth £500,000. It calcu-

lates the cost of such a move at about £27,000, including solicitors, surveys, removal fees and 4 per cent stamp duty on the new property.

Add onto that an increase in council tax, higher insurance and about £1,500 of extras, such as forwarding mail and minor repairs.

Perhaps you need to add £150,000 to your mortgage to enable you to trade up, assuming no extra equity is available. That could add more than £850 a month depending on the type of

mortgage you have. Alternatively, Halifax research shows that homeowners considering loft extensions in UK cities typically pay between £8,000 and £20,000 to add another bedroom and bathroom. A conservatory could cost anything from £2,000 for the cheapest lean-to DIY version to £30,000 or more for top of the range. A well-built single-storey extension could set you back upwards of £25,000.

A move to a larger house

to get the same increase in space tends to cost £30,000-£100,000 for the same extra square footage.

However, trading up to a bigger house in a better area or even a bigger house in the same area is likely to be a better long-term investment when you come to sell.

Leaf says a three bedroom house extended to be a four bedroom house will only ever be 'an extended three bedroom house', with an implication for its resale value compared with a pur-

pose-built four-bedroom dwelling.

Research by ICM for the Woolwich earlier this year gave a value factor out of 10 for various types of home improvement ranging from central heating to loft conversions. Extensions scored six, conservatories five and loft conversions four. The Woolwich warns that if a loft conversion is done badly it will decrease the selling price and even if it goes well, do not expect to get anything like the cost of it back when you sell.

A Nationwide analysis shows that adding extra space to your house, for example by turning a two bedroom property into a three bedroom home, rather than converting existing space, can add 13.1 per cent to the value in London and 10.8 per cent in the UK overall.

This compares with 5.3 per cent and 4.3 per cent, respectively, when there is no change to the overall floor space of the property.

'Work started in April but our extension resembles an out-house'

MY WIFE and I decided the £38,000 cost of a single-storey extension was preferable to unsettling the children and the extra expense of trading up when we tired of the assault course of toys that our lounge had become, writes *Andrew Don*.

We went with a recommended firm and we were happy to pay a premium to avoid cowboys.

Work was supposed to start early April but when summer arrived with

no builders we threatened to pull the job and sue for our deposit. The company in turn threatened to sue us for loss of earnings if we pulled the plug.

Work began mid-July but a week later the builders took their annual leave, despite an earlier promise there would be someone on site during this period.

Seven months earlier the council had told the builders that deeper foundations would be necessary.

No one had thought to tell us about this, and the extra £4,000 this would cost, until the last minute.

Staggered payments means the company gets the bulk of the money while the extension still resembles an out-house, giving the company all the leverage and the customer none.

Although the work appears to be of the highest quality we have found that paying for the best does not mean a hassle-free experience.

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