

27th March 2012

http://www.newsroom.hsbc.co.uk/press/release/diy_fanatics_warned_as_home_im

DIY FANATICS WARNED AS HOME IMPROVEMENT RETURN ON INVESTMENT FALLS

- *Half of householders planning home improvement work over Bank Holiday weekends*
- *Experts warn that the potential increase in property value following DIY has dipped*

With more than half of UK householders planning DIY projects over the forthcoming Bank Holidays, a new survey by HSBC has revealed that the potential increase in property value as a result of home improvements has dipped in the past year.

The annual **HSBC Home Improvement Survey** found that refitting or altering a home, although beneficial, may not provide the same level of financial return in today's market than may have been the case in previous years.

The survey found that 52% of house proud Brits plan to keep themselves busy making home improvements, including redecorating rooms and laying new carpet, during the Bank Holidays weekends in April, May and June.

Valuation experts deemed a loft conversion to be the best way to improve a property's value. The work will increase the value of a property by on average £16,152 - 23% less than in 2011. A room extension will add £15,665 (3% down), while a new kitchen will boost the value by £4,577 (19% down).

The only major home improvement work to increase the relative return-on-investment in the past year is a new conservatory. The work will increase property value by on average £9,420 – a 14% increase since 2011.

The survey also highlighted the regional variations of how home improvements can boost property value. A new kitchen in London will increase value by on average £9,125, compared with £4,300 in north-east England and £2,333 in Scotland.

Valuation expert Paul Cutbill, of Countrywide Surveying Services, said: 'Whilst sensibly improved and well presented homes will generally be attractive to potential purchasers, rising labour and material costs mean that the gap between the cost of improving and monies realised at the point of any sale has been reduced.'

‘Poor quality refitting and lack of proper design considerations, often as a result of inadequate project budgeting and planning, can also have a significant knock on effect to any added value which might be gained when selling a property.’

Peter Dockar, Head of [Mortgages at HSBC](#), said: ‘Homeowners should think carefully about the type and extent of any home-improvement works they are planning.

‘Those which enhance quality of life while retaining broad appeal should be favoured over more individually styled alterations.’

Home improvements – what value do they add to a property?

Home Improvement	Average increase in property value (2011 survey)	Average increase in property value (2012 survey)	% change 2011 vs 2012	Percentage of 2012 property valuers who stated no increase in value
Loft conversion	£20,876	£16,152	-23%	3%
Room extension	£16,069	£15,665	-3%	0%
Conservatory	£8,233	£9,420	14%	11%
New Kitchen	£5,617	£4,577	-19%	16%
New windows	£5,265	£4,866	-8%	14%
New bathroom	£3,351	£2,955	-11%	19%
Redecorate house	£3,229	£3,100	-4%	35%
Re-surface run up/drive	£2,876	£2,679	-7%	35%
Re-carpet house	£2,153	£1,738	-19%	40%

Regional breakdown

Home Improvement	Average increase in property value (2012 survey)	London	South East	Yorks & Humber	East Midlands	South West	Wales
Loft conversion	£16,152	£40,357	£31,500	£17,750	£13,875	£13,611	£13,500
Room extension	£15,665	£52,813	£20,200	£11,938	£13,550	£11,800	£12,222
Conservatory	£9,420	£43,889	£9,950	£6,000	£6,636	£7,500	£7,300
New Kitchen	£4,577	£9,125	£6,300	£3,111	£3,818	£2,300	£6,111
New windows	£4,866	£11,389	£5,650	£4,150	£3,400	£5,778	£3,850
New bathroom	£2,955	£7,850	£4,200	£1,900	£2,792	£1,350	£3,333
Redecorate house	£3,100	£10,700	£3,575	£1,000	£3,708	£,444	£2,375
Re-surface run up/drive	£2,679	£11,125	£2,300	£750	£2,458	£1,100	£2,778
Re-carpet house	£1,738	£4,722	£3,700	£778	£1,818	£250	£2,111

Home Improvement	Scotland	North East	East Anglia	West Midlands	North West
Loft conversion	£12,875	£10,450	£10,250	£10,200	£10,167
Room extension	£12,500	£10,250	£9,850	£12,944	£10,000
Conservatory	£4,125	£5,350	£5,450	£6,050	£4,900
New Kitchen	£2,333	£4,300	£4,222	£5,300	£4,111
New windows	£3,050	£3,300	£5,300	£4,900	£3,500
New bathroom	£989	£2,150	£1,833	£3,550	£2,250
Redecorate house	£950	£2,550	£1,600	£2,650	£4,020
Re-surface run up/drive	£2,605	£2,800	£1,050	£2,100	£2,150
Re-carpet house	£580	£1,550	£1,200	£1,580	£1,060

Top ten most popular home improvement jobs over the Bank Holiday weekends in April, May and June:

1	Redecorate rooms	28%
2	Minor repairs (eg paint chips)	23%
3	Repair fences & gates	14%
4	Re-carpet rooms	7%
5	Repaint/varnish front door	5%
6	Install new bathroom	4%
7	Lay decking or patio in garden	3%
8	Install new kitchen	3%
9	Insulate loft	2%
10	Install new windows/install efficient boiler/insulate walls	1%

(% shows amount of UK householders planning work)

ENDS

For further information please contact:

Simon Coughlin
020 7992 1574
simon.coughlin@hsbc.com
<http://www.hsbc.co.uk/newsroom>

Notes to Editors:

Consumer sample:
- 1369 British homeowners (aged 18+).
- Nationally representative sample.
- Carried out online 15-16th Feb 2012.

Business sample
- 112 interviews with estate agents who value properties as part of their job
- spread across 11 regions (10 in each)
- Carried out by phone during February 2012

For the latest updates, visit the **UK Press Office social media newsroom:**

<http://www.hsbc.co.uk/newsroom>

http://twitter.com/hsbc_uk_press

HSBC Bank plc: HSBC serves 16.1 million customers in the UK and employs approximately 52,000 people. In the UK, HSBC offers a complete range of personal, premier and private banking services including [bank accounts](#) and [mortgages](#). It also provides commercial banking for small to medium businesses and corporate and institutional banking services. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc.

HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 7,200 offices in over 80 countries and territories in Europe, the Asia-Pacific region, North and Latin America, the Middle East and Africa. With assets of US\$2,556bn at 31 December 2011, HSBC is one of the world's largest banking and financial services organisations.