

VIEWPOINT

HGC FINANCE

Thank you for reading our newsletter, if you would like to discuss any of the articles further, please do not hesitate to contact us



HGC FINANCE
mortgages, protection, wealth

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Home improvements to add value to your home

Evidence suggests that many more of us are putting down roots and choosing to stay in our current homes for longer. The average time a homeowner in the UK stays in their property is 21 years.

This contrasts with the 1980's, when a fast-rising property market encouraged a move every eight years on average. However, high prices in some regions, Stamp Duty and the other costs of moving, are now encouraging us to stay put and spend money improving our properties.



With so many more people staying put and embarking on some home improvements, it's a good idea to select improvements and renovations that will add value to your property in case you do decide to move on one day.

Some of the best improvements to add value to your property include (*plus potential value added*):

- Converting your cellar — 30%
- Converting your garage to living space — 15%
- Extending the kitchen — 15%
- Loft conversion to add a bedroom — 15%
- Increase living space with a conservatory or similar — 10%
- Kerb and garden appeal — up to 10%
- Fitting a new bathroom — 5%
- Making the living area open plan — 3-5%

Here are some useful tips to bear in mind before embarking on your chosen project:

Check your deeds

There could be restrictions on what you can do, you may require planning permission, especially if it affects a boundary or external modifications are involved.

Check your policy

If you're going to make any major changes to your home, you should contact your buildings and contents insurance provider first to avoid unintentionally invalidating your policy and check your policy covers you for accidental damage.

Get your paperwork in order

If you are looking at a large undertaking such as converting your loft, ensure you have the correct paperwork and certification, otherwise the money you spend may not be realised in the sale price.

Preserve bedroom space

Try not to reduce your bedroom count, you may want to convert a third bedroom into an en suite, but by losing a bedroom you will reduce the value of your property.

Be commercially-minded

Consider the neighbourhood you live in and the types of buyers likely to want to live there, for example spending money landscaping your garden may not appeal to a younger professional couple who want low-maintenance outside space.

Avoid personalisation

Unless you are prepared to redecorate when you come to sell, use a neutral colour scheme, introduce colours in soft furnishings and accessories and personalisation with pictures or photos.

Hire a professional

Avoid a DIY disaster by only taking on projects you are confident you can complete.

We can help

Please get in touch if you are looking to fund your home renovations with a remortgage or second charge loan.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT.



The sandwich generation

You may be **supporting financially dependent children** while simultaneously **taking care of an older family member** – sound familiar? If so, **you are a member of the sandwich generation** – a category of adults ‘sandwiched’ between the twin challenges of caring for older and younger relatives.

According to recent research, a shift towards parenthood later in life and an ageing population are combining to create an almost four million strong group of people, caught between caring for ageing relatives and dependent children. Added to the fact that more and more children are now financially dependent on their parents well into adulthood, it’s unsurprising that the ‘sandwiched’ are struggling to keep on top of it all.

Double whammy

The cost of bringing up children is steadily increasing. According to the Child Poverty Action Group’s *Cost of a Child 2019* report, the average cost of raising a child to age 18 has soared to £185,000 for lone parents (up 19% since 2012) and £151,000 for couples (up 5.5% since 2012). And, of course, grown-up children stay at home, the higher the bill climbs. Indeed, figures show that 27% of 20 to 34-year-olds were living at home in 2019 (up from 20% in 1999).

Meanwhile, further research has found that 29% of adults cared for an elderly relative in 2019, at an average cost of £5,544.50 in lost earnings and money spent on care costs.

Financial strain

Combined, these two sets of costs are proving to be a big financial strain for the sandwich generation. The significant outgoings associated with their caring duties can have a direct impact on their ability to save for their own future.

Not just cash poor...

Caring duties are not only leaving the sandwiched cash-poor. With precious little time to themselves, they’re also time-poor. In fact, almost half (47%) of survey respondents (equating to nearly two million people) said they have less than 35 minutes of free time each day, while 7% said they have no time to themselves whatsoever.

Protect, plan, review

With family members young and old depending on your support, it’s vital to have in place the right sort of protection policies so if an unexpected event were to occur, there would be a payout from a policy to help ease the financial burden.

Even if it seems like years away, you need to have a retirement plan in place, so prioritise your pension. It’s important to know how much it’s likely to be worth, so that you can make plans to save more if you need to.

This is also the time to focus on your savings and investments. The significant outgoings associated with twin caring duties can have a direct impact on their ability to save for your own future. By ensuring you review your portfolio regularly your investment strategy remains in line with your goals and takes account of your attitude to risk, which may change over the years.

How we can help

More of us than ever are facing growing demands on our time and energy, which could be leading to implications for our finances too. There’s plenty to think about, taking financial advice at this stage of your life can make the difference between just about managing in your later years or enjoying the retirement you deserve.

We will continually review your finances as you confront new challenges such as this stage of your life. We aim to develop and adapt your financial strategies to cope with changes in life circumstances and keep your financial goals on track.