

Homebuyers spend £10,000 doing up their homes in the first year

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Homebuyers spend an average of £10,010 on their homes in the first 12 months of ownership, according to new research from Aviva. With around 679,000* owner-occupier moves happening every year, this puts the first-year home makeover tally at around £6.8 billion across the whole of England.

The study of around 1,000 recent homebuyers reveals redecorated bedrooms (47%) and living rooms (43%) are the most popular choices for first-year transformations, although one in five recent movers (18%) install new kitchens in the first year, and the same (18%) splash out on new bathrooms.

A love of fires is evident too with one in 12 (8%) investing in stoves and fireplaces, whereas an ambitious 6% go to the extent of building an extension. And to complete the look, one in four (24%) indulge in new furniture, while one in six (17%) purchase new technology items such as new TVs and surround sound systems.

However, the research reveals that people are far more likely to make cosmetic changes to their new homes than investing in home security. Only 8% of new movers said they purchased any sort of security system in their first year.

Furthermore, fewer than half of recent movers said they updated their home insurance (buildings or contents) after they updated their properties, meaning that some homeowners may be underinsured if they have made significant purchases or changes to their homes.

The research has been compiled to coincide with the launch of the Government's Help-to-Buy ISA which is available to first-time buyers from 1 December 2015.

The following table details typical 'home spending' over the first year:

Renovation / redecoration	Percentage of people who did renovation in first year	Average cost of renovation / redecoration	Average amount across all homemovers
Decorating bedroom(s)	47%	£1,950	£917
Decorating living room	43%	£1,504	£647
New furniture	36%	£2,902	£1,045

Decorating hallway	33%	£833	£275
Decorating dining room	31%	£739	£229
New carpets	30%	£1,531	£459
Decorated another room	24%	£768	£184
New boiler / central heating	18%	£2,805	£505
New kitchen	18%	£6,337	£1,141
New bathroom	18%	£3,232	£582
Garden / driveway improvements	£18%	£2,069	£372
Technology e.g. TV, surround sound	£17%	£1,745	£297
New windows / doors	16%	£3,482	£557
Fireplace / stove installation	8%	£2,226	£178
New roof / roof repairs	8%	£3,173	£254
Home security e.g. burglar alarm	8%	£927	£74

Install en suite bathroom / toilet	7%	£4,017	£281
Extension	6%	£17,476	£1,049
New conservatory	4%	£7,398	£296
Loft conversion	3%	£12,707	£381
New garage	2%	£4,976	£100
Cellar / basement refurbishment	2%	£5,054	£101
Other	1%	£8,643	£86
TOTAL			£10,010

And while the majority of people (63%) use savings to pay for their renovations, almost one in five (19%) put their expenses on credit cards, and 10% are happy to 'buy now, pay later' with store credit.

The above costs are all in addition to the cost of actually moving into the home. In July 2015, Aviva research showed that first-time buyers underestimate the cost of buying a home by £6,481.

Adam Beckett, propositions director for Aviva says: "Buying a new home is incredibly exciting, so it's understandable that people want to put their stamp on their new property and make it feel like their own. It's also no surprise that some people run away with their renovations, and one in three end up spending more than they intended!

"If people are making a lot of new purchases, we'd encourage them to review their home contents insurance, just to make sure they're adequately covered in case anything did go wrong. And if people are making significant changes such as building an extension or a loft conversion, we'd also recommend that they get in touch with their insurer as this could mean that they need to update their buildings insurance too. Homes are certainly people's castles so we want to make sure the right cover is in place."

Research carried out by ICM research in November 2015 with a sample of 989 people who had purchased a house in the UK in the last five years.

*English Housing Survey 2013/14 shows that 679,000 owner occupiers moved home in the last 12 months.

Link: <http://www.aviva.co.uk/media-centre/story/17557/homebuyers-spend-10000-doing-up-their-homes-in-the/>