



Upsizing Guide

YOU AND YOUR **HOME AT HEART**

As life evolves—moving in with a partner, having children, or simply accumulating more stuff—it’s easy for a once spacious home to feel cramped. The cloakroom overflows with shoes, the hallway resembles an obstacle course, and the guest room is now home to two squabbling tweenies. Even after decluttering and a good tidy-up, the house might still feel too small. When this happens, it’s often time to upsize.

Not every family upsizes due to an expanding household. Some seek a larger property because finances allow it, or they’re moving to an area where house prices make upsizing more affordable. Others may welcome back members of the ‘Boomerang Generation’—adults aged 20-34 returning home due to financial challenges or life changes, a trend that has grown since the pandemic.

Upsizing often means higher costs—not just for the mortgage but for bills and maintenance too. At Keystone, we’ve guided many clients through this process. Our experienced mortgage advisors will help you assess the costs and check affordability using detailed budget planners, ensuring your move makes sense financially. Let’s explore the pros and cons of upsizing to see if it’s the right move for you.

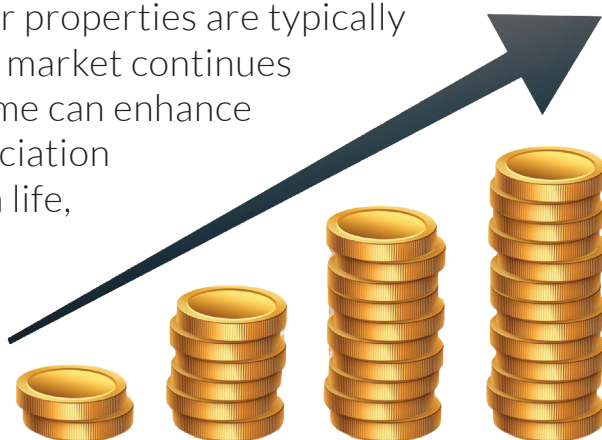
PROS TO UPSIZING

- 1.** Of course, the obvious advantage of upsizing is more space. Perhaps moving house means that your children can finally have their own bedroom which can be important as children develop into teenagers and become territorial over their space. Extra space in their bedroom may mean they have a quiet place to study away from other family members. A more spacious bedroom may allow for children to invite friends over or you may be lucky enough to purchase a property with an extra room designated solely for teenagers and their friends.
- 2.** Whilst you may be considering upsizing to give your family members more space, perhaps a larger property means that you can have your own

friends and family over for social occasions or dinner parties. Families enjoy coming together for Christmas and birthdays but if your property lacks the space to do this, it can be frustrating and means you have to get together in restaurants and other social venues which although can accommodate your get-togethers, can also be costly.

3. Perhaps your own children have grown and moved out and now have families of their own. A large brood of grandchildren coupled with babysitting duties may mean that your current property cannot accommodate your family's needs. You may decide that having extra bedrooms means that you can have your grandchildren for weekend stays giving your own children a well-earned break. Maybe your children have moved away so having extra bedrooms for them ensures they always have a place to stay when returning home.

4. In 1789, Benjamin Franklin famously stated that only two things are certain in life: death and taxes. In the UK, a third certainty seems to be persistent house price inflation. Recent analyses indicate that, despite some fluctuations, the UK housing market has experienced an average annual increase in house prices over the past decade. According to the latest Office for National Statistics (ONS) data, the average house price in the UK was £290,000 in July 2024, marking a 2.2% increase over the previous 12 months. Wales has seen notable growth, with average house prices rising by 4.0% (£8,000) to £222,000 in the year leading up to October 2024. Investing in a larger home can offer tangible financial benefits over time. Larger properties are typically more valuable, and as the housing market continues to appreciate, owning a bigger home can enhance your financial position. This appreciation may provide opportunities later in life, such as downsizing to a smaller, mortgage-free property and capitalising on the accrued equity.



CONS TO UPSIZING

1. Be careful not to overstretch yourself. Whilst there are many advantages to moving to a more spacious property, caution is needed. The last thing you want is to become a prisoner in your home whereby all your money is ploughed back into your home and you have little surplus cash for socialising and holidays; it is an easy trap to fall into but one that can be avoided with the right financial advice. First and foremost, be honest with yourself. If purchasing a bigger property means you have to forego socialising with friends or missing out on family holidays, you should ask yourself if you are really happy to do this. The shine of a new property will soon wear off if you are spending all your money on it and have little excess cash to do the things you once enjoyed. Here at Keystone, our mortgage advisors can ensure that you will not be living beyond your means in your new home by helping you to complete a budget planner which takes all your financial obligations into consideration.

2. Larger homes generally incur higher running costs, and moving to a bigger property in Wales will likely increase your council tax bill. You can verify the exact amount by visiting your local authority's website, which is a straightforward way to help plan your overall expenses. Regarding energy consumption, larger properties typically use more electricity and gas. For example, a four-bedroom house in the UK consumes approximately 3,500 kWh of electricity annually. With the current electricity unit rate of 24.86p per kWh, this usage translates to about £72.55 per month. Similarly, with an average gas consumption of 15,000 kWh per year and a unit rate of 6.34p per kWh, the monthly gas cost would be around £79.25. It's important to note that energy prices are subject to change. Ofgem reviews the energy price cap, which limits the rates suppliers can charge, quarterly. As of January 2025, the average dual fuel bill is set to rise from £1,717 to £1,738 annually. Therefore, it's advisable to consult your energy provider for the most accurate and up-to-date estimates tailored to your specific circumstances. Additionally, larger properties often come with increased maintenance costs, including higher heating expenses during colder months—a significant consideration given Wales's climate. Proper insulation and energy-efficient appliances can help mitigate some of these costs.



3. Having more space for your family sounds wonderful but obviously, the more rooms you have, the more rooms there are that need cleaning! It may seem like a small matter but it is important to factor in the time and effort it undoubtedly takes to clean and organise a larger home. However, hopefully, if you do decide to upsize, you can benefit from extra storage space meaning that it is easier to organise your household items making it easier to clean the extra rooms. And if one of the reasons to upsize was so that bickering siblings can benefit from their own private space, it seems only fair that you enlist the help of your teenagers to help keep the family home clean and tidy!

4. Stamp Duty Land Tax (England and Northern Ireland); Land Transaction Tax (Wales) or Land and Buildings Transaction Tax (Scotland).

Stamp Duty Land Tax (SDLT); Land Transaction Tax (LTT) or Land and Buildings Transaction Tax (LBTT) is a progressive tax paid to the retrospective governments when purchasing a freehold, leasehold or shared ownership residential property. If you are purchasing a larger property for a value which falls into the tax thresholds, it is likely you will be liable for a land tax. Land taxes are paid by a set deadline, from the date of completion of a house purchase and you may risk a fine if this deadline is not met. Your solicitor or legal advisor should take care of this for you and ensure you do not miss the deadline. There may be an option for you to add this tax to your mortgage loan but you should check the criteria depending on which country you are purchasing a property from. Government websites can give you more detail on this matter.

STEP 1: WHAT DO I DO NOW?

If you think you have made the decision to upsize, you will need to know the value of your current property. At Keystone, our trusted and experienced staff can provide you with a realistic valuation of your home. It is a good idea to get a recent statement from your current mortgage lender too as this will show what is outstanding on your mortgage and the difference between the valuation and the balance can help you to decide how much deposit you can put down on the next property.

STEP 2: START THE SEARCH AND FIND YOUR DREAM HOME

In order to broaden your chances of landing your dream home, you should register with all your local agents and let them know exactly what you are looking for. Here at Keystone, we will sign you up to our property alerts system – ‘Heads Up’, whereby you will automatically get notifications when we have a property that matches your circumstances. Also, look out for our ‘first look’ videos on Facebook. These videos are an excellent opportunity for potential buyers to view a property online before it even reaches Rightmove – our properties often sell at this stage.

AND FINALLY...

Here at Keystone, we are very proud of our family-run business and our staff provide excellent customer service so you can be sure you are in good hands when selling your property with Keystone. Also, we are a one-stop-shop for all your house selling and buying needs. This means that we can sell your property; give you advice on your next purchase and our friendly, qualified mortgage advisors can obtain a mortgage for you at the best

rate for your personal circumstances. Additionally, we can arrange all the legalities needed to sell your current property and purchase your next one. So whether you have made up your mind to take the next exciting step up the property ladder or you are still thinking about it, give Keystone a call today for a free, no obligation valuation on your property and we can give you the benefit of our expertise. **Our staff are looking forward to your call!**



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