

# Mortgages – Releasing Equity for Home Improvements

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Given the current climate in the property market more and more people are looking at how they can improve on what they already have instead of moving to achieve more space; extensions, conservatories, loft conversions all provide possible solutions, so how do you go about raising finance for such a project?

If you already have a mortgage and are tied into a specific deal with redemption penalties then your best option is to speak to your current lender to find out if they will offer you an advance on the mortgage and the rates they have available. Be aware that the additional amount borrowed is also tied in with penalties that last a lot longer than the existing mortgage and this will potentially cause you future problems in re-mortgaging and leave you tied to the lender with one part or another.

However, if you have a mortgage which is not tied into the lender with redemption penalties, or no mortgage at all, then you are free to search the market for the best deals around to provide you with the extra lending you need, which may also result in your mortgage payments staying the same if the rate you had can be bettered.

Despite the continued negative press, there are several hundred different mortgage types, lenders and ways to borrow which may appeal to you and suit your needs. The most appropriate course of action is to speak with an independent professional to discuss your options. Lenders are still very happy to provide funding for these types of home improvement if it meets with their criteria in terms of loan-to-value and your income is deemed sufficient to cover the possible additional payments.

Homeowners taking such action stand to gain the additional space/rooms they want and ultimately have a property that should increase in value now and benefit further when the property market begins to recover. This could lead to a higher level of equity to take on another future property. This method of home improvement has also

appealed to some people who prefer to have their cash in bricks and mortar rather than a bank account at present.

Please bear in mind that you may need to seek planning permission for a property extension or alteration.

For further information on how Armstrong Watson can help you, call freephone 0800 195 2161 or email [moneymatters@armstrongwatson.co.uk](mailto:moneymatters@armstrongwatson.co.uk)