



Home improvement guidelines

From 1 April 2018

To be eligible for inclusion as a home improvement the following must apply:

- The building must be at least 5 years old
- Works must have been undertaken by yourself within your demised space
- Works cannot have altered the buildings common areas or structure

Claiming the Value of your Improvements:

If you sell your home or staircase, the value of any improvements you have carried out will be determined by an independent RICS accredited surveyor. Only improvements which we have consented to may be considered. It is also important to remember that the surveyor will assess the amount of value the improvement has added to your home, rather than the amount that it cost to make the improvement.

Re-selling

If you are selling your share, improvements are treated as part of the property. This means the value added by your improvements will form part of the total market value. When you sell, you will receive your share of the total market value of the property. For example:

Property value:	£255,000
Improvement value:	£5,000
Total Market value:	£260,000
Your share:	50%

On sale, you would receive £130,000 (50% of the total market value)

Staircasing

If you are staircasing, the value your improvements will be deducted from the market value. This means you will buy additional shares in your home at the unimproved value. For example:

Property value:	£255,000
Improvement value:	£5,000
Total Market value:	£260,000



Your share: 50% (and you wish to purchase an additional 10%, taking your share to **60%**).
Additional 10% share: £25,500 (10% of £255,000)

The value of the home improvement must be recorded as a separate figure in your surveyors report and details of the home improvements listed. For example, if the property is valued at £260,000 and includes £5,000 of improvements then the unimproved value of the property is £255,000

Additional improvement information:

Please note that the improvements become part of the fixtures and fittings of the property and can't be removed when the property is sold.

If you have adopted a home improvement when you purchased your property, these will be considered on a case by case basis. We may require proof of the amount that you initially paid for the home improvement.

In general, alterations to the layout of a property are not considered an improvement. Only under special circumstances, if the surveyor deems the alteration of the layout has added value, will this be accepted as an improvement provided the relevant legal requirements have been met.

Improvements to the exterior of the building generally fall under the freeholders obligations so works carried out by the freeholder and recharged to the lessees via the service charges or cyclical maintenance program cannot be included as a home improvement.

Replacement of Fixtures & Fittings

The replacement of fixtures and fittings like for like will not be considered a home improvement as these are considered maintenance and repair of the property.

For example, if your old bathroom suite is replaced like for like with a new one, this is not considered an improvement. However, if something is added that was not previously there, such as a shower or under floor heating, these are considered an Improvement.

Permission for Improvements

Under the terms of most leases it is necessary to seek permission from the freeholder prior to making improvements. If necessary you must provide evidence of consent.

Unfortunately, if permission has not been granted for any improvement where necessary it cannot be taken into account when redeeming an equity loan, selling the property or buying extra shares during staircasing.

If the improvements are to be considered, you must obtain retrospective consent. Please be aware that obtaining retrospective consent can be a lengthy procedure and should be sought well in advance of commencing a sale or staircasing.

Depreciation

When a property is valued with improvements we assume that the value of the improvements will depreciate over time so that the value of a home improvement given in a valuation will reflect only the uplift in value that the works add at the time of assessment.

As a rough guide we would assume that an improvement would depreciate in value by 10% every year. For example by the tenth year the value of the improvement would stand at £0.

Further Information

Overleaf is a table of non-exhaustive typical improvements which provides a guide to which works might be considered an improvement.

Please remember that only a RICS registered surveyor can determine whether or not an improvement has added value to a property. Unfortunately some alterations considered an improvement may NOT add any value to the property.

If you are unsure if the works you are planning will be regarded as an improvement or repairs/maintenance please contact us on 0203 815 2407 or via email at legaladmin@nhhg.org.uk

Item of work	Is this considered an Improvement?	Comments
Existing central heating boiler replaced	No	Like for like replacement is not considered to be an improvement
New central heating system installed	Yes	Considered an improvement if no previous central heating existed
Existing kitchen cupboards replaced	No	
Extra cupboards added to the kitchen	No	
Replacement of the whole kitchen	Yes	N.B. Depreciation of value applies
Integrated appliances added to the kitchen	No	

Existing tiles in the kitchen replaced	No	
Install new extractor fan or hood in the kitchen	No	
Part of the bathroom suite replaced	No	
Extra wall tiling added to the bathroom	No	
Redecorating your home	No	
Replacing floor coverings (carpets, wooden floors etc)	No	
Replacing double glazed windows	No	
Loft Conversion	Yes	If relevant permission and lease variations have been granted
Conservatory	Yes	If relevant permission and lease variations have been granted
Extension to the exterior of the building	Yes	If relevant permission and lease variations have been granted
Replacing non double glazed windows with double glazed windows	Yes	If carried out by the lessee and not part of a cyclical works program
Addition of a garage	Yes	If relevant permission and lease variations have been granted
Complete bathroom refurbishment / replacement	Yes	N.B Depreciation value applies
Internal Door replacement	No	
Fitted wardrobes	No	
Existing taps replaced	No	
Adding balcony or patio doors to the garden	Yes	If relevant permission and lease variations have been granted
Adding alarm system/CCTV	No	

Existing fuse box replaced	No	
Alteration of layout of flat (e.g. removal/addition of walls)	No	Only in limited circumstances. See above
Sound Proofing	No	
Garden Landscaping	No	
Addition of a Summer house/greenhouse or other garden structures	No	
Sheds	No	
Lease extension	No	