

# How that extra bedroom could cost you £131,000

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**FAMILIES** are squeezing into tiny homes without enough bedrooms because of the huge cost of upgrading to a bigger house.

A report yesterday revealed that it can cost up to £131,000 to buy a house that has one more bedroom than your current property.

As a result, more and more families are improving their homes with extensions rather than moving to a bigger place.

The research, published by the property website Hometrack, shows that the move from a three to a four-bedroom involves the financial biggest leap of all.

A typical three-bedroom home

**BRITONS** who own a place in the sun were warned yesterday that the boom times are over.

Holiday properties on the Mediterranean have 'the highest risk of price falls' in Europe, according to a survey by the Royal Institution of Chartered Surveyors. About 260,000 Britons have bought a home overseas, including

70,000 in Spain - where prices have soared 120 per cent since 1998.

But the RICS's European housing survey said house price inflation in Spain is set to slow down 'significantly'. It blames the huge number of homes being built there.

The new property hotspot is Estonia, where prices soared 28 per cent last year.

costs £171,400 - but families would have to find an extra £64,000 to make the leap up the property ladder to a four-bedroom home.

This is an average figure for England and Wales. But the situation is far worse for people in the most expensive parts of the country.

In London, a homeowner who needs more space would have to

find an extra £131,000. Even in the North, where property prices are much lower than in most other parts of England, he or she would need to find nearly £55,000.

On average, a three-bedroom home is 19 per cent more expensive than one with two bedrooms.

The move from a three to a four-bedroom house is a formidable 37

per cent, largely because there are far fewer big homes in Britain.

It is estimated that nearly half of all homes in England have three bedrooms, which means that there is huge competition among families wanting a bigger property.

Richard Donnell, director of research at Hometrack, said prohibitively high prices are turning Britons into a nation of 'improvers, not movers'.

As the cost of buying a larger home is so high, many of the country's 18million homeowners are deciding to extend their current homes, rather than buy a new one.

Last year alone, Britons are estimated to have spent £60billion on makeovers and extensions, according to Direct Line Loans.

Mr Donnell said that prices have risen so sharply over the past few years that many families are being forced to squeeze into a tiny space.

As wage rises have fallen far behind house price inflation, people must either stay put or move to a cheaper area.

He added: 'I talk to more and more people who seem to be stuck unless they move to another area where prices are lower.'

Typically, people sell up in the city and move to the countryside, or move to a cheaper, less central neighbourhood if they want to stay in the city.

He believes that people who inherit money are among the minority who can still afford to move up the property ladder.

Mr Donnell said: 'With affordability levels already stretched, households need equity to make any large jumps up the housing ladder, typically driven by inherited wealth.'

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