

# PAYING FOR BUILDING REPAIRS & MAINTENANCE

Your home is probably your biggest asset, and it makes sense to protect it by investing in keeping it in a good state of repair. A sound home is more pleasant to live in, worth more money, and if you want to move on it will sell faster than one in a state of disrepair. Repairs and improvements can be costly, but there are a variety of ways you can finance the work.

## INSURANCE

If the cause of the problem is storm, fire or flood damage you may be able to claim against your buildings insurance. You may also be able to claim for damage caused by another party for example a burst pipe. You can't claim for routine repairs and if the problem is a result of neglect your claim could be rejected.

## SAVINGS AND INVESTMENTS

Sometimes the work can be done in stages so you can carry out each part when you can afford it. A builder, surveyor, or if you live in a block of flats, property manager will be able to advise you if this is possible.

## SETTING UP A MAINTENANCE FUND

You could consider setting up a savings account and putting money away regularly to pay for repairs and maintenance. Some people in shared buildings set up joint maintenance funds for common repairs. Each owner pays into the fund and guarantees that if they sell the new owner will take on responsibility for payment.

## EXTENDING YOUR MORTGAGE

You may be able to borrow more money against your mortgage and this is how most homeowners pay for bigger repairs and improvements. Your house must be worth more than the current value of your mortgage to do this.

If you want to extend your mortgage you should:

- 1 check your budget and work out what you can afford to spend each month on your mortgage repayments
- 2 find out how much you can borrow
- 3 check if there will be any fees to pay for increasing your mortgage.



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## CHANGING YOUR MORTGAGE

You may get a better deal by re-mortgaging, either with your current lender or someone else. You should shop around for the best deal, but remember to include the 'hidden' costs:

- tie-in periods - if you decide to leave the lender during the period of your mortgage you may have to pay a penalty
- arrangement fees, on average £200 to £300
- insurance - you may have to take out insurance with your new lender at a higher cost
- survey fees
- legal costs which are commonly up to £500. Some lenders will offer to cover this cost but this may be traded off by higher interest rates.

## FIXED TERM LOANS

There are many companies offering loans. Secured loans are usually cheaper but if you cannot meet your payments you could be forced to sell your property.

## FURTHER INFORMATION

### THE ADVICE SHOP

For money advice including managing your money and taking out a loan.

The Advice Shop  
Citizens Advice Bureau West Lothian  
Suite Seven, Shiel House Craigshill,  
Livingston EH54 5EH

### CONSUMER DIRECT SCOTLAND

For advice on borrowing money

**TEL: 08454 04 05 06**

**[www.consumerdirect.gov.uk](http://www.consumerdirect.gov.uk)**

This leaflet provides general financial information and does not constitute regulated financial advice, which recommends a course of action based upon the specifics of your personal circumstances.

You should consult an Independent Financial Advisor (IFA) before making any important decisions about your finances. Call 0800 085 3250 for details of IFAs in your local area.