



Re-mortgaging and home offices: does flexible working mean flexible living?

Over 50% of British homeowners are looking to renovate in 2021. With home offices skyrocketing in popularity due to the pandemic and an increase in flexible working – we take a look at how best to go about setting up your own home working area and how financing such a task through Remortgaging can be beneficial.

After over a year of Covid related restrictions nationally, many homeowners have looked towards adapting their properties to suit working from home – adding value to the property in the process. 66% of homeowners are said to be looking to undertake home improvements in 2021, the first question on everyone's minds is most commonly how such a task would be financed. After a tough year for many leaving some people with a smaller 'rainy day fund' than they perhaps anticipated – you may be looking to borrow to complete the work.

Of course, no one wants to jeopardise their financial stability to improve their home working situation but working and living flexibly is in high demand. Whether it be renovating a spare room, converting a shed or garage or even

building an entirely new outhouse, there are various ways to secure funds for each type of home office. For the latter, remortgaging can be a good way to finance the project.

Remortgaging may not always be the answer

There are instances, however, where remortgaging may not be such a smart move when it comes to financing a home office build. For example, if you're locked into a long-term fixed mortgage, there can be large early repayments to be made before remortgaging becomes a viable possibility. This could make remortgaging a more expensive option than other methods. It would be advisable to only remortgage to finance a home office if they were either at the end of a fixed term or at least nearing it.

Other things to consider before deciding to remortgage include the type of mortgage you have. A high loan-to-value mortgage (90-95%) with only a few years of repayments is unlikely to have made a significant impact on the balance and you will not have built up much equity. This could make it difficult to borrow more when remortgaging or it could push the monthly mortgage payments to a more expensive rate, making remortgaging a more expensive option.

So, is it worth it?

Obviously, undertaking a big project like building a home office is a decision that requires a lot of thought. Even though remortgaging is a great way to make financing such a project more manageable, it is still quite the commitment. Recent research suggests that flexible working is becoming more and more desirable, with 70% of UK employees believing that the possibility of flexible working makes a job more attractive. Clearly, home working is something that has gained serious traction, so adapting homes to suit these preferences is in high demand. It's not just employee preference either – many employers have decided to utilise flexible working more to save money on office space.



If you'd like to discuss the options available to you, contact your adviser today.