Selling and buying in London now costs £32,000 in fees, while an extension could add up to 24% to a home

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LONDON, 17 November 2026. London homeowners who sell one property and buy another now pay just over £32,000 in moving costs, according to analysis published by Which? in October. The total covers stamp duty, estate agent fees, conveyancing, surveys and removals: money that leaves the household on completion day and adds nothing to the next home.

The comparison with extending has sharpened. Research from Nationwide Building Society found that an extension or loft conversion adding a large double bedroom and bathroom can raise the value of a typical three-bedroom, one-bathroom house by as much as 24%. The same analysis shows that a 10% increase in floor area adds around 5% to the price of a house, with additional bedrooms carrying the greatest weight.

Borrowing has also become more expensive for anyone buying their next home. Rightmove reported in October that the average two-year fixed mortgage rate had climbed to 5.55%, up from 4.25% in February, adding around £250 a month to the cost of a new mortgage. The number of homes for sale stands at the highest level for the time of year since 2014, sales agreed were 8% lower than a year earlier, and asking prices in London were 1.7% below their level twelve months before.

For a growing household, those figures change the opening question. Rather than "where do we move?", it becomes "can the space we need be created on the plot we already own?"

Mayank Mathuria, Design and Build Manager at Sovran Design and Build Studio, said:

"When a London family tells us they have outgrown the house, the first figure we look at together is the cost of leaving it. More than £32,000 goes on fees, and none of that money remains once the keys change hands. Placed into a rear or side extension instead, the same budget stays in the property as floor area, daylight and an extra bedroom, and the Nationwide research shows that kind of space holds value. Moving remains the right answer for some households, particularly when the area no longer suits them. For many others, the home they want already sits on land they own."

On recent Sovran projects in London, the structural shell of a single-storey rear or side extension (foundations, walls, steelwork and roof) has cost between £2,000 and £2,500 per square metre, excluding VAT, finishes and fit-out.

Homeowners weighing the two routes are advised to compare like for like: the full cost of moving, including stamp duty at the price of the next home, against the build cost of an extension plus design fees, VAT and a contingency. Checking whether permitted development rights apply, or whether a householder planning application is needed, should come early in that process.

Indicative extension costs for London homes can be estimated with the Sovran cost calculator.

About Sovran Design and Build Studio: Founded in 2011, Sovran Design and Build Studio is a London-based design and build practice working on extensions, full renovations, interiors and new homes for clients across London and the wider UK. Each project is led by one design and build team, from initial drawings and planning through to handover. Clients can view materials and finishes at the Sovran showroom in London.

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