Research & Insight

Nothing Compares to New

Assessing buyer perceptions, renovation realities and the built-in value of today's new build homes.

HBF Home Builders Federation

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Contents

Introduction

This report explores the cost of upgrading an older resale property to the standards of a modern new build home in England and Wales.

The report combines market research, consumer polling, external sector data and renovation cost analysis to compare perceptions of the 'new build premium' with the financial reality of modernising older properties. It also explores the motivations and barriers shaping buyer preferences between a 'doer-upper' and a new build. It finds:

- Buyers frequently underestimate the cost and complexity of refurbishing older homes
- The perceived 'new build premium' often overlooks the substantial investment needed to modernise older properties
- The average potential costs to update an older property to new build standards could cost up to £173,900
- First-time buyers are increasingly being pushed towards buying homes requiring major renovation because of mortgage affordability constraints, mortgage lender policies and a lack of Government-backed support
- New build homes already include many of the features buyers look to retrofit into older properties, including energy efficiency measures, modern layouts and offer lower maintenance requirements, and opportunities for personalisation

Context

Across England and Wales, affordability pressures are increasingly shaping home-buying decisions, particularly among younger and first-time buyers. For many, purchasing an older property is driven less by a preference for older homes than by mortgage lending policies and affordability criteria. Yet the UK has one of the oldest housing stocks in Europe, with many homes built before modern technical and energy performance standards. As a result, older properties often require significant improvements to meet the expectations associated with modern housing.

Rising mortgage rates have coincided with the withdrawal of Help to Buy, leaving first-time buyers without a major government-backed support scheme for the first time in decades. This comes at a time when affordability challenges are extremely acute.

At the same time, misconceptions about the cost and value of new build homes persist, with buyers often focused on headline purchase prices and perceived new-build premiums, without fully considering the costs associated with repairing, upgrading and maintaining an older property.

Taken together, these factors suggest new build homes can offer stronger long-term value than headline prices alone imply. HBF analysis, based on industry estimates, shows that upgrading an older property to modern standards can cost up to £173,900. Yet only 1% of those surveyed expected to budget more than £150,000 for renovating a 'doer-upper', while the majority expected to set aside no more than £50,000 (56%) and 65% believed that £75,000 would cover major upgrades including energy efficiency improvements.

Additionally, buyers often overlook the power to personalise a new build home – without having to oversee make-good works before they begin. Depending on the stage of the build, buyers have the opportunity to choose their finishes – from kitchen styles and bathroom tiles to flooring and worktops. Yet, the personalisation continues once keys are in hand, with the opportunity to transform the space. Social media is awash with new build buyers breaking the stereotype and transforming their new spaces into character-filled homes.

The difference, though, is the lack of *need* to make good in a new home, giving homeowners the luxury of time and a comfortable, modern, all-new home to live in without the need for costs, time and work to get the basics up to standard. This means the focus can move to aesthetics and cosmetic upgrades rather than a fundamental overhaul.

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Why are buyers choosing older homes?

Affordability is driving many purchasing decisions between older and new homes, with future financial commitments and maintenance costs overshadowed by immediate budgets – largely driven by mortgage affordability. Recent research by Nationwide Building Society found that two-thirds (66%) of first-time buyers are choosing a 'doer-upper' to reduce the initial purchase price.

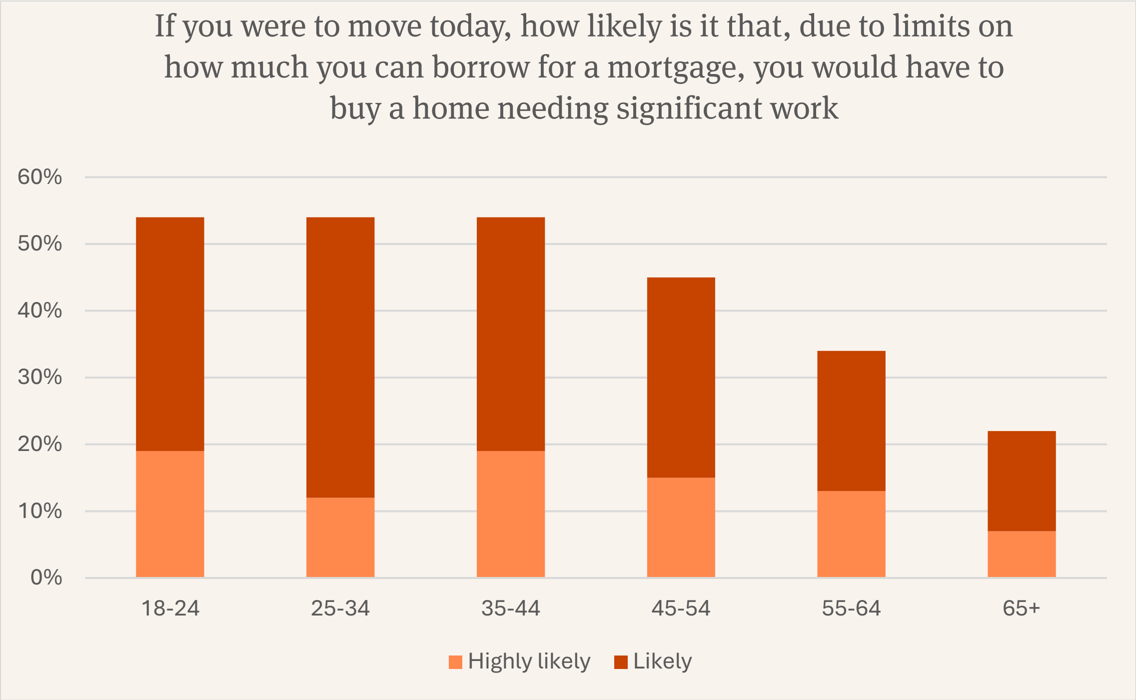
Similarly, our polling shows that 42% believe borrowing constraints would force them to purchase a property requiring significant work, rising to 54% among those aged 25 to 34. Meanwhile over one-in-three (38%) believe people only buy a 'doer-upper' because it's all they can afford vs 32% who believe it's down to them enjoying renovating.

Mortgage availability is also far greater for older homes than it is for new builds. Not all mortgage lenders provide loans to those purchasing new build homes and where they do their offerings are invariably less attractive than those afforded to buyers of 'doer uppers'. This is particularly the case for apartments where Loan-to-Values on existing properties will usually be five to 10 or even 15 percentage points higher meaning that a new build purchaser may need to find a deposit equivalent to 15% of the property's value whereas a second-hand purchaser will typically only need to find a 5% deposit. In combination with a lower headline price for a 'doer upper' this significantly tilts the mortgage financial equation in favour of a cheaper, less efficient home with higher running costs and more long-term maintenance.

> "42% believe borrowing constraints would force them to purchase a property requiring significant work"

The adoption of genuine 'green mortgage' products by mortgage lenders has been slow and marginal benefits that often accrue from such offerings – such as a slightly lower mortgage rate – are outweighed by higher deposit requirements on a property that likely has a slightly higher value.

This means many buyers – particularly younger households constrained by mortgage affordability – may ultimately purchase older homes that require significantly more work and cost than anticipated.



Previous HBF research found the average price-to-income ratio for first-time buyers in England is 10. This rises to over 12 in the South East, South West and East of England, and is over 16 in London.

Meanwhile, for the average first-time buyer, the monthly mortgage payment was 47% of net salary in 2004 and 2014 – by 2024 this had risen by 20 percentage points to 67%.

The growing size of deposits is also a barrier. The average first-time buyers in England would have to save 50% of their discretionary income for nine years to save the necessary deposit. This rises to 13+ years for those looking to buy in the South East and London after setting aside money for rent and bills with first-time buyers in England now typically facing a deposit that is more than 400% of their remaining income.

For the best part of 60 years, government initiatives aimed at supporting more people into home ownership have featured in the housing market to make home ownership more accessible by lowering the value of the mortgage required and, crucially, initial repayment costs.

The most recent of these was Help to Buy which played a significant role in enabling younger households to access modern, energy-efficient homes. HBF research shows that over its 10-year lifespan, almost 400,000 properties were purchased under the scheme, 85% of which were bought by first-time buyers.

The scheme was withdrawn in 2023 and in its absence, first-time buyers are increasingly facing a trade-off between affordability today and costly future renovation works.

Misconceptions around the 'new build premium'

For many buyers, particularly first-time buyers stretched by affordability constraints, a lower upfront purchase price can appear to offer better value. However, headline listing price comparisons do not account for the investment many older homes will need after purchase. In reality, this initial saving can quickly be chipped away at as buyers have to stomach the costs of essential repairs, modernisation, maintenance and energy efficiency upgrades.

Additionally, they don't reflect the incentives offered by many developers to bring down associated costs, for example, deposit contributions, Stamp Duty support and complimentary upgrades.

It's also difficult to compare like-for-like properties as today's new build homes are delivered to more exacting building regulations and standards. Many older homes were built long before modern energy technology and regulations were introduced and would therefore require extensive work to reach the same standard. As a result, homeowners can find themselves confronted with horrible histories that aren't visible during the initial property survey search caried out pre-purchase that ultimately require the attention of professional tradespeople incurring significant cost.

Research from Purplebricks revealed that two-fifths (40%) of UK homeowners failed to factor in the full costs of their move, being stung by £4,000 in immediate costs for unforeseen issues like boiler breakdowns and leaking roofs soon after getting the keys to a resale property.

Meanwhile, despite longstanding perceptions that a significant new build premium exists, Office for National Statistics data indicates that average new build prices remain in line with the wider housing market and the price of existing homes.

To better understand consumer perceptions on renovation costs and the 'new build premium', HBF carried out polling of a wide range of respondents. The findings suggest that many prospective buyers underestimate both the cost and complexity of renovating older properties, while also undervaluing the long-term financial benefits of new-build homes.

Nearly four-in-10 respondents (39%) had previously renovated a property. Consumers were broadly divided on the appeal of renovating a property, with 50% describing it as appealing and 48% as unappealing (2% were unsure).

The hidden costs of older homes

The appeal of a 'doer-upper' home is often rooted in the appeal of a lower initial price point with aspiration to personalise and improve the property overtime. With social media full of aspirational content focused on aesthetic transformations, the significant work and costs behind the scenes can often be overlooked.

In fact, research increasingly suggests that while renovation projects are perfect for some buyers, the realities are often underestimated. Nationwide Building Society found that two-thirds (66%) of first-time buyers are opting for a 'doer-upper' to save money on purchase price. Yet 75% of those buyers later admitted carrying out more work than they originally expected.

Similarly, HBF's own consumer polling highlights a significant disconnect between perceived and actual renovation costs:

- More than half (56%) of respondents expected to budget no more than £50,000 to renovate a 'doer-upper', with almost a third (29%) anticipating to budget no more than £25,000
- One-in-four respondents (23%) admitted they haven't got the skills to carry out any works themselves, and almost half confirmed they would either rely entirely or mostly on professional tradespeople (15% and 32% retrospectively)
- 65% believed that £75,000 would cover major upgrades including energy efficiency improvements and heating systems
- Just 1% identified that modernisation works could exceed £150,000
- 50% of respondents stated that they believed they had an accurate understanding of likely renovation costs, despite a significant gap between perceived and actual costs

These findings suggest many consumers are making purchasing decisions without fully accounting for the true scale of investment required to modernise older homes.

The potential costs of updating an older home to modern standards

Research conducted by HBF estimates the cost of upgrading a typical three-bedroom semi-detached home in England and Wales to the standards commonly found in new build homes today.

The analysis indicates that bringing an older home up to modern standards could cost between £57,350 and £173,900, with the costs of new standard energy efficiency features found in new build homes totalling up to £83,000 alone. It is worth noting that the variation in costs depends on the layout and style of a home, as well as additional design, labour and installation costs and differing materials – i.e. tiled flooring or upgraded worktops.

HBF's consumer polling found that one-in-four (26%) make a rough allowance for updates if they were to buy a 'doer-upper' without assessing the true actual costs in detail. Meanwhile the research showed that only 50% would be confident that they would have an accurate estimate of works before making an offer on a 'doer-upper'. With less than 1% expecting to put aside over £150k, and the majority expecting up to £75k to cover significant retrofit and updates, there's a clear disconnect between perceptions of how far a budget will stretch and the reality.

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Estimated upgrade costs

Activity	Average estimated costs (£)	Further details
New flooring	£4,000 to £5,000	Based on 65-80m2 of carpet and 20-30m2 of LVL flooring, standard underlay, fitting and basic removal of old carpeting
New kitchen	£5,250 to £28,400	
Bathroom renovation	£5,500 to £8,000	
Re-wiring	£4,000 - £8,500	
Re-plastering	£10,000 - £32,000	
Repainting walls and ceilings	£5,000 to £7,000	
New cloakroom w/c	£1,500 to £2,000	
Low carbon heating: e.g. Air source heat pumps and cylinders	£3,000 to £10,000	After £7,500 Boiler Upgrade Scheme grant
Electric vehicle charging point	£1,000 to £2,000	Typical installation cost
Solar panels	£5,000 to £10,000	Typical installation cost
Draught proofing and ventilation (basic through to MVHR)	£100 to £7,000	Basic draught proofing through to MVHR
Basic insulation (cavity wall insulation, loft insulation)	£1,000 to £4,000	Cavity wall and loft insulation
Major insulation (internal and external wall insulation, floor insulation, room in roof insulation, windows and doors)	£12,000 to £50,000	Includes wall, floor, roof, window and door upgrades
Total estimated upgrade cost	£57,350 to £173,900	

Table setting out the average cost of renovation activities for a three-bedroom semi-detached home in England and Wales. Please note that costs vary depending on property age and size, materials, the complexity of the project, and location, and labour costs.

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Energy efficiency and the costs of retrofitting

In addition to structural and technical upgrades, energy efficiency has become an increasingly important consideration. Research from E.ON shows that 70% of house hunters consider energy technology as a non-negotiable, with nine-in-10 house hunters (93%) listing energy solutions like solar panels and EV charging points, as must haves.

Improvements such as insulation, low-carbon heating systems, and renewable energy technologies can significantly reduce household energy consumption and carbon emissions. However, retrofitting these features into older homes can be complex and costly.

The introduction of requirements like Part L of the Building Regulations has made these elements mandatory for new builds and with the Future Homes Standard due to be required as standard from 2027 the energy performance and technology built into new builds will improve still further. This Regulation calls for additional technologies built into new build homes as standard, including:

- Solar panels equivalent to 40% of the dwelling's ground floor footprint area
- Low carbon heating, such as heat pumps
- A 'fabric first' approach to insulation

In recent years, home builders have increasingly been including many of these technologies into the design of new homes. As a result, new build housing stock is significantly more thermo-efficient than the existing housing stock. Research by the Home Builders Federation, in partnership with Octopus Energy, found that 87% of new build homes achieve an A or B EPC rating, with just 5% of older homes achieving the same energy efficiency performance.

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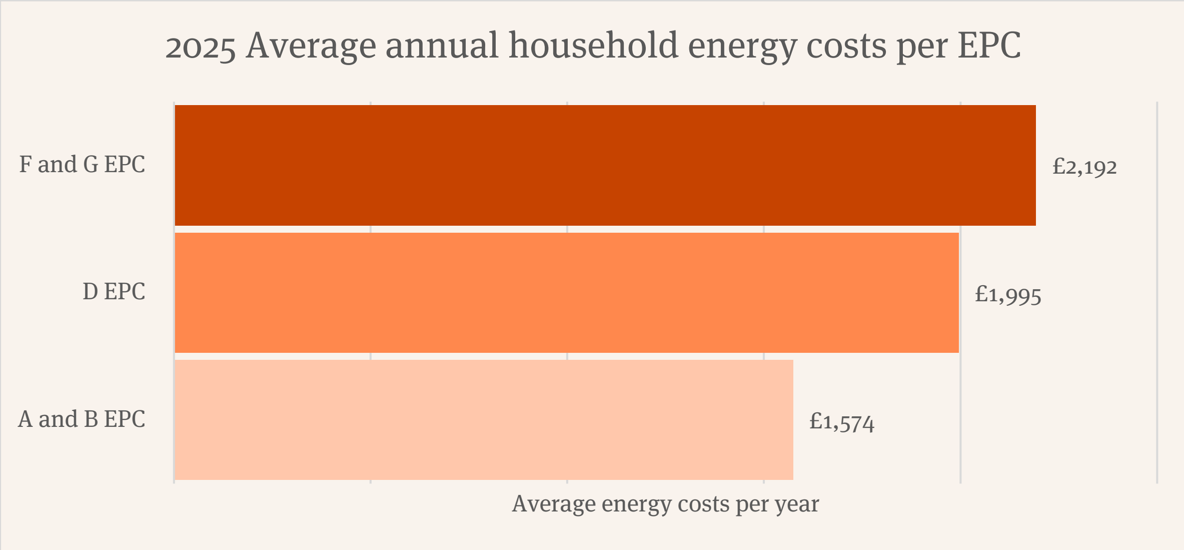

Watt a Save: The New Build Advantage, HBF and Octopus Energy

The research shows that the average older home with an EPC D rating uses 46% more energy than the average new build home rated EPC A or B. Properties with an F or G rating, which you could reasonably assumer to be 'doer-uppers', use 68% more energy on average. This translates into lower running costs too with household energy bills for new build homes around 20% cheaper on average — a potential saving of £420 a year. When comparing new homes with EPC F- or G- rated properties the potential saving rises to around £620 a year on average.

The report also finds that older homes produce around 50% more household carbon each year on average, rising to 74% when comparing new builds with F- or G-rated properties.

Value beyond the purchase price

Retrofitting older properties to the current standards would not only be disruptive but also come with a high price tag. HBF's Watt a Save report found that upgrading an older home to match the energy efficiency of a new build could cost up to £83,000. Meanwhile a separate study of five million property transactions (commissioned by Octopus Energy) found that new homes built to current modern standards can attract a 5 to 6% premium compared to similar existing properties.

Coupled with average potential energy savings, the running costs of a new build home are on average estimated to be around £420 a year less. When comparing new builds with properties with a G rating, which is more typical to a 'doer-upper', the average saving increases to around £620 a year.

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Additional research by HBF in conjunction with Waterwise also found that on average residents of new build homes save £126 (27%) of their annual water bills compared to older homes, using around 40 litres less each day.

Despite the lower running costs and reduced maintenance requirements typically associated with new build homes, only 19% of respondents believed that a new build property offers better value for money when purchase price, energy bills and renovation costs are considered together. This marks a significant knowledge gap that could be influencing purchasing decisions.

The power to personalise

The ability to personalise and make a home feel individual remains a strong motivator for buyers, particularly among younger households. HBF polling found that almost one-in-five respondents (19%) identified the opportunity to personalise a property as the main reason they would choose an older home over a new build. More broadly, 69% agreed to some extent that they would choose a 'doer-upper' because of the opportunity to add value and create a home that reflects their personal style.

Research from Rightmove suggests that, for those aged between 18 and 35, wanting a home that reflects their personality and feels truly their own is one of the strongest drivers of new build preference.

However, there remains a lingering perception that the ability to create character and personalise a home is only possible when purchasing an older property. In reality, new build homes offer buyers equal opportunities to personalise a home from the outset – without necessary remedial works to bring a property up to a liveable standard.

To satisfy that personalisation itch, new build buyers have the opportunity to select a range of choices before they move in, from kitchen finishes and flooring options to tiling, cabinetry, worktops, fixtures and landscaping.

Aesthetic design and layout are also increasingly important considerations for modern buyers. Contemporary lifestyles tend to favour open-plan or 'broken-plan' living spaces, larger kitchens, improved natural light, integrated appliances and flexible areas suited to home working and family life.

Achieving these layouts in older homes can require major structural alterations, including removing walls, reconfiguring layouts or extending properties, all of which add considerable cost and complexity. These costs, added to the basic updates listed earlier in the report could result in the works becoming financially unattainable. Conversely, many of these features are already incorporated into new build homes, therefore, buyers can often enjoy the benefits of modern design immediately, without the disruption and uncertainty associated with renovation projects.

Consumer polling

To further understand the impact of consumer perceptions on new build and renovation projects on buying decisions, HBF carried out consumer polling of 2,000 adults.

The findings show that the majority of the public believe that the primary driver for choosing a 'doer-upper' over a new build is budget-driven, and therefore influenced by perceptions of value. However, the research also demonstrates a significant lack of awareness in the value offered by new builds and highlights skewed perceptions of baseline costs to renovate 'doer-uppers'.

As a result, would-be buyers are potentially miscalculating the true costs of updating older homes, basing their assessment of the work needed on aesthetic upgrades and failing to account of hidden horrible histories and costs of skilled professionals in today's market. Meanwhile, many are overlooking the peace of mind and budget assurance that comes with new build homes, guarding buyers from unexpected expenses to make good once you've picked up the keys.

- Despite the lower running costs and reduced maintenance requirements typically associated with homes built today, only 19% of respondents believed that a new build property offers better value for money when purchase price, energy bills and renovation costs are considered together.
- There was a widespread underestimation of renovation costs. More than half (56%) wouldn't expect to budget more than £50,000 to renovate a 'doer-upper'.
- 56% believed that a £75,000 would cover major upgrades including energy efficiency improvements and heating systems.
- Just 1% of respondents expected to budget the correct estimate of over £150,000 to renovate a 'doer-upper'
- Yet, 50% of respondents stated that they believed they had an accurate understanding of likely renovation costs, highlighting a significant gap between perceived and actual costs.
- Almost a quarter of respondents (23%) admitted to not having any of the skills to carry out typical renovation tasks – including painting and decorating – to a good standard.

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- Notably, despite the low budget expectations, just 11% said they would expect to carry out most of the renovation work themselves, with half of respondents stating they would either entirely or mostly rely on professionals (15% and 32% retrospectively).
- Financial constraints emerged as a key driver of purchasing homes requiring extensive renovation. 42% of respondents said they would need to buy a property requiring significant renovation because of limits on how much they could borrow through a mortgage. Similarly, half of respondents said that affordability is the primary motivation for purchasing a 'doer-upper'.
- Respondents generally appeared optimistic about the practical challenges involved in renovation projects. Overall, 43% believed a major renovation would be manageable, compared with 32% who considered it unmanageable, suggesting that consumers may underestimate not only the costs but also the time, disruption and complexity associated with extensive refurbishment work.

Additional protection from unexpected costs

Home demonstrations are offered by developers before or shortly after move-in, helping homeowners understand the operation of systems and technologies within the property - from heating controls and ventilation systems to energy-saving technologies and appliances. This can help buyers settle into their new home and maximise the benefits of modern systems and technology from day one.

Another often-overlooked advantage of buying a new build home is the additional protection buyers receive after they collect the keys. Unlike the purchasers of older homes, new build buyers are not left to navigate or pay for problems with their new home after they move in.

As with any handmade product, minor snags and defects do occur in new homes. However, the key distinction is that buyers can have issues resolved without incurring large, unexpected repair bills due to additional aftercare protection that isn't available on the resale market. This includes a two-year builder guarantee period, during which builders are responsible for putting right any issues with the home and a 10-year structural warranty that covers buyers against any significant issues in those early years. By comparison, purchasers of older properties can often uncover hidden issues only after move-in.

Beyond builder warranties, many new build buyers also benefit from additional independent consumer protections. More than half of the country's home builders are now voluntarily registered with the New Homes Quality Board (NHQB), giving customers access to a strengthened consumer code that requires them to deal with any issues a customer has in a prompt and effective manner, and in the event they don't, access to redress via the independent New Homes Ombudsman Service.

Developers have made significant inroads in quality and satisfaction in recent years. The 2026 National New Homes Customer Satisfaction Survey found that 93% of buyers would recommend their builder to a friend, while more than 90% reported being satisfied with the quality of their home. While the value of this added peace of mind is difficult to quantify financially, for many buyers the reassurance and protection from unexpected costs is invaluable, particularly for first-time buyers already stretching affordability to access the housing market.

Conclusions

Resetting public understanding of the true value of a new build home

There is no one right type of home. While renovation projects suit some buyers, the benefits of new build homes make them a preferred choice for many others. However, it is important that consumers have access to solid information to support their buying decisions.

Upgrading older homes to meet modern standards can involve significant financial investment and careful planning. Given the age of much of the UK's housing stock, upgrading existing homes will remain an important part of improving housing quality and energy performance. However, these findings also emphasise the importance of recognising the benefits of modern homes that are built to current standards from the outset, as well as ensuring consumers have clear information when considering their housing options.

The value of a new build should not be measured simply by headline purchase price, but by the cost certainty, efficiency and long-term resilience built into the home. By improving transparency around renovation costs, continuing to invest in grants to support energy efficiency improvements in existing homes, and enabling the continued delivery of high-quality new homes, policymakers can help ensure more people have access to homes that meet modern standards while supporting long-term improvements to the UK's housing stock.

Additionally, the research highlights the impact of current mortgage affordability constraints on decisions to buy, blocking many buyers, particularly first-time buyers from being able to purchase and realise the benefits of an all-new, energy efficient home. Help to Buy played a significant role in enabling younger households to access modern, energy-efficient homes. At a time where cost of living continues to increase, this longer-term view of affordability should be recognised.

It is important that buyers are empowered with transparent information about the costs of homeownership, but also that these potential cost savings are factored in to affordability considerations.

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Methodology and references

Costs to upgrade

Our costs to upgrade are based on a 3-bed semi-detached house. We have chosen this property type because, according to the Census 2021, semi-detached housing is the most common accommodation type in occupied dwellings. Additionally, dwellings with three bedrooms are the most common across all English regions and Wales. ONS, 2023, Census 2021 - Housing in England and Wales: 2021 compared with 2011 (latest release).

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Consumer polling

Consumer insights based on a survey of 2,000 adults, consumer research carried out on 26 April 2026.

The Home Builders Federation (HBF) is the principal representative body for private sector home builders and the voice of the home building industry in England and Wales. HBF member firms account for some 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from widely recognised national firms, through regionally based businesses and small local companies.

View industry research at hbf.co.uk/research-insight