

LV= insurance research reveals untidy neighbours are bad for your wealth



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The latest LV= home insurance survey reveals addresses in Britain are being devalued by a total of £71 billion* as a result of eyesores in the local neighbourhood.

Of those questioned, 44% Brits live close to a dilapidated home which experts say typically knocks up to 10%** (£15,675) off the average house value of neighbouring properties.

Common 'neighbouring problems' which can affect a property's value include overgrown or unkempt front gardens (22%), peeling paintwork (19%) and dumped furniture or mattresses left outside the property (10%). Persistent noise pollution such as invasive music from a house next door (11%) can also reduce the value of a typical property by an average of £18,000.



Analysis commissioned by [LV= home insurance](#), reveals that would-be homebuyers assume that these problems indicate a 'neighbour from hell' which reduces the price they are prepared to pay and in many cases completely deters buyers from making offers.

Currently 11% of UK adults live next to a rundown property and generally the closer the proximity of a neglected or noisy home, the greater the effect on a property's value, according to chartered surveyors Zennor Consultants.

In the present market downturn, valuation surveyors are also more likely to down-value a property where they can see that the tone of the area is negatively affected by evidence of anti-social behaviour, or by a significant lack of maintenance on adjoining properties. Conversely, when property prices are booming, they are often more willing to overlook even significant defects.

Poor maintenance of the house next door can also have other serious consequences. 33% of Brits have had their homes damaged by an adjacent property. Frequent problems include flooding or damp (11%), pest infestations (11%) and adjoining fence damage (9%), which overall costs the average homeowner £1,600 to repair. Just 19% of the next door properties' owners covered such costs - either from their own pocket or by claiming on insurance.

John O'Roarke, managing director of LV= home insurance, said: "This research shows that the financial price of living near to an untidy neighbour could have dire consequences, not only on your lifestyle but also on a home's value and maintenance costs.

"People living near these properties need to ensure they have suitable home insurance in place so that if the worst does happen they can claim for any damage to their home. Our research also found that unkempt properties have caused seven per cent of homeowners to fall out with their neighbours, so ensuring a good relation is always sensible - that way unpleasant situations can often be prevented."

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Notes to editors:
Research carried out on behalf of LV= by Opinium Research and Zennor Consultants.

* According to DCLG there are 25,754,000 UK households. 44% adults live near untidy property. Average UK house price £156,756 (Land Registry March 2009). Average reduction in value for an untidy street property = 4%. $£6,270 \times 0.44 \times 25,754,000 = £71,050,135,200$

** According to Zennor Consultants in March 2009.

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[LV= insurance](#) offers pet, home, travel and [car insurance](#) direct to consumers by telephone from its UK call centres in Bournemouth and Croydon and online from its website. LV= has been awarded the Defaqto five star rating for home insurance and car insurance. LV= insures over 1.6 million cars and 480,000 households in the UK.

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