If you've received an extension quote on the higher side, you might be staring wide-eyed at the VAT line wondering why exactly a £80,000 extension suddenly feels like a £96,000 project. That hidden or sometimes overlooked VAT at 20% tacks on a hefty chunk that catches many homeowners off guard – often leading to what I call the “budget shock VAT.” Today, we'll unpack why this VAT difference exists, how it impacts your extension budget in places like Solihull, and what you should check before signing on the dotted line.

Why the £16,000 VAT Difference on an £80,000 Extension?

Simple math: VAT (Value Added Tax) in the UK sits at 20%. If a builder quotes your extension at **£80,000 excluding VAT**, adding 20% means an extra **£16,000**. Some companies state their prices VAT-inclusive, others don’t, and this can cause confusion. For clarity, always carry out an *extension quote VAT check* to confirm whether VAT is included or should be added.

Description Cost (Excluding VAT) VAT @20% Cost (Including VAT) Extension Cost £80,000 £16,000 £96,000

This highlights precisely why homeowners often get “budget shock VAT.” Some quotes you get via online platforms like Checkatrade or MyJobQuote might only show the labour and materials cost excluding VAT, so don't be shy about asking your supplier directly if VAT is included or extra.

The Solihull Price Gap: Driving “Extend Not Move” Trends

According to the Office for National Statistics (ONS), with the May 2026 local house price breakdowns, Solihull has become a prime example where local property prices have far outstripped the national average. House prices have been rising notably in Solihull, but moving costs have ballooned due to stamp duty and fees. This phenomenon encourages many to rethink the "move up the ladder" strategy in favour of extending their current homes.

- **Average price of a 3-bed home in Solihull:** £350,000 (ONS May 2026 data).
- **Average extension cost:** £80,000 to £120,000 depending on size and specification.
- **Stamp duty and fees on moving:** Easily £10,000 to £20,000 extra.

The gap between extension costs (with VAT) and the extra money dumped into moving costs is a major push for local homeowners to stay put and expand. A well-planned single or two-storey extension not only adds usable space but avoids hefty “moving costs that add no space” such as stamp duty and legal fees.

Extension Costs by Size and Type: The VAT Difference

Extension costs vary a lot by the size, type, and complexity of your project. Here’s a sanity check based on typical UK extension costs per square metre:

Extension Type Average Cost excl. VAT (per sqm) Average Cost incl. VAT (per sqm) Notes Single-story Extension £1,200 - £1,500 £1,440 - £1,800 Most popular, generally simpler planning. Two-storey Extension £1,600 - £2,100 £1,920 - £2,520 More complex, adds bedrooms/bathrooms upstairs.

For example, a modest 50 sqm single-storey extension quoted at £1,350 per sqm amounts to £67,500 excluding VAT. Add 20%, and the total rises to £81,000. It’s this VAT add-on that can shift your extension budget beyond expectations.

Don’t Forget: Check Planning and Permitted Development Rules in Solihull

Planning requirements can impact cost and feasibility. Before moving ahead, consult Solihull Council's pre-application enquiry service. This tool helps you confirm if your extension falls within permitted development rights (which usually avoid planning permission and associated fees) or if you need a full planning application.

- **Permitted Development Limits:** Single-storey extensions are often limited to 6 metres for detached homes.
- **Two-storey Extensions:** Almost always require planning permission.
- **Conservation Areas or Article 4 Directions:** Can restrict size and materials, inflating costs.

Ignoring these checks might lead to expensive redesigns, enforcement issues, or rejected plans — factors that can blow your budget and timeline.

Moving Costs: What You're Paying for Without Gaining Space

When weighing the extend vs move dilemma, some costs come up that don't increase your living space but are unavoidable when moving:

- **Stamp Duty Land Tax (SDLT):** For an average Solihull house at £350,000, this can range from £5,000 to £15,000 depending on thresholds and additional property surcharges.
- **Estate agent fees:** Typically 1.5%-3% of the sale price - around £5,250 to £10,500 on a £350,000 home.
- **Moving and relocation costs:** Removal companies, surveys, solicitor fees, and mortgage arrangement fees often add up to £3,000–£5,000.

When you add these up against the *vat at 20% included* extension budget, staying put and extending often becomes the more economical and practical solution for many Solihull residents.

Extension Quote VAT Check: What People Forget to Budget For

Time for the https://solihullobserver.co.uk/lifestyle/why-solihull-homeowners-are-extending-instead-of-selling-up/ sanity check. Here are some commonly forgotten items that might add to that VAT-inclusive total and cause nasty surprises:

- **Contingency Fund (at least 10-15%):** Unexpected site conditions, material price rises or specification tweaks.
- **Professional Fees:** Architects, structural engineers, party wall surveyors — often quoted excluding VAT, pushing your costs higher.
- **Planning and Building Control Fees:** Separate from builder quotes and often forgotten in the budget.
- **Electrical and Plumbing Upgrades:** If your extension demands new circuits, boilers or plumbing, these can involve VAT and considerable costs.
- **Landscaping and External Works:** Driveways, patios or garden walls may be needed at the end.

Always ask your contractor or use online platforms like MyJobQuote and Checkatrade to get multiple detailed quotes that explicitly state if VAT is included and what's excluded. This protects you from nasty budget shocks.

Final Thoughts: Don't Let VAT at 20% Included Catch You Off Guard

When budgeting for your Solihull extension, be clear on whether your quote includes VAT or not — that extra 20% will transform your project cost dramatically. With house prices pushing moving costs ever higher, many are rightly choosing to "extend not move." But make sure to check planning rules carefully with the Solihull Council pre-application enquiry, planning application and permitted development checks to avoid costly delays.

Keeping your extension quote VAT check in mind, factoring in contingencies, and budgeting for associated fees can save you from budget shock VAT and ensure your extension project runs smoothly from quote to completion.

Remember: an informed homeowner is an empowered homeowner.