

## COST vs VALUE

### Remodels That Pay, And Five Mistakes To Avoid

Whether you're considering remodeling worn-out surroundings, enlarging your home for a growing family or rebelling against yesterday's standards, you have important investment choices to make.

You'll want to choose home improvements that not only pay off in recovery of the money you spend, but also help you get a better price for your home when and if you sell it. Keep in mind, however, it may be a smarter move to sell and buy again, in today's market, rather than endure a major construction project. After all, even an 80% recovery at resale is still a 20% loss.

Here's how to divide the payoffs from the puffery.

#### **Improvements That Pay Off**

- 1.) **Kitchen Renovation.** New flooring, cabinets, countertops and appliances can be costly, but buyers typically look for updated kitchens. You are likely to recover a large percentage of your kitchen renovation expenses on resale. If your basic kitchen plan it good, you may not need a major remodeling. Even a minor facelift-painting, new floor covering, new cabinet doors and hardware, for example-will pay off in a faster sale at a better price.

**Tip.** Best bets; light neutral colors, plenty of cabinet and counter top space, new lighting fixtures, new energy efficient appliances.

- 2.) **Bathroom Addition.** Another bath is not only a convenience; it may sharply enhance the sale possibilities of your home. Two and three bathrooms are standard fare in many neighborhoods. Upgrading an existing bathroom is likely to pay off in both value and marketability, especially in an older house.

**Tip.** Opt for good lighting, large mirrors, easily cleaned materials, plenty of storage space, neutral colors. Consider location and accessibility of an addition.

- 3.) **Room Addition.** Adding a new room is likely to pay off if the addition puts your home in the same class as others in your neighborhood. Family rooms, sun rooms and master bedroom suites are hot items now- and the extra space may be just what your family needs.

**Tip.** Choose materials and style to blend with the existing house; consider traffic flow, accessibility to other rooms.

- 4.) **Deck Or Patio Addition.** Decks to make a home homier - as a gathering place to extend family life outdoors - for Saturday barbecues, Sunday brunches, midday

respites. Best playbacks: decks or patios off living areas (kitchen, family room, and dining room), decks with a view or overlooking your own well kept garden.

**Tip.** Build deck or redwood, cedar or pressure-treated wood; design decor patio to harmonize with the architecture of the house; consider a low-level deck for children's safety.

- 5.) **Energy Efficient Improvement.** The major savings or improved energy efficiency will be in your fuel bills, but your energy-saving home will also likely pay off when you sell. If existing windows are drafty or unsightly, consider replacing with insulated windows for heating/cooling efficiency and resale value.

**Tip.** Minor energy upgrades are real winners: caulking and weather stripping around doors and windows, attic insulation, set-back thermostat, heat-reflecting awnings or shades, water-heater insulation, ceiling fans for air circulation, good maintenance or heating/cooling system, a whole-house electrical surge-suppressor to maintain appliance efficiency and protect electronic equipment. Many are do-it-yourself projects, which-if done correctly-bring the best payback.

### **Improvements That May Not Pay**

- 1.) **Over improvements.** Add the costs of your proposed remodeling project to the current market value of your home. If the total is more than 20% over average neighboring home values, you can't expect to recoup your remodeling expenses when you sell.

**Tip.** To be sure your improvements are good investments; ask me for a comparative market analysis to determine your home's value range.

- 2.) **High-Cost, Single-use Improvements.** It's certainly pleasant to have a swimming pool to plunge into whenever the spirit moves you, and a tennis court on the back corner of your property would allow you to play without signing up for the court. But not every buyer wants such luxuries, and some are reluctant to buy a home with high-maintenance-cost features. You might have to wait some time to find buyers who are willing to pay the extra price that would allow you to recover your investment.

**Tip.** Consider carefully before you undertake a high cost, low value remodeling project. You may decide to go ahead because the advantages for you outweigh the possible financial loss- but you should understand what you are getting into.

- 3.) **Flamboyant Architecture.** You may-although you live in a ranch or colonial style house-yearn for the gingerbread that used to embellish your grandparents' home, or the giant columns that graced Tara in "Gone With The Wind." You

might be crazy about pink stucco or really like thatched roofs. Fine, but understand improvements that are compatible with the way the rest of the house looks will make it harder to find a buyer later.

**Tip.** Look for ways to get your heart's desire without clashing with your house. Paint the shutters pink instead of covering the whole house in pink stucco, for example or use the gingerbread embellishments on a gazebo in the backyard.

- 4.) **Inappropriate Interior Features.** Here, again, personal preference may displace resale sense, and that's the case, go ahead and put those gold fixtures in the bathroom, the do-it-yourself forest landscape on the kitchen wall, the baroque chandelier in the dining room.

**Tip.** It may be worth the double expense to you to put your individual features into the house now and then replace the items when you put your home on the market.

- 5.) **Elaborate Landscaping.** It's hard for a genuine gardener to landscape inappropriately, but one owner's dedication may be another owner's nuisance. With resale and maintenance demands in mind, it's a good idea to avoid potential problems: flower beds and shrubbery that require professional care, pathways of pebbles through which weeds peek, formal garden plots that look disreputable when nature insists on making growing things sprawl, picket fences that need frequent repainting, complicated outdoor spotlighting that can require expensive repair.

**Tip.** Good landscaping adds much to a home's value. Plan and plant with your future resale in mind, and you'll enjoy the yard more now, too.

### **To Help You Decide.**

Some of my clients are surprised to learn it may be easier to sell and buy again than to endure major remodeling, Call me for up-to-the-minute real estate market information to help you make your decision.

**The Home Selling Team of RE/MAX Michael Cowling And Associates Realty welcomes the opportunity to share information with you. If we can help you with any real estate information or service, call us at 604-276-2335, or email us at [mc@michaelcowling.com](mailto:mc@michaelcowling.com).**

