

How Much Can You Expect To Recover From Your Remodeling Investment?

By Mike Heslin, President of HBRA

While there are many reasons why homeowners choose to remodel, the bottom line is that remodeling makes your house more enjoyable to live in. The intangible value of this added pleasure must be considered, along with any resale value you hope to gain. But there is no doubt that as far as improving the sales price of your home, all remodeling projects are not created equal.

A good rule of thumb is that any remodeling project which brings your home up to the level of the others in your neighborhood is a worthy investment. For example, if your home has just one bathroom, adding a second bath will probably more than pay for itself when you sell the home, since the average home had two and a half baths. The same is true for a minor kitchen remodel, where you add a few amenities and resurface worn and obsolete tiling, counter tops and cabinets. Not only will projects such as these raise your home's value, but they may mean the difference between selling and not selling your home.

Potential buyers will be comparing your home to ones newly built. When planning a remodeling project, you'll want to look at the design trends and amenities being built into new homes. Master bedroom suites, media rooms and improved use of natural light are three trends often found in newly built homes.

Be sure to consider, too, the quality of the craftsmanship. During the housing boom of the late 1980's, home prices were rising so quickly that even remodeling projects of mediocre quality could raise a home's value. That's not the case now, as the economy has leveled out. Buyers are better informed than ever before, and they are demanding a higher level of quality and professionalism.

By making careful choices of projects and contractors, you will ensure that the investment of your hard-earned dollars in a remodeling project is worthwhile. The NAHB's 2001 "Remodeling Trends" consumer survey revealed that 46% of those surveyed had added more than \$150 for every \$100 invested in remodeling to the value of their homes. With a research and planning, you'll be able to join this fortunate group.