

REMODELING COST VS. VALUE

Will remodeling translate into higher resale value?

All of the DIY (Do It Yourself) shows transform boring and outdated homes to modern, contemporary and appealing homes right before your eyes. The one thing you must keep in mind is that just because you think your remodeling looks good and should add value doesn't mean it will.

The good news is, for the second year in a row the Cost vs Value survey data by Hanley Woods shows the cost-value ratio is up to 66.1%. This means that if you spent \$1,000 on home upgrades on average you would recoup about \$661 in resale value. The top five gainers along the front-range and mountain communities in Colorado for 2014 are:

- Attic Bedroom Remodel- 95%
- Two Story Addition- 89.3%
- Family Room Addition- 87.6%
- Deck Addition- 85.1%
- Minor Kitchen Remodel- 83.5%

While three of the five biggest gainers can be very costly, starting with a few affordable DIY-friendly home improvement projects can pay off and make buyers take notice:

Improve landscaping. When it comes to curb appeal, your landscaping can pack a powerful punch, for better or worse. While many people focus their improvement dollars indoors, don't overlook that first impression that strikes a buyer before they even get out of the car. And you don't need a green thumb to reap rewards. Simply maintaining a freshly mowed lawn, removing dead plants and branches and adding colorful annual flowers or shrubbery can add 7 to 15% to your home's value, according to the National Association of REALTORS®.

Upgrade lighting. While you may have tolerated your dated dining room chandelier, buyers may not be so forgiving. Switching out light fixtures for more updated styles is a low-cost, low-commitment home upgrade. Under-cabinet lighting is another quick-fix. Many home improvement stores now offer easy to install plug-in lights that deliver the look of a high-end custom kitchen, and don't require electrical work. If you do update lighting that requires wiring, make sure you work with a licensed professional to ensure they're safely installed.

Give your kitchen cabinets and countertops a facelift. Buyers will always pay special attention to the kitchen and tend to be critical of outdated cabinets and countertops. While installing new

cabinets can be expensive, you can easily rehab existing cabinets and countertops that are in otherwise good condition. Refinish the doors, drawers and cabinet fronts with a fresh coat of paint, stain or a veneer, and install new pulls that match the finish of other kitchen fixtures. To create the feel of a modern, functional kitchen, consider retrofitting your current cabinets with pull-out drawers, organizers, and retractable trash cans.

Give your bathroom a facelift. The bathroom is another area of your house that most people spend a lot of time. Know what buyers are looking for in today's market. Do they prefer a walk-in shower versus a tub? Replace the linoleum tile the house came with, replace outdated fixtures etc...

Replace flooring. Flooring is often a cosmetic feature that can make or break a sale. Flooring, like worn-out carpet or stained tiles, can be a turn-off to buyers that see the update as a major project and barrier to a "move-in-ready" home. The promise of a future project is enough to chase away many of today's "move-in ready" buyers. But what's underfoot is also relatively easy to remedy. Hardwood flooring is a safe, classic and durable choice. For DIYers looking to save on costs, try easy-to-install engineered wood flooring.

The resale value of your remodeling projects lies in the eye of potential buyers. Upgrading finishes may make a house easier to sell, but it may not affect the sale price as much. Do your research first and ask your REALTOR® based on their experience what remodeling projects they have seen make a difference in pricing a home and what has been most appealing to prospective homebuyers. Then determine if remodeling your home or specific areas in your home is worth the cost in potential value.