

# Home Improvements

## Five Projects That Pay Off And Five Mistakes To Avoid

**W**hether 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 is good, you may not need a major remodeling. Even a minor face-lift — painting, new floorcovering, 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 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 home.

**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 home; consider traffic flow, accessibility to other rooms.

#### 4. Deck or Patio Addition.

Decks make a home homier — as a gathering place to extend family life outdoors — for Saturday barbecues, Sunday brunches, mid-day respites. Best paybacks: decks or patios off living areas (kitchen, family room, dining room), decks with a view or overlooking your own well-kept garden.

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

#### 5. Energy Efficiency Improvement.

The major savings of 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 weatherstripping around doors and windows, attic insulation, set-back thermostat, heat-reflecting awnings or shades, water-heater insulation, ceiling fans for air circulation, good maintenance of 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. Overimprovements.** 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 us 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.



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