

How To Get The Most For Your Remodeling Dollar

By Charles Hoffman

I've recently been looking into downsizing for my 85 year old mother, who now lives in a five bedroom three bathroom home that is getting to be a little much to take care of for a four foot eight woman with an active social life. Just getting the place presentable for a marathon game of canasta with the other members of the little old lady mafia in her neighborhood can take days. All of which is to say, navigating the slippery slope of what something is worth in the real estate market today is not for the faint hearted.

For example, the first thing you'll find is that everyone's house, no matter how big, or small, or crumbling at the seams, is worth at least 200K – except yours, which somehow (according to buyers) no one will buy for over 150K, unless you spend about 50K fixing it up. Is this for real? Well...yes and no. Top cosmetic improvements can bring your house up to whatever is the highest prevailing price in your neighborhood, but if you think spending \$50,000 is going to add \$50,000 to the value of your home over and above what homes in your neighborhood are selling for think again. Nobody is going to spend \$350,000 for a home in a development where every other house is selling for \$250,000.

However, there are things you can do to bring your home on a par with other homes in your area so you can comfortably ask for top dollar and, unlike the more realistic market of some years ago, you may even actually realize a bit more on your home than what you've put into it. According to a recent article in Parade magazine a kitchen remodel costing around \$15,000 helped the homeowner realize an approximately \$22,000 increase in the value of their Florida home. This kind of added value is in no way a sure bet except in the hottest of the hot markets, so invest in remodeling carefully. Another word to the wise: remember, part of the value equation for any home is what you've actually gotten out of it by living in it. If you want to start renovating for sale, do it when you move in or do it over time as you live in the home. That way, you'll reap the energy saving benefit of those new energy saving windows, and enjoy the convenience of those deluxe appliances, or that new deck with a gas grill and get your maximum value out of them before you pass them on, lovingly cared for, to a new owner.

What are the most desirable home improvements? Well, renovated kitchens and bathrooms top the list. Over the past few years remodeling these essential spaces deliver around 80 percent and more of their cost in resale value. Adding a bathroom, another bedroom, a deck or other outdoor

entertaining area and then cosmetic improvements like exterior siding and so on also top the list of improvements that make a difference in the value of your home. Things that you might think would add value but surprisingly, do not, are swimming pools (which can actually lower the value of your home everywhere except places like California, Florida and southern-most climates) and over the top fixtures and accessories. You are unlikely to get back the money you spent on all of those 24K gold faucets and fixtures or Waterford crystal chandeliers, unless every house in your neighborhood has them.

If you do want to update your home for sale, remember appearance is everything. Look at your neighbors' homes, or the houses that have sold for the top prices in your development (take advantage of open houses and if you're thinking of selling, start looking at every house in your neighborhood.) Do the things that add the most sizzle for the least amount of cash. You are going to see a lot of "six panel doors" out there and, actually, since ones of reasonably good quality can be had for around 50 bucks apiece, they make an attractive upgrade for three to five hundred dollars. Also, you should clean, freshen and paint. A well maintained home without a lot of dirt and clutter inspires confidence – and that includes outdoors as well.

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