

Best payback on remodel

Q: In your opinion, what home improvements (kitchen remodel, new front door, or wood floors) offer the best payback on investment when you are trying to sell?

A: It really depends on the condition of the house, what existing problems it might have, what your competition is in the neighborhood, what the price range is, and several other factors.

First and foremost, I always recommend that people fix what's broken. Today's buyers are very savvy about maintenance issues, and anything that obviously needs repair is going to jump out at most people. Also, when a potential buyer sees the first defect, he or she tends to start being more aware of others. So take care of all those loose screws and broken window screens and sticking doors and towel bars that are hanging on by a thread.

Kitchens are always one of the primary selling features for a home in just about any price range. If you have an outdated kitchen with dark wood cabinets, outdated appliances, older counters, a poor work flow, or other problems that could be solved by a partial or complete remodeling, you will generally see more of a return on the home's selling price than the amount of money you invested in the remodel.

Bathrooms are another area of the house that returns well on selling. If the home has only one bathroom, the addition of a second one is generally a huge return. Adding a bathroom to a master bedroom to create a master suite is typically another good return, as is remodeling outdated bathrooms.

You also want to take a good look at your home from a curb appeal standpoint. Updating old, single-pane windows is a big feature, as is a new roof if your old one is on its last legs. You will probably see only an even-money return or even a slight negative on these big expenditures, but in my opinion they make the home easier to sell.

A new front door might be a good investment if the other one is damaged or worn out. Also look at exterior paint, landscaping, fences, walkways and other outside areas -- especially in the front -- that could use repair, replacement or just a sprucing up.

Another big thing is interior paint, which is a fairly minimal investment if you do the work yourself. Paint that is old, faded, dirty, or otherwise doesn't show well is another one of the maintenance things that make a positive or negative impression on people. I would also suggest painting over walls that are red, hot pink, bright yellow, or other colors that might have a limited appeal -- you don't need to paint everything white (in fact, I'd recommend against it), but go with colors that are more neutral.

As to wood floors, they are definitely a hot feature at the moment. Replacing old flooring with new hardwood is a selling feature, but I couldn't say how much of a payback you would see on the investment, other than making the home easier to sell. Also, in my experience true hardwood flooring -- either prefinished or finish-in-place -- is a better selling feature than laminate flooring.

Finally, be sure you don't overbuild for your neighborhood. Sinking \$40,000 into a major kitchen remodel in an area of starter homes is not going to pay back very well, so keep the general price range of homes in your area in mind as you do your planning. An experienced real estate agent can help you in that regard as well.

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