

10 Ways To Increase The Value Of Your Home

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In a dour housing market, wouldn't it be nice to know that your remodeling project would pay off when you went to sell the property? Remodeling Magazine evaluated the top remodeling projects, how the cost-to-value has changed since the housing market implosion, and which projects are still worth the investment. Using the magazine's "Cost Vs. Value Report for 2008-2009," let's look at some of the best projects you can undertake and recoup the majority of your cost.

Upscale Projects

Siding Replacement (fiber-cement or foam-backed vinyl).

With the economic slump, home buyers aren't being dazzled by bells and whistles as much as they are improvements that will ensure lower repair and utility bills. Although replacing current siding with fiber-cement has lost value from 2007, it still nets an astonishing 87% ROI. If you prefer a foam-backed vinyl product replacement instead, you can still look to recoup 80% of your cost.

Window Replacement (vinyl or wood)

Windows are not only an aesthetic feature. For most homeowners, they represent one of the easiest ways to lower home heating and cooling bills. By replacing your current windows with more efficient vinyl or wood ones, you can save on your utility bills, attract future home buyers and net a nearly 80% (vinyl) or 77% (wood) return on your investment.

Bathroom Remodel

Depending on the size and amenities of your desired bathroom, you could expect to pay over \$50,000 to tear out walls, repair joists and wall studs, change structural elements and make major layout changes, such as switching a toilet and shower. However big the price tag, you can still expect to recoup nearly 71% of the cost (which would be \$36,400 if you have a \$50K bill) when you go to sell. This project increased its value since 2007, while its sister project - adding a complete bathroom - fell in value.

Major Kitchen Remodel

Kitchens are typically the most frequently used room in a home, so it makes sense that investing money here is going to pay off when it comes time to sell. While a major kitchen renovation is usually the most time-consuming and expensive home improvement job (averaging more than \$110,000), it's also one of the most profitable. Regardless of the size of your financial layout, you can expect to get a nearly 71% ROI.

Deck Addition (composite product)

With families cutting their entertainment budgets, they're spending more time at home, so it makes sense that adding a deck (composite, not wood) is a good investment. You can plan on recouping 63% of your total job cost to boost your home's value by nearly \$24,000 if you paid the average job cost of \$37,000.

Mid-Range Projects

While all of the mid-range projects dropped in value versus cost since 2007, there are still numerous projects that will net you a significant ROI. Here are a few of the best bets for your money:

Deck Addition (wood)

If your bank balance can't swing the higher price tag that comes with composite decking, you may still be able to afford a wood addition on to your home. While a wood deck would cost you, on average, in the neighborhood of \$10,000, the resale value it will add to your home is more than \$8,600 - an 81.8% return on your investment.

Siding Replacement (vinyl)

Fiber-cement or foam-banked vinyl are often more preferable siding upgrades, but getting vinyl siding replacements instead is still a good choice. You can recoup nearly 81% of your cost which, if the job cost you more than \$10,000, means you could add more than \$8,200 to your home's value.

Minor Kitchen Remodel

With belt-tightening in style, people are turning to minor kitchen improvement projects instead of major overhauls. It turns out that that choice is not only frugal, but financially wise. While major kitchen remodeling jobs can still, on average, return a nice 70% ROI for homeowners, minor kitchen remodeling jobs net an even higher 79.5% return.

Attic Bedroom

Anytime you can add bedrooms, you're going to add to the overall value - and listed purchase price - to your home. If your attic's dimensions allow you to convert it to a bedroom, you may want to consider investing the money to do so. You'll add some sleeping space and net a nice 74% return when a new buyer puts your home under contract.

Basement Remodel

If you're fortunate enough to live in an area with a water table high enough to permit basements, you should think about squeezing all the value you can out of it. By remodeling and finishing a previously-unfinished basement you can expect to get nearly 73% of your investment returned with a higher list price, come time to sell.

Conclusion

If you have savings or access to **reasonably-priced credit**, it's worth it to consider home improvement projects that will produce the best return for your time and money. Make sure you work with a reputable, licensed contractor (to avoid costly errors or budget overruns), and before you undertake any project it's a good idea to check and see if it could significantly increase your property tax bill.

While it may still make sense in the long-run to undertake the project and add overall value to your home, you may need to make a few budgetary changes so that you don't get caught off-guard when the tax bill comes.

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