

Remodeling For Resale Value

Home owners who remodel their homes or make improvements to their property naturally hope to recoup any costs when it comes time to refinance or put their home up for sale. However, when it comes to financing and the real estate market, some remodeling jobs are more valuable than others. If your main goal in doing a remodel is to raise the sticker value of your home, you might want to do some research on which remodels give you more bang for your buck.

Kitchen and bathroom remodels are a surefire bet, since they are valuable to home buyers today. These remodels usually pay back about 95% of their own cost when it comes time to appraise the home. Kitchens and bathrooms go out of date quickly, and are two of the most-often used rooms in a home. If you're planning on a remodel, this is the first place you should look.

Other remodeling jobs, although they might be pricey and they may sound great, simply don't have much impact on the home's market value. Building an outdoor pool, for example, is not a good investment for today's home owners. Buyers simply aren't looking for pools in their yards nowadays, and you're not nearly as likely to get your money back if you go to the trouble of installing one. It's ironic considering that a minor kitchen remodeling will most likely cost you thousands less than a pool, and yet it will be reflected in your market value at a much better rate. Installing a fireplace, which generally costs around \$3,000 or less, depending on the home, can be a great step. While not as lucrative as redoing your kitchen or bathroom, or building a new room or a patio, a fireplace in the family room will guarantee you a higher than average return on your money.

Very surprisingly, refinishing your basement is a remodeling job that pulls hardly any weight in today's market. Whether it's because basement rec rooms are out of style, or because more people have found the value in leaving the basement as storage space, a basement remodel will probably only bring you about a 15% return on your investment. This is a surprising statistic, considering the fact that remodeling the basement can add square footage to your living area. If you're interested in adding square footage, you would be much better off investing in an additional bedroom or a front porch. The remodeling jobs will be more expensive, but you'll be much more likely to recoup your losses when it comes time for a sale.

So if you're looking to remodel for the purpose of selling your home, or getting it appraised for mortgage purposes, do a little research on current housing trends. You may very well find that a remodeling job you thought was too expensive will end up paying for itself in the long run.

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