



Will Your Remodel Pay Off? The Best (and Worst) Ways to Spend Your Budget

Whether you're planning a minor update or a major remodel, it's wise to consider how the money you invest will impact your home's value.

We've taken a look at six popular home renovations and identified those that—on average—offer the best and worst returns on investment. So before you lift a hammer or hire a contractor, take a look at this list and see if your remodeling efforts will reward you when it comes time to sell.

RENOVATIONS THAT PAY OFF

These three common home improvement projects not only add function and style to your home, but they also offer a strong return on investment.

Minor Kitchen Remodel

A minor kitchen remodel is one of the top investments you can make in your home. The key is to keep it modest in scale. Make an effort to keep your existing layout and paint or reface cabinets instead of replacing them. Update countertops with low-maintenance quartz and swap out old appliances for energy-efficient models. The average cost for a minor kitchen remodel is \$22,500, and it's likely to recoup more than 80% at resale.¹

Wood Deck Addition

A deck addition is a popular way to extend and enhance the use of your outdoor space. It's the perfect spot for grilling, dining alfresco, and entertaining. In fact, 81% of surveyed homeowners said they have a greater desire to be home since completing a deck addition.² For a 16 x 20-foot wood deck, you can expect to spend around \$13,000. Fortunately, the money you invest offers an average return of 76%.¹

Siding Replacement

Everyone knows good curb appeal is important when selling your home. And while it may not be the most exciting way to spend your remodeling budget, new siding can make a big impression on buyers ... and your selling price. Replacing 1,250 square feet of siding costs around \$16,000 and will net you an average of 76% at resale.¹ For an even greater impact, consider replacing a portion of your siding with manufactured stone veneer. A 300 square foot area will run you around \$8,900, but you can expect to see a nearly 95% return when it comes time to sell.¹

Sources: 1. 2019 Cost vs. Value Report 2. NAR Remodeling Impact Report
3. Zillow 4. House Logic

RENOVATIONS WITH WEAK RETURNS

These three popular remodeling projects are homeowner favorites. But don't expect to see a high rate of return when it comes time to sell. Instead, consider them an investment in your current quality of life.

Major Kitchen Remodel

For a major kitchen remodel, expect to spend between \$66,000 (mid-range) and \$130,000 (upscale). Unfortunately, you'll only get back around 60% at resale.¹ Of course, an outdated or non-functional kitchen could turn buyers off from your home completely ... and keep you from enjoying it yourself! So if your kitchen needs a major remodel, choose carefully where to splurge and where to save.

In-ground Pool

The average expense to install a standard 18 x 36-foot in-ground pool is \$57,500, but the estimated return is only 43%.² In addition to the installation cost, plan to spend money each year on maintenance, repairs, and insurance. However, 92% of surveyed homeowners said they "have a greater desire to be home" since installing a pool, and 83% have "an increased sense of enjoyment when they are at home." For you and your family, the perks of a pool may be worth the price.²

Master Suite Addition

Master suite additions have become increasingly popular—both in homes that lack one as well as those with aging owners who can no longer accommodate stairs to an upper-level bedroom.³

But what's the typical return at resale? With a median cost of \$125,000, most sellers will only recoup around 52% of their investment. Nevertheless, in a survey of homeowners, the majority were satisfied with their decision to add a master suite, giving it a "Joy Score" of 10 out of 10.⁴

GET A CUSTOMIZED ANALYSIS OF YOUR PROJECT

We've been talking averages. But the truth is, the actual return you can expect will vary depending on your particular home. If you have plans to remodel, call us or send us the details. We'd be happy to conduct a free analysis to determine how the renovations will impact the value of your home!

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