

Smart Renovations Can Bring Return On Your Home

By J. Lennox Scott

According to a study done by the National Association of Home Builders, 41% of homeowners said that they decided to undergo home renovations in an effort to increase their home's value. Remodeling projects of all shapes and sizes are extremely common among homeowners, yet only some actually reach the desired goal of increasing a home's worth. There are several factors to consider before beginning renovations, regardless of size or cost.

The National Association of the Remodeling Industry recommends that you make a list of all the items you want to improve in your home before starting in on any major projects. Create a list for each room in your home that you want to upgrade/remodel and then prioritize the changes. On this list identify those items that are necessary renovations; also create a wish list of items that you would like to have, but are not essential. When the time comes to meet with a contractor or remodeling professional, he or she can give you an idea of the costs involved and you can then determine which upgrades you are going to make based on your budget.

One of the most common things homeowners want to do is make a personal imprint that says that this is uniquely their home. There's nothing wrong with making changes that reflect who you are, but keep in mind, the more personal the improvement, the less likely you are to recoup the investment. A great way to express yourself is through color—choose paint colors that reflect your personality and life style. The nice thing about paint is that it enhances the appearance of your home, but it can easily be changed by a new owner, and it doesn't cost a fortune.

Another important factor to consider when undergoing renovations is the home's character. If you're looking to increase the market value of your home it's usually in your best interest to stay within the intended character of the home. And take into account the homes around you too. If you live in a neighborhood lined with Tudor-style homes, keep that in mind when making exterior renovations. Something that can greatly impact the value of your home is how it fits in with the other homes around it.

When it comes to renovating or updating your home, try to balance out the changes. In other words, invest some time and money in updating the home's invisible systems, like heating and plumbing, as well as cosmetic changes, like wall color and carpeting. If you spend all your money installing a highly energy efficient heating system and a central vacuum system, but nothing on the home's cosmetic appearance, there's a good chance you won't recoup the true value of those costs. You would be better served to balance what you spend on the invisible systems and cosmetic appearance; you're financial return is more likely to benefit from this in the long run.

Finally, when undertaking a remodeling project it's in your best interest to hire a professional architect or designer. Especially if your intention is to increase the value of your home for a future sale. Yes, hiring someone to design your remodel project is an added expense, but it's well worth it. In addition to the aesthetics of the project, a designer or architect can assist with zoning issues, environmental restrictions, permits, licenses, etc. These hired professionals know the right channels to go through to avoid problems with building inspectors and possible financial ramifications.

There is a fine balance between renovating a home for personal reflection and for future return value. But one that's easily achieved with proper foresight and planning. Your home is an investment—probably one of the largest investments you'll ever make. So it's wise to treat it as such and plan your renovations accordingly.

REALTOR® J. Lennox Scott is the Chairman and CEO of John L. Scott Real Estate. You can visit his website at www.johnlscott.com.

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For More Information Contact:
Shelley Rossi
Director of Public Relations
John L. Scott Real Estate
206-230-7627
shelleyro@johnlscott.com