

Home Improvements

There are Two Reasons For Pursuing Major Home Improvement Projects:

- A. **Just Want To Do It** — You want some new features in a home to improve your family's quality of life, but you don't want to leave your current home.
- B. **Really Need To Do It** — You want to make your home more marketable to maximize return (or minimize loss) and speed up the sale process.

In the right market conditions, a project might fit into both categories. Other times, though, the two approaches will conflict:

Just Want To Do It — In situation A, the project is perceived as a necessary or worthwhile improvement to your family's lifestyle. Say you have two or three teenagers in the family and the morning bathroom situation is completely out of control. It doesn't matter if an additional bath generates a 150 percent return on investment or actually decreases the value of the home (unlikely, unless you're a completely incompetent do-it-yourselfer with a bizarre design sense). The economic impact just doesn't matter. If you have the money for a new bath and you don't want to move — you add the bath. It's that simple.

Or say you're a barbecue fiend and the only feature missing from the dream home you've just purchased is a sprawling backyard patio with a natural-gas grill custom-built with flagstone and river rock. Again, return on investment just isn't going to be a critical question. The improvement becomes more comparable to purchasing a depreciating asset that you feel is a necessity for your lifestyle — such as an automobile. When the barbecue aficionado adds a deluxe patio to a home that's already the most expensive property in the neighborhood — perhaps destroying the entire backyard in the process — there's a good chance that very little of the cost will be recouped in a subsequent sale.

An even better example might be a pool. If you're a person who simply has to have one — fine. Put in a pool. But it's probably worth checking with a real estate professional first, just to make sure you fully understand that adding the pool might actually lessen the property's value and make it more difficult to sell should you later decide to move. That's the reality in many markets. That doesn't necessarily mean you shouldn't do it, especially if you're planning to live in the home for the rest of your life. It just means it's worth knowing the cost and salability impacts at the front end — even if they're not going to deter you from pursuing the project.

Really Need To Do It — The "type-B" home improvement project is pursued primarily to increase the property's salability. In turn, this often increases your return on investment. A good real estate agent can advise you of possible improvements that will attract more potential buyers and also pay for themselves either through increasing the home's value or through shortening the time it takes to sell the home.

Here we're typically talking about projects such as: painting — either because the existing paint is in bad shape or is an unusual color; replacing carpets — again because of age, color or style; repairing or resurfacing a cracked driveway or sidewalk; refacing kitchen cabinets; and trimming or removing overgrown or unattractive landscaping.

While spending several thousand dollars on your home right before you sell it might not sound very appealing, it's not uncommon for the right work to more than pay for itself in a higher selling price and shorter marketing time.

Consult with an experienced real estate agent to learn what improvements will make your home more marketable in comparison to similar properties that are now — or recently have been — on the market in your area.