

MAKING HOME IMPROVEMENTS PAY



WHICH HOME IMPROVEMENT IS RIGHT FOR YOU!

Prices for most remodeling projects continue to climb, while the recoup value of improvements at resale is declining to levels last seen in 2002. Here are the finds of Remodeling magazine's 19th annual "Cost vs. Value Report"- the 8th prepared in cooperation with REALTOR Magazine® None of this should come as much of a surprise to you: This year's recoup values confirm the housing slowdown many parts of the country are experiencing.

With both home-sale and remodeling activity at record levels in the last five to six years, some cooling is inevitable, Indications are that the current downturn represents a return to "normal " levels

The cost-to-construct figures (which include labor, material, subcontractors, and gross profit) are higher than in previous years, but also more accurate.

When comparing cost estimates for actual projects, remember that averaging tends to have a leveling effect on "Job Cost "data. And seemingly small differences in size, scope or quality of finishes can dramatically affect the final project cost. Remember, too, that, even in neighborhoods in the same city, local conditions can affect both the cost and value of a remodeling project, making our numbers appear too high or too low.

In an actual real estate transaction, the "cost recouped" for given remodeling project depends on a variety of factors. These include the condition of the rest of the house, the value of similar homes nearby, and the rate at which property values are changing in the surrounding area. A home's urban, suburban, or rural setting also affects its value , as does the availability and cost of new and existing homes in the immediate vicinity.

Replacement projects lead returns. "the thing that motivates people, by and large, is the aesthetics." Most home buyers are looking for a home with curb appeal. With today's busy schedules, people are looking for a move-in condition home.




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MOST POPULAR REMODELS



Update a 200 square foot kitchen that has a functional layout by adding 30 linear feet of cabinetry and countertops. Leave cabinet boxes in place, but replace fronts with new raised panel wood doors and drawers as well as new hardware. Replace wall oven and cook top with new energy-efficient models. Replace laminate countertops with material of equal quality.. Install mid-priced sink and faucet. Add wall covering and repaint trim. Remove resilient flooring and replace with similar flooring.

Job Cost

Resale Value

Cost Recouped

Kitchen Remodel

Add a 200 square foot sunroom, including footings and slab—on—grade foundation. Use post and beam framing exposed on the inside. On the exterior, use an extruded aluminum window frame and flashing system with insulated low E laminated or tempered glazing. Install screens and a ceiling to provide natural ventilation. Insulate all non— glass areas and provide movable shades for glass area. Install quarry tile or equivalent on the floor.



Philadelphia Job Cost
\$53,049

Resale Value
\$37,786

Cost Recouped
71.2%

Sunroom Addition



Update an existing 5 by 7 foot bathroom. Replace fixtures with a 30 by 60 inch porcelain -on steel tub. Add 4 by 4 inch ceramic tile surround, a new single lever temperature and pressure balanced shower control, standard white toilet, solid surface vanity counter with integral double sink, recessed medicine cabinet with light, ceramic tile floor, and vinyl wallpaper.

Philadelphia Job Cost
\$14,272

Resale Value
\$11,989

Cost Recouped
83%

Bathroom Remodel

Create a 20 by 30 foot entertaining area with media center. Construct 24 linear foot finished partition to enclose the mechanicals. Pain all walls, ceiling and trim. Insulate all exterior walls, Include five six panel factory painted hardboard doors with passage locksets, Upgrade electrical wiring to code. In main room, include recessed ceiling light fixtures, three surface mounted light fixtures, and a snap together laminate flooring system. If you include a bath use standard white toilet, vanity and cultured marble top, resilient vinyl flooring. Thinking of adding a bar? Use raised panel oak cabinets with laminate countertops, a stainless steel bar sink, single lever bar faucet, under counter refrigerator and vinyl floor tile.



Philadelphia Job Cost
\$63,490

Resale Value
\$49,671

Cost Recouped
78.2%

Basement Remodel



Convert an existing 12 by 12 foot room to a home office, Install custom cabinets to include 20 linear feet of a laminated desktop, computer workstation, and wall cabinet storage. Rewire the room for additional phone lines and outlets to accommodate a computer, fax machine, and other electronic equipment. Install outlets for cable and telephone lines. Drywall interior as needed paint trim and install commercial grade carpeting.

Philadelphia Job Cost
\$21,259

Resale Value
\$13,590

Cost Recouped
63.9%

Home Office

Mid-range	Job Cost	Resale Value	Cost Recouped
Deck	\$15,033	\$11,817	76.6%
Windows (vinyl)	\$10,201	\$8,830	86.6%
Vinyl Siding	\$8,717	\$8,225	96.4%