

Remodeling How does it affect your home's market value?

Before investing a sizeable sum in a major renovation or remodeling project consider the cost versus the ultimate market value. Will this project make the home better or just more expensive? *Remodeling Magazine* publishes an annual "Cost vs. Value Report," which measures the possible return on investment for various remodeling projects upon sale. The survey covers 12 types of remodeling projects, based on input from real estate professionals, and attempts to measure amount of value and speed of return.

Appraisers suggest considering the following basic factors when determining cost vs. value in a remodeling expenditure:

1. Consider the Neighborhood – Compare your home to others in the neighborhood and use common sense. If your home has one bathroom while most have two, then maybe that would be a valuable upgrade.
2. Less is More – The most inexpensive renovations can provide the greatest returns. Exterior paint and landscaping can add a wealth of aesthetic appeal, while finished basements or swimming pools tend to have poor returns.
3. What's Hot? – Check out your local real estate market's relative strength. If homes are **selling** and the market is hot, then buyers will more likely pay for the extras.

Use good judgement. Consult neighbors, professional real estate agents, and possibly appraisers before jumping into a huge remodeling project.