

RETURN ON INVESTMENT

You might think you are the master of your own remodel, but sadly, it's not always so. Remodels sometimes have a tendency to develop their own inertia, as decisions lead to new dilemmas, unintended consequences and surprising outcomes. In some cases, these flights of fancy are perfectly acceptable, provided the design and completed execution truly align with the vision and budget.

But if your budget is a concern, and the wise investment of limited home improvement dollars matters, then there are a few basic guidelines you should familiarize yourself with before planning your remodel. Here are five remodels that typically make good financial sense, providing a nice return on the investment at the time of resale.

5 Good Resale Value

1. Kitchens. Updating a tired old kitchen is one of the wisest methods, and a tried and true one, of increasing the value of your home. When planning a kitchen remodel, and making design decisions and selections for plumbing fixtures, appliances, cabinets and countertop materials, you should determine whether you are prioritizing your own design aesthetic or the return on your investment.

Either priority is perfectly acceptable, but you should understand which is your priority, or strike a balance between the two that you can feel good about.

For example, using the existing kitchen layout and affordable cosmetic materials is a sure way to keep the cost of your kitchen remodel manageable. When you start tearing out walls, bumping out the exterior home footprint to gain a few feet, and moving plumbing fixtures and appliances, the cost of the remodel will jump and your dollars will be less efficiently spent.

2. Adding living space. A straight forward addition of a new living room space is typically a very good investment.

Newly added square footage equals increases your home's value. There are certain costs that will be associated with your addition regardless of the size. New square footage will require the demolition of existing exterior walls, a new foundation, a new roof, new exterior siding and probably new windows. If you are going to incur these expenses, it's important to get some bang for your buck. It's important that the added room is sized so that the space can be efficiently produced.

3. Curb appeal. You have heard not to judge a book by its cover, but smart money recognizes the cover's value. Your front elevation is more than just a first impression. It's the only impression available to just about all of your home's potential buyers.

The good news is that there are a number of very affordable projects that can improve curb appeal, and some more extensive improvements that can likely pay off as well. Simply

cleaning out overgrown brush and making a few new planting additions to your landscape can go a long way toward improving curb appeal at a very low cost.

Repainting is another low-cost, high-impact improvement. Costlier changes such as changing out old windows or an aged entry door are things that potential buyers will notice and value. Even more extensive front-elevation remodels, such as added dormers and front porches, can prove wise from an investment standpoint.

4. Master suites. Sorry, kids. Home buying decisions are in the hands of adults, and adults care about the environment where they sleep. Updating a master bedroom or remodeling and adding a new master suite is money well spent. The buyers will picture themselves living in their private space, and it's of quantitative value when they like what they see.

5. Bathrooms. Home buyers notice bathrooms, and although all the bathrooms are important, a priority should be placed on the powder room and master bath, followed by a guest bathroom and any other secondary baths (the kids don't need to know).

The same rules apply to a bathroom remodel as to the kitchen. Cosmetic changes are safer cost management however remodeling makes sense if the layout is poor.