

Return on Renovations



When deciding on what type of renovation to undertake and how much to spend, consider how your future “resale” value will be impacted. Not all renovations are a smart idea and actually can reflect negatively on your eventual selling price. Most people think that renovating will automatically guarantee an increase in property value. Not so. You obviously want to appeal to the greatest number of buyers when deciding on what should be renovated.

If you are looking to sell your home quickly, the cheapest and best recapture on dollars spent is to spend a little **on interior/exterior paint.**

The Appraisal Institute of Canada’s 2011 Survey indicates that the following renovation projects are the most popular. The average potential payback for each renovation is:

Painting, interior	50 –100%	Window/door replacement	50 –75%
Kitchen renovation	75 –100%	Recreation room addition	50 –75%
Bathroom renovation	75 –100%	Fireplace addition	50 –75%
Painting, exterior	50 –100%	Basement renovation	50 –75%
Roof shingle replacement	25 – 75%	Furnace/heating system	50 –75%
Flooring upgrade	50 – 75%	Constructing a garage	50 –75%
Building a deck	25 – 75%	Central air conditioning	25 –75%
Exterior siding	50 – 75%	Concrete paving	25 –75%

Renovations with the least return:

Landscaping (25 – 50%); interlocking paving (25 – 50%); building a fence (25 – 50%); asphalt paving (25 – 50%); installing a home theatre room (25 – 50%); installing a skylight (0 –25%); interlocking brick walkways (25 – 50%); installing a whirlpool tub (0 – 50%).

Energy efficient upgrades were sited as having an average recovery rate of 61%; the use of non-neutral interior paint colors (67%); addition of a cooking island in the kitchen (65%); installing a Jacuzzi or whirlpool bath separate from the shower stall (64%) and a spa style shower system (36%).

As a general rule, forget about the luxuries and keep the renovations general and suitable to the neighbourhood and surrounding homes. Building permits may be required.