

Which Home Improvements May Benefit You?

When it comes to home improvements, it is important to consider which would be the most profitable in terms of resale value. Sometimes, it's possible to get back all, or even more, of your investment. While some improvements, such as a remodeled kitchen or added bathroom, may add value to your home, others can actually make your home more difficult to sell. For example, not all prospective homebuyers will appreciate a full spa with a whirlpool, hot tub, steam bath, and built-in stereo system. In the same way, a swimming pool could be seen as a detraction due to the maintenance required.

So, how do you know which home improvements might increase your home's resale value? Start by researching the recent selling prices for comparable homes in your neighborhood. If most homes range from \$175,000 to \$250,000, your top resale price will most likely be equal to or less than \$250,000, no matter how many rooms, baths, hot tubs, or skylights you add. As you consider remodeling, keep in mind that it is usually difficult to recover any costs that raise the value of your property over comparable homes in your neighborhood. You may also choose to spend less on home improvements if you are thinking about moving again in a few years.

The following interior home improvements may increase resale value:

1. An interior facelift: Repainting ceilings, walls, and interior trim can create a clean, bright, and inviting appearance.
2. A remodeled kitchen: The kitchen is viewed by many as the center of the home, and it often serves as a combination family room/workplace.
3. Addition of a second bathroom: Many prospective homebuyers want more than one bathroom.
4. Fireplace installation: Even though fireplaces may lose more heat than they provide, they do add considerable charm to a home.
5. Installation of central air conditioning: Central air conditioning could help sell your house if it is located in a warmer climate. In colder regions, buyers may be reluctant to pay extra for it because of the operating expense.

6. Improvements in energy efficiency: Additional insulation, thermopane windows, and energy-efficient appliances could begin to pay for themselves immediately, even before selling your home.

7. Refinished or newly installed hardwood floors: Hardwood floors can add character, durability, and elegance to your home and may add to the sale price.

When it comes to recovering your investment, home improvements can be a mixed bag. Depending on how long you plan to stay in your home, some improvements can provide an immediate return by enhancing your lifestyle. Still, before you begin a remodeling project, consider what improvements may be most advantageous in terms of resale value.

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