

# Remodeling Your Home to Help It Sell May Not Be the Moneywise Approach

Before putting your home on the market, it's natural to ask for advice on what should be fixed or upgraded before doing so. Here's how we respond when asked.

First, you need to know that every study we've seen shows that sellers *almost never* recoup 100% of the cost of remodeling, so you should only do so for your own enjoyment, years before you plan to sell. Don't make updates expecting to get a higher price for your home.

Rita and I, for example, recently spent \$40,000 to update our kitchen, and we love it! (It was done by Bonnie Kitchen Design in Golden, and we strongly recommend her!) But that doesn't mean our home increased its value and selling price by \$40,000 or more. We made that improvement *for our own enjoyment*, just as we did when we spent \$20,000 on our master bathroom several years ago. Yes, it will increase the attractiveness of our home when we eventually sell it, but that will only be after years of happy enjoyment of those two improvements.

We'll probably make additional improvements in coming years, but it will never be to dress up the home for sale. On top of not recovering the full expenditure upon sale, it's a huge disruption of one's life to engage in major renovations.

The most recent study I've read about cost vs. ROI (return on investment) was made by *Remodeling* magazine, as reported by RISmedia.

According to that report the 5 projects with the **highest** ROI in the *mid-range* cost category are:

**Manufactured Stone Veneer** (94.9%)

**Minor Kitchen Remodel** (80.5%)

**Deck Addition (Wood)** (75.6%)

**Siding Replacement** (75.6%)

**Entry Door Replacement (Steel)** (74.9%)

The 5 projects with the **highest** ROI in the *upscale* cost category are:

**Garage Door Replacement** (97.5%)

**Window Replacement (Vinyl)** (73.4%)

**Grand Entrance (Fiberglass)** (71.9%)

**Window Replacement (Wood)** (70.8%)

**Bathroom Remodel** (60.2%)

Lastly, here are the 5 projects with the **lowest** ROI in the *mid-range* cost category:

**Backyard Patio** (55.2%)

**Master Suite Addition** (59.4%)

**Bathroom Addition** (60.6%)

**Roofing Replacement (Metal)** (60.9%)

**Major Kitchen Remodel** (62.1%)

**Master Suite Addition** (50.4%)

**Bathroom Addition** (58.1%)

**Major Kitchen Remodel** (59.7%)

**Bathroom Remodel** (60.2%)

**Window Replacement (Wood)** (70.8%)

So, clearly you should only remodel when it's intended to be enjoyed by you for years to come. If you know you'll be selling this year, we advise our clients as follows.

*First, only make improvements that eliminate a defect or an issue which will turn off prospective buyers.* I call these "eyesores," things that

stand out like a sore thumb, and not things that are simply "dated" or out of style.

Here are some examples:

## REAL ESTATE TODAY



By JIM SMITH, Realtor®

**Do** refinish hardwood floors that are seriously and obviously in need of refinishing.

**Do** replace carpeting that is seriously old, such as 1970's shag carpeting, or carpeting that is seriously worn or stained. (Again, think "eyesore.")

**Do** replace damaged countertops.

**Do** repair damaged walls and replace damaged doors that can't be repaired.

**Do** replace those 1990's glass-and-brass lighting fixtures. (They're so unappealing that Habitat's thrift store won't accept them as donations!)

**Do** replace burned out light bulbs.

**Do** repaint (inside and out) where there is peeling or discolored paint.

**Do** replace rotted timbers on your deck, then power wash and re-stain or repaint as necessary.

**Do** improve curb appeal (always the first impression), including weeding and pruning and freshening the front door. (It's true that red doors sell homes...)

**Do** have someone with "fresh eyes" walk through your house and identify other turn-offs. (Our stager performs that function.)

**Do not** replace undamaged countertops or bathroom fixtures just because they are "dated" — even those pastel colored bathtubs and sinks. (I tell buyers "You can't buy these anymore!") The exception would be the toilets. A white chair height low-flow toilet can be replaced for a couple hundred dollars and installed by our handy-

man for \$50 (but he only works for our clients).

Beyond the above advice, I tell my sellers to be *strategic* about major issues which they know need to be done. If these are likely to become inspection issues, don't fix them prior to listing your home if they're not the kind of eyesore which would deter a buyer from making an offer.

For example, I have a listing, currently under contract, which had damage to the concrete driveway. The seller was thinking he should repair it before putting the home on the market. We knew it would be an inspection issue, but by leaving it undone we could use it as a bargaining chip. Sure enough, we got under contract (well above listing price because of competing buyers), and the inspection demands included repairing the driveway. Because it was such a big expense, the buyer didn't ask for a bunch of other repairs. If the seller had fixed the concrete prior to listing the home, you can sure the buyer would have asked for those other repairs, but instead they were delighted that the seller agreed to pay for the concrete repair.

I have used the same strategy to save other sellers money on inspection items. For example, one seller knew that radon needed to be mitigated, but we knew that this issue (which we properly disclosed) would not deter buyers from competing for the home. Yes, it became an inspection demand, and the buyer was delighted that the seller agreed to mitigate it.

Your situation will be different, of course, and we are happy to meet with you in your home and discuss what's needed and strategic to fix before listing. We consider such advice part of the free staging consultation we provide sellers.

## Coming Next Week: Broomfield Ranch on a Big Lot

This 3-bedroom, 2½-bath home at **1303 Loch Lomond Ave.** is on a corner lot, with RV parking around the corner. Built in 1987, the sellers have owned and loved this home since 1996. The lot measures 9,148 square feet, and the living space is 1,808 square feet. There's a large master suite with walk-in closet and master bath. It has a spacious family living area with cozy fireplace and large windows. There's plenty of storage in an unfinished basement and dedicated laundry room. It is within walking distance of the Bay Water Center, library, community center, grocery stores, gyms, restaurants, and home improvement stores! Boulder School District has incredible educational opportunities for growing families. For more information, call listing agent **Debby Hysmith** at 720-936-2443. See more pix and a narrated video tour at [www.BroomfieldHome.info](http://www.BroomfieldHome.info).



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