



Client Connect

How To Get The Best Return On Home Renovations

Understand What Buyers Want



Are you making upgrades to your home with an eye toward improving your home's resale value? If so, consider these suggestions before you get started.

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Check out the Competition

When selling is your end game, the golden rule of home re-modelling is to make your home comparable to others in the neighbourhood. If you over improve, you have no chance of recouping your investment. If you under improve, the other homes on the market will sell before yours does.

Look at online real estate listings, attend open houses and talk to real estate agents to find out what features are considered to be the standard in your neighbourhood. If everyone else has scraped their popcorn ceilings and turned that cramped shower stall into a soaker tub, you should consider making these changes to your home too. If no one has an outdoor kitchen, adding one to your backyard probably won't pay off.

Smart buyers are looking to buy either the worst house on the best block or a turnkey home, but they aren't looking to buy a house that's nicer than its neighbours. For the extra money, they would usually rather move up to the next nicest neighbourhood.

Pick Your Projects Wisely

Avoid expensive, difficult and time-consuming projects like adding more square footage to your house. You may not recoup the money you spend, let alone the time and frustration. You don't want to over improve for the neighbourhood. If all the surrounding homes have 1,600 square feet, there's no reason for yours to have 2,000 square feet. Buyers looking for 2,000 square foot houses will be shopping in other neighbourhoods.

There are also some big mistakes you can make in trying to make your home seem larger than it is. The biggest one is to knock down a wall that decreases the number of bedrooms or bathrooms. As a purely practical matter, two small bathrooms are better than one large one and a third bedroom is more useful than a master suite.

Another bad improvement is a swimming pool. While pools are a must have for some buyers, they also increase the ongoing costs of owning a home significantly. Home owners insurance premiums will be higher because of the potential liability and maintenance costs are ongoing. Pools also take up a lot of the yard, and many people would rather have grass that their dogs or kids can run around on.

Appeal to a Wide Audience

With any improvement you make with an eye toward selling, think beyond your personal taste. Neutral, classic colours and textures will have broader appeal than bold or unusual ones. They are also easier to change and personalize if the buyer doesn't like them. Also, make sure to choose colours and finishes that are currently in fashion. When buyers see outdated decor, they see dollar signs.

Don't Overlook the Basics

If your home has a beautiful kitchen but a home inspection reveals that the roof needs to be replaced and the furnace is on its last legs, price-conscious buyers are likely to ask you to make these repairs or to drop the sale price. If you can't afford either of these options because you've spent the money elsewhere, you could have trouble selling the home.

In today's economic climate, a home that isn't a money pit is the best selling feature for the ordinary buyer.

Also, there's no sense in shelling out big bucks for re-modelling projects if your house is so cluttered and dirty that buyers can't see them. If you have too much stuff, a rental storage unit can be a great investment in getting your home sold. Your first instinct might be to cram everything in the garage, the basement and the closets, but buyers will look in all of these places. You want to convey the idea that your home has plenty of storage space.

The Bottom Line

It's important to consider the housing market, economic climate and buyer's perspective when upgrading your home in order to sell it. Before you spend your time or money on any improvements, make sure you understand what today's buyers want.

Courtesy of Amy Fontinelle - [Investopedia.com](https://www.investopedia.com)

If you have any questions, please contact us.

Complimentary Advice. Any Time. Just Ask.

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