



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 return for your dollar is to spend a little **on interior paint**.

The Appraisal Institute of Canada's top 14 renovation projects (2005) with average potential payback are:

| | | | |
|------------------------------|-----------|--------------------------|----------|
| Painting and decor, 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 | 50 – 80% | Furnace/heating system | 50 – 80% |
| Flooring | 50 – 75% | Constructing a garage | 50 – 75% |
| Building a deck | 50 – 75% | Central air conditioning | 25 – 75% |

Top 8 upcoming renovation trends:

| | |
|--|------------------------------------|
| Main-floor laundry room | Addition of kitchen cooking island |
| Ground-floor home office | Non-neutral interior paint colours |
| Hardwood flooring upgrade in kitchen | Built-in kitchen appliances |
| Installing a jacuzzi or whirlpool bath | Home theatre room |

Lowest Payback Potentials:

Landscaping (25 – 50%); interlocking paving (25 – 50%); building a fence (25 – 50%); asphalt paving (20 – 50%); adding a swimming pool (10 – 40%); installing a skylight (0 – 25%).

As a general rule, forget about the luxuries and keep the renovations general and suitable to the neighbourhood and surrounding homes.