

Make It Nice, But Not TOO Nice!

Most homeowners don't realize that you can actually make your home TOO nice! This may be the most important article you'll ever read regarding home improvements and the "money drain" that they can cause.

The real estate term "over improvement" is something most people are shocked to find out about long after they've spent all of their hard-earned money on what they thought was a "good investment".

We all love new upgrades or even something as simple as a fresh coat of paint in the house. It's new and exciting and can make things nice and bright. But what would be considered an OVER improvement?

A recent episode on HGTV showed that most homeowners think they will get 200% to 300% more than the money they invest on improvements but in reality, you'll rarely get even 100%.

As an example, if you were selling your house today and you wanted to tear out the back and add a new deck, there's a very, very good chance that you'll never get anywhere near the amount of money you spend to do it. However, if you put that deck on 5 years ago at \$4,000 and you enjoyed it for all that time, it's still good to get \$2,500 or \$3,000 more for the sale of the home even though it cost you money in the long run. I think you'll agree, most homeowners mistakenly believe they'll get \$10,000 more because they've spent that money.

In my experience, I've never seen someone spend \$35,000 on a room addition and get anywhere near that amount back in resale value. Can you get \$15,000 more? Yes. But never \$35,000 or a multiple above that. It simply doesn't happen.

If you are thinking about making improvements so that you can further enjoy your home, it may make sense to invest the money. But if you are doing it to increase the

overall value of the home, it's likely a bad investment.

The big three improvements that will always prove to do well for you are as follows:

- Fresh coat of paint
- New carpet or flooring
- Basic maintenance needs

We've found that you really can't go wrong with those replacements or improvements. Not only can you get your money back here in resale value, but the home can also sell faster since it's considered turn-key condition.

It's important to consult with us (your real estate advisor) before you make any improvements or additions. We can usually discuss it by phone and of course we provide this advice to our clients free of charge with no obligation of any kind.

So, sit back for a moment and think about what you'd like to see different within your home. Would it make sense to do improvements? Maybe move to a different home that already has those additions? Ultimately, the decision comes down to whatever makes you comfortable rather than thinking you'll get 100% of your investment back (or more) in the long run. No sense in setting yourself up for disappointment when you go to make a move. Give me a call and we can discuss anything you've been considering.

Quote of the Month

Home is a shelter from storms. All sorts of storms.

-William J Bennett