



## **4 Renovation DO NOTS**

**Not all improvement projects will boost your home's value. Some may cost you when it's time to sell.**

By Sarah Max, CNN/Money senior writer

**Before you spend a fortune fixing up your home, consider what future buyers are going to think about what you've done with the place.**

According to Remodeling Magazine's 2003 cost vs. value report, on average about 86 percent of renovation costs can be recouped in the sale price of a house. In other words, if you spend \$20,000 on home improvements, your home's value should increase by an average of about \$17,000. That's just an average, mind you. Depending on where you live, what you remodel, what you spend and the final result, you may be able to get back more than you put in. Then again, not all projects "pay for themselves." Some may actually be a strike against you when it's time to sell, said Hedy Weiss, an agent with Coldwell Banker in Franklin Lakes, N.J.

Even open-minded buyers might have a hard time looking past the fact that you turned your front yard into a basketball court or slapped on an addition that doesn't blend with the rest of the house. "Most people who walk into a house aren't going to think about what they can do to make it work," said Marcia Previti, of Gillis Previti Architects in New York. "They just think it doesn't work."

### **1. Putting a chateau in shantytown**

The real estate adage "buy the cheapest house in a nice neighborhood rather than the nicest house in a cheaper neighborhood" is key when it comes to renovations. "Stick with the scale of the neighborhood," said Michael Litchfield, who is currently working on his third edition of "Renovation," to be published by Taunton Press in 2005. You may never recoup what you spent if the houses around you are worth a fraction of the value, explained Litchfield.

"If you're in a neighborhood that has the possibility of changing, that's one thing," said Weiss. "In other areas, if you over expand it's going to look ludicrous."

### **2. Flouting the original architecture**

"In the 1960s and 1970s people went into these great old buildings and stripped everything out of them," said Previti. "We've had to spend a lot of money trying to put back the character."

These days, owners are less likely to gut good craftsmanship, but real estate agents and architects still see plenty of unfortunate "updates." Historical houses are renovated to look too modern, while more modern houses are renovated with faux "old-world charm."

"You have to keep the house in the flavor that was intended," said Weiss. Kitchens and bathrooms should be updated, she said, but they should fit in with the rest of the house. Likewise, any addition you make needs to flow inside and outside. "I've seen where owners got the idea to add the extra room and it doesn't tie in with the house," said Frank Ceteznik at John L. Scott on Mercer Island near Seattle. "Now they're having a hard time selling."

### **3. Going against the norm**

Chances are your renovation will be based on your household's specific needs (i.e. more space). Still, it's important to think through what 99 percent of the home buying population will want from a house.

Garage conversions, said Weiss, are usually not a good idea. Recently she closed on a house where the sellers had converted the garage into a workout room with heat, air, flooring, walls and mirrors. The buyers of the house placed an offer based on what it would cost to convert the space back to a garage. "It's usually better to add onto

the house or finish a basement than to change a garage into something else," she said. "Most people want a garage."

Similarly, homeowners sometimes think that because they never use a tub they should take it out and replace with a shower, said Previti. Or they base the height of countertops, cabinets or doorknobs on their own stature, making them too high or too low for the rest of the population, said Litchfield.

Pools, say real estate agents, are generally not a good investment because so many buyers consider them an ongoing expense and liability, say real estate agents. Of course, in some areas a pool is considered as essential as any other part of the house. "We do a lot of work in the Hamptons," said Previti. "Out there it is all about having a pool."

#### **4. Doing it yourself with no clue**

There are reasons why certain building conventions exist and if you ignore them – intentionally or otherwise – you get in trouble, said Litchfield.

Top examples of major mistakes include removing weight-bearing walls, "opening up" ceilings by taking out essential supports and finishing basements without first dealing with water issues. To take care of drafty old houses, owners put in insulation and new siding, "but in the process they can trap in moisture," he said. "It condenses and the walls rot."

These are all problems that can show up on the home inspection and hurt your chance of a sale.

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Sincerely,



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Direct: 949.400.1072