Remodels and Recouping Costs

If you’re thinking about doing a few home improvements, you may want to consider what will give you the best return on your investment down the road.

According to the Remodeling 2013 Cost vs. Value Report (www.costvsvalue.com)*, you will recoup the most cost from a steel entry door replacement and a garage door replacement in the Indianapolis area. These two improvements may not be at the top of your list, but you’ll recover about 79.3% of the entry door cost and 68.7% of the garage door replacement cost. Entry door replacement even ranks as the number one project in the U.S. for a return on remodeling. Third runner up is a minor kitchen remodel. You’ll potentially earn around 66.1% of the amount you put into it (ex. paying around $18,433 with a resale value of $12,193).

So, what should you stay away from? In the Indianapolis area and in the nation, a home office remodel in the midrange ranks last in a list of 22 project types for resale value. It might be functional for you, but not your future buyer. You may also want to nix that sunroom addition, too – you could pay up to $71,000 for the addition and only get back roughly $31,000. If you’re in the upscale demographic, avoid a master suite addition (in this report, it would be adding a 32-by-20-foot master bedroom suite over a crawlspace). You would only earn back around 44.3% of what you paid. Many people also tend to think a bathroom remodel will be a great investment. However, the numbers tell a different story. In Indianapolis, a bathroom remodel is ranked 17 out of 22 midrange projects for recouping costs. You would only receive around 49.5% of your money back.

It’s your choice what home improvements you make, but if you think there’s a potential you’ll move in the future it’s worth considering what a prospective buyer will pay a higher price for.