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Home improvements in the time of Coronavirus - by Laurie Nichols

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The shift to remote work during the coronavirus pandemic has had an effect on the home renovation market. Spending more time in the home has spurred a do-it-yourself (DIY) renovation renaissance and home improvement projects have become popular with the advent of social media platforms such as Pinterest, Instagram, and YouTube which offer ideas and inspiration.

Since the onset of the coronavirus, national home-improvement retailers like Lowes and Home Depot have reported record sales. Many homeowners are looking to improve the design and functionality of their homes by either making aesthetic changes or by upgrading and renovating to improve utility and efficiency. Smaller DIY projects ranging from landscaping to upgrading appliances and painting the exterior of the home are popular, but homeowners are also tackling larger scale DIY renovation projects such as kitchens and bathrooms.

Homeowners look for the best Return on Investment (ROI) on their home renovations when a home is sold, but many fall into the trap of over-improvement. The best guideline to see a ROI is to see what renovations and updates neighbors have done and stay within those confines.

The most popular renovations and updates that see the highest ROI are kitchens and bathrooms. Kitchens and bathrooms are the two most used spaces in a home and can be the most difficult spaces to update due to the time commitment needed for some renovations. If a new coat of paint or a change in hardware and décor is all that is needed, the time commitment is minimal. But dated countertops and cabinetry, old plumbing, broken tile, discolored grout, and damaged plaster or drywall can easily balloon a renovation budget, jeopardizing any ROI.

Realtors, contractors, and architects all agree that there are several home improvements that on an average will recoup at least a 50% or more ROI.

Garage: Adding a detached garage will cost more from the outset, especially if a workshop, storage

space or a second level living area is added with plumbing, electrical lines, and HVAC. If a living area is added and there is the possibility of renting the space, ROI can be well over one hundred percent. If the addition of a new garage is out of budget, updating an existing garage with a new energy-efficient door will also see a ROI.

Patio or Deck: If the right materials are used to make the patio or deck visually appealing and practical, homebuyers will see the area as additional living space that also has the potential to be converted into a sunroom.

Attic and Basement: An attic or basement finished room is desirable as it adds more living space and can be used as an additional bedroom, home office, or family entertainment area. Additional costs to be considered for finishing the attic or basement area are waterproofing the basement for the prevention of mold growth, the addition of French drains if there is a flooding issue, and if the HVAC system cannot handle the load of an additional room, an upgrade to the existing system or addition of a second unit.

General Interior: Simple interior home projects that see the best ROI are upgrading a fireplace, installing a new wood or stone mantel, updating and/or refinishing floors, and replacing dated light switches, outlet covers, and floor registers.

General Exterior:

Curb appeal always factors into resale value. Landscaping with a focal point, updating the exterior with siding or paint, replacing wrought iron railings with wood, adding a front porch with columns and/or a covered entrance, and the addition of a pergola or shed.

Energy Efficiency: Energy efficient updates to the home with a consistently high ROI include replacement windows with low-e glass or argon gas, an upgraded HVAC system, thermal insulation in the attic, and steel entry doors.

Automation: An item that is popular with millennials as well as older generations is a smart home improvement. Smart systems and devices are convenient as they are automated and can be remotely controlled through an app on a phone or a computer. Smart systems add to energy efficiency with controlled thermostats and lighting and add peace of mind when it comes to security with motion activated lighting, cameras, video/intercom doorbell systems, garage door openers, and motion sensors and detectors.

Other factors to consider in order to realize a ROI on renovations or updates on a home are the neighborhood, region, market, timeline, and hidden expenses.

Neighborhood: Renovations should be in line with the value of the home and not exceed the ceiling for the neighborhood.

Region: Region and local factors influence demand on certain improvements and should be

considered before investing in an update.

Market: If the housing market is hot, potential buyers are likely to pay more for improvements.

Timeline: The longer a homeowner stays in the house, the more likely costs are recouped, but stylistic depreciation can happen. What was once a fad might be considered outdated in ten years. (Think two-tiered kitchen islands, paneling, beige or white twelve inch ceramic floor tiles, and wall-to-wall carpeting.)

Hidden Expenses: Hidden expenses can crop up when a project takes longer than planned, there are unexpected fees for asbestos and/or lead testing in older homes, bringing the home up to code, and any unforeseen rot or pest damage.

Home improvement shows no sign of slowing down, especially with more homeowners working from the home. As evidenced from social media, DIY improvements ranging from a simple change of décor to an involved remodel of a kitchen or bathroom will always be popular. If the homeowner has done their research and made educated decisions on which projects are affordable and aren't an over-improvement for the neighborhood, there will be a ROI when the house is eventually sold.

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