

Is Remodeling Worth it?

Where and how to best spend your remodeling dollars.

Remodeling magazine reports on room-by-room updates:

Minor kitchen facelift

Des Moines, Iowa, appraiser Alan Hummel says from the standpoint of selling the house, a minor kitchen facelift is one of the best improvements homeowners can buy. Other real estate professionals concur. They say minor kitchen remodels return more value than any other project on the list--about 81 percent, nationally.

Adding a bath

Extra bathrooms warm the hearts of prospective buyers. "If they've added a second bathroom, that's a major selling point," says real estate professional Robin Burgard, Sioux Falls, S.D. Nationwide, sellers recoup 72 percent of their investment.

Bathroom remodeling

Real estate pros rank the bathroom remodel the third-most valuable home improvement (tied with adding a family room). From the standpoint of return on investment, it's one of the smartest remodels a homeowner can undertake because, on average, 71 percent of cost will be recouped at resale. In the Eastern states that return can go to 84 percent.

Family room addition

A family room addition returns 71 percent of cost, nationally. Regional variation in recouping the cost of a family room addition is slight compared to other remodeling projects, reflecting its wide and growing popularity.

Kitchen remodeling

A major kitchen remodel is a tiny step down in recoup value, but remains a valuable sales tool for sellers. Nationally, homeowners who invest in a completely new kitchen will recoup 70 percent of their costs at resale. Bear in mind that the kitchen becomes even more valuable if it's designed for the broadest possible market.

Master room addition

Master suites don't come cheap, but home sellers can expect to get back an average of 68 percent if they sell within the year. But all is relative. If you start with a two-bedroom, one-bath house and add that master suite, the value of the house goes up

"astronomically," according to Florida remodeler Todd Perry, who specializes in additions. Real estate pros in the hottest markets see returns of 91 percent or more.

Attic bedrooms

Attics used to be the place to store unwanted furniture, old love letters and crazy relatives. But as bedrooms, they provide the perfect solution for parents of small children or teenagers who want their own digs. The kids get their space, literally, and Mom and Dad get theirs, psychologically. Making the attic bedroom functional can be tricky because of ventilation and heat. The national average for return on this investment is 65 percent.

Two-story addition

Who plunks down big bucks for a two-story addition? Growing families, that's who. Nationwide, homeowners can expect to recoup 62 percent of that in a resale. Real estate pros in the East estimate resale value at a substantially above 70 percent. Remember, though, a project this big and complicated needs extra attention to make sure it doesn't look like one building tacked onto another, a resale white elephant.

Siding replacement

Vinyl siding has captured a 50-plus percent share of the siding market with its improved quality and availability in almost any color and wood texture. Indeed, it's become a legit choice for all but hardened skeptics. What do homeowners love most? Its easy maintenance. All they need to do is point the pressure-washer hose in the right direction. Those in the know nationwide estimate a 60 percent return on the cost of re-siding a home in vinyl.

Window replacement

When heat or air-conditioned air--in other words, money--starts flowing out of them, our windows suddenly demand immediate attention. Removing those old windows and putting in new ones is a relatively inexpensive home improvement. Nationwide, that investment would return 56 percent.

Deck addition

Sunlight, fresh air, and vegetation exert a subtle, subconscious pull that makes a deck the next best thing to a walk in the woods. Decks extend the house outdoors, providing a comfortable place off the den, kitchen, or family room to relax and entertain. Denver real estate agent Jeanne Gschwend calls decks a "bells-and-whistles " item that helps persuade fence-sitting home buyers. Nationwide, the project recoups 54 percent of initial investment at resale.

Home office

Home offices appeal to the growing number of telecommuters and self-employed business owners, but they're still not for everyone. This remodel ranks lowest of any of the 12 projects on our list in terms of return on investment at resale. Nationally, real estate pros estimate a 50 percent return on the job. That figure jumps to 65 percent in the East and far higher in metropolitan markets such as San Francisco and suburban New York, where work-at-homers are abundant and space is at a premium.