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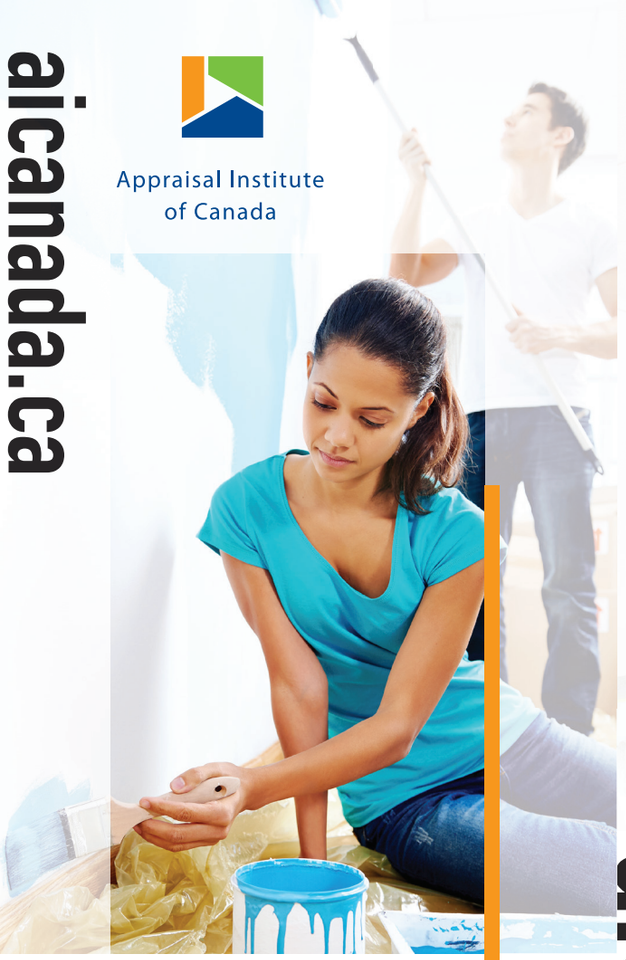

Once you have carefully thought out your renovation, a Professional Real Estate Appraiser can assist you in understanding how your renovation project contributes to the overall value of the property.

FIND AN APPRAISER

Visit **AICanada.ca** and use our online search tool to find an appraiser in your area. Narrow your search by geographic area, expertise and property type.

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How to **Value Your Renovations**

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Payback on Renovations is measured **three ways**

1 • **The value of increasing the selling price of your property**

2 • **The value of enjoying the renovated space**

3 • **The value of maintaining the worth of your property**

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Top 5 Renovations with the **Highest Return on Investment**

- **Kitchen** - renovation or update with quality of materials and workmanship consistent with the area
- **Bathroom** - renovation or addition with quality of materials and workmanship consistent with the home and the area
- **Repainting Interior / Exterior** - completed in tones with wide-ranging market appeal
- **Updating Décor** - lighting and plumbing fixtures, countertops, replacing worn flooring (vinyl or carpets) or refinishing hardwood floors
- **Decluttering** - removing all excess items to showcase the features of your home

Top 5 Renovations with the **Highest Enjoyment Value**

- **Basement finishing**
- **Garages**
- **Sun rooms / Additions**
- **Decks / Fences**
- **Landscaping**

Top 5 Renovations to **Maintain Worth**

- **Replacing the roofing**
- **Updating the heating / cooling system**
- **Replacing windows & doors**
- **Updating electrical (panel, wiring, sockets, fixtures)**
- **Repairing structural defects**

Replacing the roof cover, updating heating/cooling systems and replacing windows/doors as they near the end of their life expectancy is essential.

Tips to Make Your Renovations **a Success**

1 Understand the reasons why you are renovating –

Do you want to increase the value of your home or enjoy the renovations for years to come? Or both?

2 Think about your personal needs and wants –

How much do you want to spend? How long do you plan to own the home after your renovation project? Will you be doing work yourself? Will you work with a general contractor or hire your own tradespeople?

How much you spend on improvements should depend, in part, on how long you plan to live in your home. If you are thinking shorter-term, smaller and less-expensive improvements may be your best bet to recover your investment. **THINK**: fresh coat of paint, updating lighting, improving the curb appeal, decluttering, etc. These items can give your home an updated feel with a limited budget. For the highest return on your investment, ensure the workmanship is of good quality and the materials are consistent with other homes in the area.

It's important to keep in mind the present condition of the item you are renovating. For example, if you are replacing the builder quality maple cabinets in your 10 year old home with custom designed cabinets with an antique finish (because that is your personal style), the changes may not increase the value of your home at all. To appeal to a wider number of prospective purchasers, ensure the renovation blends in with the overall style and design of your home.

3 Hire Trusted Professionals with References –

An interior designer, architect and/or contractor should be consulted before you start your renovation project. They can draw up a plan and assist with renovation advice or construction. Don't forget to build these costs into your project budget! This investment can go a long way to prevent cost over-runs and change-fees later on.

4 Engage a professional appraiser to increase your awareness of over-improvement and unique features

Over-improvement -
Consider your neighbourhood and the expectations of buyers in the area when planning your renovation project. Depending on the particular market and/or neighbourhood in which you reside, expensive projects that over-improve your home may only be partially recognized by prospective purchasers. For example, in a particular market, renovating the basement of your home at a cost of $65,000 in an area where homes generally do not exceed $200,000, may not provide the best financial return on your investment.

Unique features -
Unique designs or improvements that are uncommon for a particular market may impact the re-saleability of a home. For example, a custom designed climate controlled wine room can cost many thousands of dollars. If you are a wine collector extraordinaire and cost is not a concern, then creating a wine room can be personally gratifying. However, if you wish to recover even a portion of your investment, a potential purchaser would need to share your passion.

Before renovating, consider the value the improvement may add to the overall value of your property. This is where the expert advice of a Real Estate Appraiser can provide an objective perspective.

Renovations take time, patience and planning, but can be appreciated for many years. Work with an expert! Find a qualified Professional Real Estate Appraiser in your area through the Appraisal Institute of Canada's online search tool.

Find an Appraiser at **AICanada.ca**