

homeowners and a question that 2022's chaotic housing market helped many people answer without a doubt.

As far back as 2020, before the Covid-19 pandemic even began, the Dallas Morning News was already reporting a shift in the Texas real estate market and the rest of the nation. A growing number of homeowners were opting to fix their existing abodes rather than move.

Three years later, in early 2023, House Method released data claiming that 55% of homeowners had renovated a portion of their homes in the past year.

This renovation trend doesn't seem likely to go away any time soon. That said, the intense desire to renovate doesn't necessarily mean doing so will pay off financially. The insurance company, The Zebra, provides <u>a flow chart</u> to help homeowners decide if renovations are worth their time, effort, and resources. Carpenter and TV personality Bob Vila has also spent time grappling with the important question of whether you can over-improve a house.

If you find that you're in the majority of homeowners working to improve your current living space, it's important to direct that investment into areas of home improvement that will be worthwhile. Consider renovations that will make you happy now and be an investment if you decide to sell in the future, too.

1. UPGRADE OR ADD WOODEN FLOORS

When the National Association of REALTORS® (NAR) Research Group released its Remodeling Impact Report for 2022, wooden floor renovations took not one but both top spots for value-added projects.

Refinishing hardwood floors led to an average 147% estimate of costs recovered (an astronomical figure, even for a list like this). New wood flooring, while more expensive, saw a 118% return on investment (ROI). The upgrade left homeowners enjoying their homes more while adding a long-term toughness and durability to some of their home's most essential surfaces. You can read 2025 report here.

2. INSULATE FOR BETTER EFFICIENCY

Wood floors may be a top option due to their durability and visual appeal. However, the Remodeling Impact Report referenced above also found that the unseen upgrade of adding insulation to a home was a financially effective activity.

Although insulating a home provides no visually desirable improvements, it plays to an essential desire of many modern home buyers: energy efficiency. Between the growing desire to live sustainably and save costs, a well-insulated home has become a top priority for many home buyers.

This means home sellers, on average, were able to recoup 100% of the additional insulation costs when selling the house. In addition, adding insulation can help reduce utility bills while you're still living on the property.

3. ADD AN ADDITION

One of the most obvious ways to improve a home is by expanding it. When you add an addition of any kind to a home, you're expanding the square footage — which will directly reflect the home's overall value.

Along with the general value that comes with a bigger home, you can also tailor an addition to the needs of a house. For instance, if a home has four bedrooms and one bathroom, you can make sure to add another full bathroom in your addition. If the kitchen or living area is small, expanding a central room like that can also be highly effective.

According to JLC's <u>2024 Cost vs. Value Report</u>, each addition provides a different degree of recouped value. For instance, on the one hand, a simple wooden deck has a 82.9% ROI when selling. On the other hand, adding a midrange master suite drops the number to 35.5%, partly due to its high upfront cost.

4. UPGRADE YOUR GARAGE DOOR

The garage door was the first item on Remodeling's abovecited report for cost recouped in home renovations. The site found that homeowners regained around 193.9% of the cost of a new garage door (when replacing an existing door).

This isn't surprising, considering how <u>important curb appeal</u> is for the homebuying process. A new garage door can provide a clean, updated feel to a home's exterior — and at a much lower price point than something like a new roof.

Much like hardwood floors, the average upfront costs of a garage door replacement are comparatively low, usually coming in a little over \$4,500. This makes it much easier to recoup the costs when selling the home.

5. UPDATE YOUR LANDSCAPING

Along with a garage door, your landscaping is another area of easy, affordable improvement. Part of the appeal, in this case, is the wide variety of options available.

From new paths to fresh gardens, there are many ways to improve the look of a property, and many homeowners save costs with these DIY activities.

JLC's 2024 report also claimed that adding manufactured stone veneer to a home's exterior is one of the top recoupable renovations, with the average sale leading to a 153.2% ROI.

6. KITCHEN RENOVATIONS ARE ALWAYS A TOP

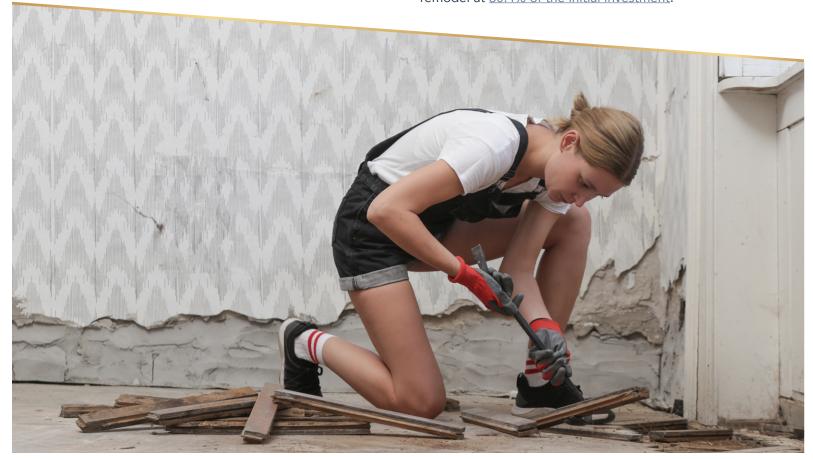
Everyone knows the value a fresh kitchen can add to a home. The NAR and Remodeling reports have kitchens on their list for most demanded renovation and the one that brings the most joy. JCL notes a major mid-range kitchen reno at 49.5% ROI, while a minor midrange remodel ROI sits much higher at 96.1%.

The issue with a kitchen renovation is deciding which upgrades have the most value-added effect. It's a subject that the <u>Austin Luxury Group</u> addresses head-on.

The realtor group points out that new cabinets, more countertop space, floors and skylights tend to reward investors. In contrast, fancy materials, nonessential luxury items and excessively personal choices can detract from a kitchen's value.

7. REMODEL A BATHROOM

Like kitchen remodels, bathrooms have been practical home improvement investments for years. Today's Homeowner with Danny Lipford, puts the current ROI of a midrange bathroom remodel at 60.4% of the initial investment.





8. DECKS AND PATIOS

Adding or upgrading outdoor living areas can significantly boost your home's value and appeal. Decks and patios offer homeowners extended living space and are particularly attractive in warmer climates. The ROI for a well-constructed deck falls at an average of 89%, depending on materials and design.

9. REPLACE SIDING AND WINDOWS

Effective exterior renovation options like <u>replacing siding and windows</u> can also pay off. According to JCL's data, West South Central homeowners can <u>recoup 83.2% of a fiber cement siding replacement</u>. This also has the added benefit of providing a visually stunning improvement to your home's curb appeal.

Vinyl windows also provide a 67.1% ROI. That number can go up if you opt for replacement windows, as these easily fall into the DIY category. Upgrading windows also increases a home's energy efficiency, which can help nudge a homebuyer toward making a more aggressive offer.

10. CONSIDER FUNCTIONAL PROJECTS

Most of the items on this list focus on more extensive activities. However, there are smaller, functionally focused aspects of remodeling that can also help a home sell faster.

For instance, according to data from NAHB (the National Association of Home Builders), <u>34% of homeowners want improved functionality</u> from a remodel. This could be something as simple as making sure you have a viable home office. It could also include removing a non-load-bearing wall for open-concept and easier foot traffic.

Other ideas include adding an electric car charging port or renovating a closet. Smaller items add up in value, especially when they provide targeted, functional improvements that can make your property more desirable.

From kitchens and bathrooms to garage doors, insulation, and even car chargers, there's no end to the number of ways you can renovate and improve your home. The critical factor to remember is to resist that desire for overly personal projects. Instead, choose investments that will pay for themselves when you decide to sell your home in the future.







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