

Nine home renovation projects that make sense for 2009

By Karen Klages | Tribune reporter
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With sales of existing houses in the Midwest down 6 percent in October (and remain 9.1 percent below figures from October '07) and the median Midwestern home price down 6.7 percent from a year ago (according to the National Association of Realtors), it makes sense for homeowners to think at least twice about investing in a renovation.

What projects make sense, given the state of economic affairs? What improvements will allow folks to live better *now* and make the house more saleable *later*—and offer a handsome return on investment?

We posed those questions to four Chicago area home builders and remodeling contractors, as well as a senior researcher at the National Association of Home Builders and the editorial director of Remodeling magazine.

The short story: Small projects are "in." Big additions, "out." Projects that improve curb appeal are good. So is anything to do with energy efficiency. And the perennial favorites—kitchen and bath remodels.

"It isn't all gloom and doom," says Sal Alfano, editorial director of Remodeling magazine on the heels of its "Cost vs. Value Report 2008-09."

Alfano predicts remodeling work will start to pick up in 2009. And data from the National Association of Home Builders (NAHB) seems to bear that out.

Americans are expected to spend \$217 billion on remodeling in 2009, according to Gopal Ahluwalia, staff vice president for research at NAHB. That's up from the \$210 billion spent in 2008 and not far off from the \$218 billion spent in 2007.

Have a look at some of the projects our experts deemed attractive for 2009.

1 Siding replacement and window replacement. Throughout the country, both projects ranked among the highest in terms of "cost recouped," according to Remodeling magazine. In the Midwest in particular, that number hovered around the 70 percent mark for both projects.

Alfano attributes it to the fact that these projects tend to be relatively small (\$10,000 to \$20,000). And their beauty is more than skin deep, he says. New siding and windows are geared toward curb appeal and can make a house sparkle again. But more than that, they make a house easier to maintain, which resonates with homeowners and buyers.

And finally, new windows, in particular, buy homeowners all sorts of energy efficiency, which is another hot button with Americans. Alfano notes that the "technology [in films for the glazing] has improved tremendously. A lot more efficiency is built into the modern window than even windows of 10 years ago."

2 Speaking of energy efficiency and all things green.... "Anything to do with energy today in the home, particularly insulating, reinsulating, caulking, replacing windows or doors or adding more energy-efficient skylights—they're all very viable things," says Scott Sevon, president of Sevconco Inc., a



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builder/remodeler based in Palatine and a managing partner with Belgravia Plus, a remodeling, renovating and kitchen and bath firm in Chicago.

Other projects on the "green" list: low-flow faucets and toilets, high-efficiency furnaces and hot water heaters and other energy efficient appliances.

One more: Sealing up air drafts in a cold, unfinished basement. "It's inexpensive and you get a lot of bang for the buck," says Don Van Cura, president of Van Cura Construction Co. in Chicago. Hire someone (or do it yourself if you're handy with caulk) and seal gaps in the foundation wall at and above the foundation line and where spitogs and pipes enter walls. "Sealing that will make a huge difference in comfort level and energy savings," Van Cura says.

3 Deck addition. Another winner in return on investment, according to Remodeling magazine. Midwesterners can expect to recoup 68.9 percent of their investment on a wood deck addition, 64.2 percent on a composite one.

"If you're the only house in the neighborhood that doesn't have a deck, then it makes sense to build one—for resale," Alfano says. "People will expect one."

4 Cosmetics. It's the small stuff. "[It] could be as simple as painting or replacing carpeting, replacing tile, ripping up the tile and putting in carpeting or putting in hardwood floors," says Michael Menn, principal, Design Construction Concepts in [Northbrook](#). "These are all good investments to make your house" look current, he says.

5 The pizzazz factor. Going one step beyond cosmetic changes are the "wow" projects—i.e. crown molding, faux painting, etc. These things make your unit "pop versus the same unit next to you," says Mike Nagel, president of Remodel One in Roselle and partner in Belgravia Plus in Chicago.

6 Kitchen remodel. "What sells the house is the kitchen and bathrooms," says Ahluwalia at NAHB. Indeed, Remodeling magazine's "cost recouped" figures bear that out with Midwesterners realizing 66.5 percent cost recouped on major kitchen remodels in the midrange price level—the minor remodels capturing nearly 70 percent.

Minor kitchen remodels include: upgrading countertops, installing spiffier faucets, replacing appliances, perhaps refacing cabinets that are in good shape—"things that make your house look nice but you're not spending \$100,000, but \$5,000 to \$20,000," Nagel says.

Those who have a bigger budget might consider incorporating better lighting and at least one, to-do-die-for gourmet appliance. Could be a built-in espresso machine, dishwasher drawers or a multipurpose drawer such as the CoolDrawer from Fisher & Paykel. It changes from a simple pantry drawer to freezer, refrigerator and wine chiller with the touch of a button.



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7 Bathroom remodel. Like the kitchen, a house with good bathrooms is gads more saleable than one without.

And no, the glorious master bedroom bath is not dead, according to our experts. It just looks a little different these days.

Skip the giant tub (few people actually use them and they are water guzzlers). Opt instead for a fantastic body spray shower and a smaller soaking tub, Sevon says. If your budget allows, go for mosaics or stone or fancy tilework in that shower area.

8 Teaching old rooms new tricks. Big additions are not the trend right now. But homeowners can get a "new" room without incurring construction costs by reinventing existing space. Consider turning an underused dining room into a study, library or inlaw area, Sevon says. Make better use of the "family foyer, that space between the garage and the house. Some people call it the mudroom or the laundry room," Menn says. Add dedicated storage for sports equipment, craft supplies, etc., even a small desk to create an efficient family hub.

9 Electric radiant heat. It's a touch of luxury that isn't horribly expensive if you already are intent on replacing a floor, perhaps in the kitchen or master bath, Sevon says. He puts the cost for electric radiant heat between \$8 to \$15 a square foot (depending on the flooring that's going over it) not including the flooring itself.

Whereas (traditional) in-floor radiant heat is generally done in new homes or additions (where the floor can be engineered to accommodate the hot water tubes), electric radiant heat is "like a roll-out mat that we put underneath the flooring." It requires little space under a tile, hardwood, ceramic or stone floor (and even can be put under carpeting). It runs on its own thermostat and costs relatively little to operate, Sevon says. And it gives homeowners a nice upgrade—and something to talk up when they sell the house.

