

Which Renovations Pay for Themselves?

THE RETURN ON INVESTMENT OF 5 COMMON RENOVATIONS—FROM FINISHING A BASEMENT TO UPDATING A KITCHEN AND MORE.

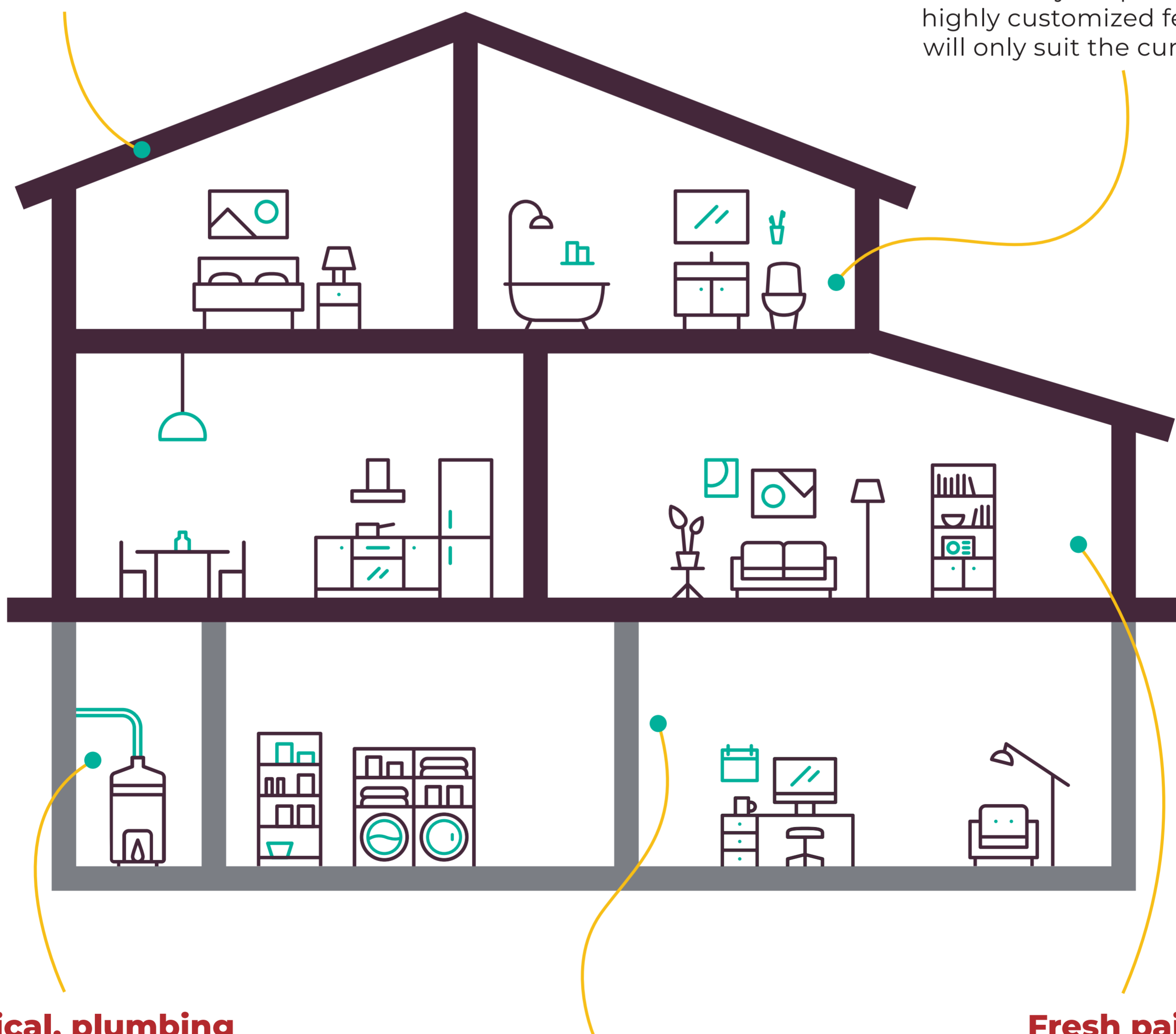
Which renovations will increase the resale value of a home? Well, the answer is complicated. “Where I usually start is to advise homebuyers to talk to their local realtor,” says David Powell, president of the Manitoba Real Estate Association. “A local broker will know the supply and demand of the area, how the renovation will impact a particular property, and whether it will make a difference. Certain neighbourhoods have a lot of demand and low supply—the locational value is great and you don’t need a reno to increase that value.” That said, there are some specific home upgrades that are more likely to pay off when it comes to resale. Here are five examples with a great return on investment, recouping 80% or more of their cost in a resale.

Roof replacement, new windows, new siding

Structural upgrades to the so-called “house envelope” are great for resale value.

Kitchens and bathroom remodel

Provided the focus is on quality materials and appliances and functionality of space, rather than highly customized features that will only suit the current owner.



Electrical, plumbing and furnace upgrades and replacement

Like roofs and windows, these low depreciable upgrades—specifically when replacing a worn-out furnace, decades-old wiring or knob-and-tube—add value to the home.

Finished basement

Particularly for a bungalow or raised bungalow—the added space will increase the home’s value.

Fresh paint

A fresh coat of paint throughout the property a month before it’s put up for sale will do wonders for appeal.