

# 2010-11 AVERAGES



**How We Get the Numbers** Construction cost estimates are generated by HomeTech Information Systems ([www.hometechonline.com](http://www.hometechonline.com)) of Bethesda, Md., which takes into account construction commodity data and labor cost information from a nationwide network of remodeling contractors. The company prepares a detailed construction estimate for each project and then adjusts this baseline cost for each city to account for regional pricing variations. However, project costs are based on estimates for hypothetical projects, with no reliable way to accommodate local and short-term fluctuations in supply and demand. Resale value data for each project are aggregated from estimates provided by REALTORS®. E-mail surveys were sent to some 150,000 appraisers, sales agents, and brokers in the summer of 2010, and more than 3,000 participated. Respondents were instructed not to make judgments about the motivation of the home owner in the decision to undertake the remodeling project or to sell the house.

## REGIONAL AVERAGES

NATIONAL AVERAGES				NEW ENGLAND CT, MA, ME, NH, RI, VT			MIDDLE ATLANTIC NJ, NY, PA			SOUTH ATLANTIC DC, DE, FL, GA, MD, NC, SC, VA, WV			E. NORTH CENTRAL IL, IN, MI, OH, WI		
Addition	Job Cost	Resale Value	Cost Recouped	Job Cost	Resale Value	Cost Recouped	Job Cost	Resale Value	Cost Recouped	Job Cost	Resale Value	Cost Recouped	Job Cost	Resale Value	Cost Recouped
<b>MIDRANGE</b>															
Attic Bedroom	\$ 51,428	\$ 37,142	72.2%	\$ 54,414	\$ 37,131	68.2%	\$ 55,218	\$ 38,394	69.5%	\$ 45,591	\$ 33,921	74.4%	\$ 54,517	\$ 38,934	71.4%
Back-up Power Generator	14,718	7,136	48.5	15,002	7,007	46.7	15,587	7,027	45.1	13,575	7,380	54.4	15,606	6,316	40.5
Bathroom	40,710	21,695	53.3	42,670	21,300	49.9	43,591	21,150	48.5	36,496	20,115	55.1	42,919	19,571	45.6
Deck (wood)	10,973	7,986	72.8	11,163	8,114	72.7	11,205	7,944	70.9	9,916	7,670	77.3	11,246	6,834	60.8
Deck (composite)	15,620	10,337	66.2	15,809	11,367	71.9	15,987	10,212	63.9	14,844	9,980	67.2	15,911	8,948	56.2
Family Room	85,740	53,624	62.5	88,951	55,824	62.8	90,832	50,631	55.7	76,663	49,914	65.1	90,802	48,395	53.3
Garage	60,608	35,876	59.2	61,332	36,456	59.4	63,785	34,053	53.4	54,975	34,601	62.9	64,039	31,530	49.2
Master Suite	108,090	68,146	63.0	112,509	68,250	60.7	115,030	66,541	57.8	96,845	65,195	67.3	114,217	62,511	54.7
Sunroom	75,224	36,540	48.6	76,779	39,838	51.9	78,140	35,052	44.9	70,099	35,167	50.2	77,792	32,536	41.8
Two-Story	165,243	107,338	65.0	166,862	108,217	64.9	171,895	104,286	60.7	150,485	100,573	66.8	172,606	98,817	57.3
<b>UPSCALE</b>															
Bathroom	\$ 78,409	\$ 41,562	53.0%	\$ 81,303	\$ 40,514	49.8%	\$ 82,933	\$ 40,181	48.5%	\$ 71,922	\$ 39,315	54.7%	\$ 81,968	\$ 38,228	46.6%
Deck (composite)	38,382	22,154	57.7	38,877	22,634	58.2	39,540	21,946	55.5	36,620	21,611	59.0	39,020	19,091	48.9
Garage	90,053	48,278	53.6	92,382	49,209	53.3	94,725	45,214	47.7	82,230	46,079	56.0	94,544	42,646	45.1
Master Suite	232,062	122,370	52.7	239,229	124,582	52.1	242,623	115,402	47.6	214,431	119,585	55.8	241,301	110,212	45.7
<b>Remodel</b>															
<b>MIDRANGE</b>															
Basement	\$ 64,519	\$ 45,186	70.0%	\$ 68,253	\$ 41,918	61.4%	\$ 69,106	\$ 40,215	58.2%	\$ 57,627	\$ 45,757	79.4%	\$ 67,533	\$ 37,967	56.2%
Bathroom	16,634	10,668	64.1	17,620	10,773	61.1	17,683	10,793	61.0	15,252	9,950	65.2	17,304	9,516	55.0
Home Office	28,888	13,235	45.8	29,480	12,510	42.4	29,944	12,907	43.1	27,223	13,122	48.2	29,856	11,377	38.1
Major Kitchen	58,367	40,126	68.7	60,038	42,653	71.0	60,710	38,214	62.9	55,004	38,713	70.4	60,092	36,261	60.3
Minor Kitchen	21,695	15,790	72.8	22,267	16,802	75.5	22,325	15,246	68.3	20,762	15,358	74.0	22,239	14,169	63.7
<b>UPSCALE</b>															
Bathroom	\$ 53,759	\$ 30,738	57.2%	\$ 56,084	\$ 30,510	54.4%	\$ 56,687	\$ 30,215	53.3%	\$ 49,894	\$ 29,984	60.1%	\$ 55,660	\$ 26,857	48.3%
Major Kitchen	113,464	67,746	59.7	115,578	70,560	61.0	116,763	64,968	55.6	109,003	66,560	61.1	115,658	61,123	52.8
<b>Replacement</b>															
<b>MIDRANGE</b>															
Entry Door (fiberglass)	\$ 3,576	\$ 2,147	60.0%	\$ 3,662	\$ 2,079	56.8%	\$ 3,690	\$ 2,095	56.8%	\$ 3,348	\$ 2,117	63.2%	\$ 3,672	\$ 1,951	53.1%
Entry Door (steel)	1,218	1,243	102.1	1,264	1,081	85.5	1,279	1,243	97.2	1,098	1,488	135.5	1,270	966	76.1
Garage Door	1,291	1,083	83.9	1,330	1,076	80.9	1,368	1,061	77.6	1,178	1,079	91.6	1,345	917	68.2
Roofing	21,488	12,780	59.5	23,232	14,689	63.2	23,644	13,482	57.0	18,714	12,590	67.3	23,347	11,015	47.2
Siding (vinyl)	11,357	8,223	72.4	11,653	9,173	78.7	11,721	8,515	72.7	10,347	7,917	76.5	11,701	7,484	64.0
Window (wood)	12,027	8,707	72.4	12,441	9,185	73.8	12,691	8,822	69.5	10,873	8,011	73.7	12,686	7,959	62.7
Window (vinyl)	11,066	7,920	71.6	11,447	8,366	73.1	11,688	8,033	68.7	9,965	7,705	77.3	11,661	7,252	62.2
<b>UPSCALE</b>															
Garage Door	\$ 3,545	\$ 2,476	69.8%	\$ 3,598	\$ 2,631	73.1%	\$ 3,635	\$ 2,409	66.3%	\$ 3,445	\$ 2,595	75.3%	\$ 3,607	\$ 2,150	59.6%
Grand Entrance (fiberglass)	7,700	4,979	64.7	7,939	4,853	61.1	8,015	4,866	60.7	7,073	4,703	66.5	7,965	4,369	54.9
Roofing	38,022	21,120	55.5	41,601	24,257	58.3	41,967	22,241	53.0	32,962	20,121	61.0	41,611	18,447	44.3
Siding (foam-backed vinyl)	13,973	10,119	72.4	14,277	11,278	79.0	14,320	10,346	72.2	12,860	9,774	76.0	14,306	9,025	63.1
Siding (fiber cement)	13,382	10,707	80.0	13,495	11,491	85.2	13,561	10,547	77.8	13,106	11,197	85.4	13,576	9,369	69.0
Window (wood)	18,226	12,303	67.5	18,714	13,204	70.6	19,026	12,247	64.4	16,760	11,667	69.6	18,986	11,003	58.0
Window (vinyl)	14,284	10,368	72.6	14,923	10,514	70.5	15,129	10,585	70.0	12,878	10,027	77.9	15,063	9,283	61.6



## Using the Data

The Cost vs. Value Report provides an accurate snapshot of the national housing market, but it can't be applied accurately to an individual remodeling project for a particular address. Resale value is one factor among many that a home owner must take into account when making the decision to remodel. Although the costs used in the report are based on itemized estimates, the projects are hypothetical. When comparing the data to actual remodeling costs in your area, small differences in the scope of a project or quality of finishes and accessories can dramatically affect the price. Although the distinction between "mid-range" and "upscale" projects provides a range of pricing, it can't account for extreme variations in pricing that many markets experienced in 2010.

## 2010-11 Trends

Slumping home values pulled the overall cost-to-value ratio down to its lowest level this decade, extending the downward trend that began in 2006. In fact, the slide from 63.8 percent to 60.0 percent in costs recouped is a slightly greater than last year's 3.5-point drop. Projects were more affordable to complete, with construction costs down 10.4 percent overall, but those lower costs were overmatched by a 15.8 percent drop in estimated resale values, the biggest decline in the last eight years.

E. SOUTH CENTRAL AL, KY, MS, TN			W. NORTH CENTRAL IA, KS, MN, MO, ND, NE, SD			W. SOUTH CENTRAL AR, LA, OK, TX			MOUNTAIN AZ, CO, ID, MT, NM, NV, UT, WY			PACIFIC AK, CA, HI, OR, WA		
Job Cost	Resale Value	Cost Recouped	Job Cost	Resale Value	Cost Recouped	Job Cost	Resale Value	Cost Recouped	Job Cost	Resale Value	Cost Recouped	Job Cost	Resale Value	Cost Recouped
\$ 45,461	\$ 35,389	77.8%	\$ 51,339	\$ 32,322	63.0%	\$ 43,421	\$ 34,003	78.3%	\$ 48,196	\$ 31,575	65.5%	\$ 63,314	\$ 50,325	79.5%
13,856	7,507	55.4	14,805	5,629	38.0	12,934	7,594	58.7	14,098	6,489	46.0	17,033	8,878	52.1
36,262	21,165	58.4	40,627	18,673	46.0	34,800	21,650	62.2	38,469	19,185	49.9	49,508	31,302	63.2
9,287	6,927	74.6	10,484	6,846	65.3	10,102	7,350	72.8	10,996	7,352	66.9	13,827	11,956	86.5
14,666	9,944	67.8	15,450	9,041	58.5	14,695	9,510	64.7	15,403	9,623	62.5	17,552	13,878	79.1
76,279	50,315	66.0	85,632	47,975	56.0	73,597	51,855	70.5	81,170	49,746	61.3	105,369	74,944	71.1
54,352	34,850	64.1	60,774	30,917	50.9	52,782	34,814	66.0	57,857	36,120	62.4	73,834	48,204	65.3
98,405	66,281	68.8	108,147	61,575	56.9	93,042	66,420	71.4	102,309	64,982	63.5	131,566	89,058	67.7
70,222	38,873	55.4	74,994	32,369	43.2	68,269	35,819	52.5	72,471	32,525	44.9	86,970	46,319	53.3
148,074	106,898	72.2	170,094	98,427	57.9	149,723	106,211	70.9	158,394	99,004	62.5	195,228	141,181	72.3
\$ 71,534	\$ 41,606	58.2%	\$ 78,388	\$ 36,504	46.6%	\$ 69,257	\$ 43,042	62.1%	\$ 74,984	\$ 38,522	51.4%	\$ 91,799	\$ 54,908	59.8%
35,995	21,055	58.5	37,998	19,731	51.9	36,042	21,720	60.3	37,872	21,413	56.5	42,805	29,111	68.0
81,311	47,769	58.7	89,898	42,008	46.7	79,258	47,822	60.3	85,781	47,238	55.1	107,882	65,011	60.3
214,469	122,917	57.3	231,879	106,480	45.9	209,483	127,025	60.6	223,269	119,636	53.6	268,030	152,174	56.8
\$ 57,341	\$ 43,615	76.1%	\$ 64,239	\$ 38,886	60.5%	\$ 55,071	\$ 46,406	84.3%	\$ 61,107	\$ 42,538	69.6%	\$ 78,828	\$ 65,101	82.6%
15,157	10,446	68.9	16,541	8,953	54.1	14,536	10,250	70.5	15,752	9,200	58.4	19,490	15,514	79.6
27,349	14,019	51.3	28,885	11,399	39.5	26,521	14,082	53.1	27,955	11,574	41.4	32,428	17,641	54.4
54,926	39,887	72.6	58,149	36,373	62.6	53,452	39,436	73.8	56,377	37,857	67.2	65,686	50,556	77.0
20,772	16,012	77.1	21,678	14,144	65.2	20,321	15,083	74.2	21,046	15,111	71.8	23,603	19,854	84.1
\$ 49,684	\$ 31,804	64.0%	\$ 53,646	\$ 26,426	49.3%	\$ 45,259	\$ 32,347	67.0%	\$ 51,573	\$ 29,291	56.8%	\$ 61,446	\$ 38,783	63.1%
109,041	66,023	60.5	113,027	61,017	54.0	107,066	70,138	65.5	111,009	65,761	59.2	123,012	81,201	66.0
\$ 3,363	\$ 2,356	70.1%	\$ 3,578	\$ 1,813	50.7%	\$ 3,313	\$ 2,176	65.7%	\$ 3,476	\$ 1,981	57.0%	\$ 4,040	\$ 2,738	67.8%
1,105	1,104	99.9	1,219	962	78.9	1,079	1,259	116.6	1,165	1,197	102.8	1,464	1,641	112.1
1,189	1,097	92.2	1,298	892	68.7	1,145	1,130	98.7	1,230	970	78.8	1,514	1,461	96.4
19,230	11,935	62.1	21,185	9,447	44.6	17,438	11,128	63.8	19,365	12,217	63.1	26,718	17,499	65.5
10,230	8,695	85.0	11,219	7,107	63.3	10,216	7,708	75.5	10,776	7,304	67.8	13,980	10,067	72.0
10,985	8,787	80.0	12,045	7,233	60.0	10,462	8,048	76.9	11,403	8,169	71.6	14,431	12,016	83.3
10,102	7,916	78.4	11,113	6,870	61.8	9,515	6,807	71.5	10,510	7,177	68.3	13,401	10,760	80.3
\$ 3,457	\$ 2,544	73.6%	\$ 3,572	\$ 2,078	58.2%	\$ 3,419	\$ 2,586	75.6%	\$ 3,504	\$ 2,310	65.9%	\$ 3,670	\$ 2,850	77.7%
7,115	5,157	72.5	7,708	4,451	57.7	6,979	5,075	72.7	7,424	4,767	64.2	8,976	6,574	73.2
34,193	19,843	58.0	37,705	16,545	43.9	30,752	19,757	64.2	33,242	18,719	56.3	47,199	28,678	60.8
12,675	10,888	85.9	13,779	8,769	63.6	12,783	9,563	74.8	13,303	9,140	68.7	16,991	12,350	72.7
13,106	11,547	88.1	13,423	9,335	69.5	12,954	10,713	82.7	13,239	10,043	75.9	13,920	11,921	85.6
16,930	12,279	72.5	18,178	10,455	57.5	16,292	11,774	72.3	17,456	11,644	66.7	21,407	16,153	75.5
12,987	11,067	85.2	14,309	9,031	63.1	12,208	9,169	75.1	13,432	9,617	71.6	17,315	13,945	80.5



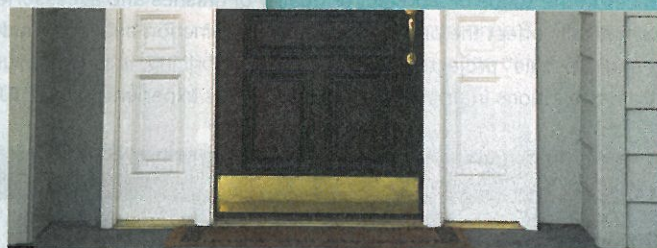
# TOP 5: FIRST IMPRESSIONS MATTER

By G.M. Filisko

Looking to convince dubious sellers that smart upgrades are worth it? This year's Cost vs. Value Report, by *Remodeling* magazine, provides ample support. The annual survey uses input from REALTORS® in 80 cities to rank home remodeling projects according to those that bring the greatest cost recovered at resale. And looking at the five projects that topped the list, it's clear that first impressions really do matter when sellers list their home.

Big-bang projects can make or break a sale from the moment potential buyers exit their car. A midrange entry door replacement brings the highest payback at a national average of 102.1 percent, followed by a midrange garage door replacement, at 83.9 percent, and an upscale redo of the siding at 80 percent of the cost. Step into the home, and a midrange kitchen remodel recoups an average 72.8 percent. Gaze into the backyard, where a wood deck addition also generates a 72.8 percent return.

Also noteworthy in this slow-growing economy is that four of the top five projects are "midrange" projects aimed at budget-conscious sellers. If sellers still balk at the price tag, take note of our tips for completing the projects on a tidy budget.



## PROJECT 1: ENTRY DOOR REPLACEMENT (Steel)

**Cost \$1,218**

**Resale value \$1,243**

**Cost recouped 102.1%**

National averages

### What this project entails:

Remove an existing 3-foot-by-6-foot-8-inch entry door and jambs and replace it with a new 20-gauge steel unit, including a clear dual-pane half-glass panel, jambs, and an aluminum threshold with a composite stop. The door is factory finished with the same color on both sides. Exterior brick-mold and 2.5-inch interior colonial or ranch casings in poplar or an equal choice are prefinished to match the door color. Replace the existing lock set with a new bored lock with a brass or antique brass finish.

A new entry door can make a big splash, but only if it complements the style of the house. "The biggest mistake people make is to choose a door that doesn't match the neighborhood or home," says Donnie Worley, broker at RE/MAX Real Estate Service in Sanford, N.C. "You won't recoup the money at resale, and it might look funny. For high-end homes, leaded glass may be appropriate. But in a more moderately priced home, a regular steel door painted in a color that complements the home's trim will make a bigger impact."

Sellers can get their money's worth with online research before a purchase, says Peter McCluskey, owner of McCluskey Construction, Realty, and Loans in San Francisco. "Identify the type of steel, whether the door has been primed with a rust inhibitor, how many coats of finish paint have been added, and whether it's insulated and if so with what insulation rating," McCluskey says. "An alternative to finish paint is powder coating. It's more like glue than paint and generally better than nonpowder coating."

Finally, thoroughly inspect the door before buying and installing it. "Steel doors can dent easily, and you can't fix dents," says Taylor Joe Goldsmith, vice president of marketing and sales at Joe Goldsmith Construction Inc. in Lakeland, Fla. "Make sure the door is in good condition before you purchase it."

**Replacement projects have always performed better in resale value than other types of remodeling projects, partly because they're among the least expensive.**





## PROJECT 2: GARAGE DOOR REPLACEMENT

**Cost \$1,291**  
**Resale value \$1,083**  
**Cost recouped 83.9%**

National averages

### What this project entails:

Remove and dispose of the existing 16-by-7-foot garage door and tracks. Install a new 4-section garage door on new galvanized steel tracks; reuse the existing motorized opener. The new door is uninsulated, single-layer, embossed steel with two coats of baked-on paint, galvanized steel hinges, and nylon rollers. 10-year limited warranty.

Home owners should be careful when choosing a garage door because it's easy to buy a more expensive product than what's necessary. In many cases, a basic door will do the job, McCluskey says. "There are a few standard garage doors priced around \$600, and installed they might be twice that," he says. "If you want something that looks like a carriage door, expect to pay three times as much."

Sellers should also consider how potential buyers might use the garage. A selling point for garage tinkerers might be windows or upgraded insulation. "Lots of people don't even park vehicles in their garage but instead use it as their workshop," says Goldsmith. "In the winter, an insulated door will knock the edge off of the cold and will also keep the garage cool in the summer."

Windows allow in natural light. "That's pretty important and often overlooked," McCluskey says. "Windows aren't typically a large extra expense, costing about \$100 extra. But they make an enormous difference in the usability of your garage. If it's dark inside, you can't do anything without opening the door."

Another potential selling point is a belt-driven garage door opener, which costs about \$100 more than a chain-driven model. "A chain drive is really noisy," McCluskey says. "With a belt, you can hardly hear the door move."

**This project is a new addition for the 2010-11 report, in recognition that curb appeal continues to play a strong role in a home's resale value.**



## PROJECT 3: SIDING REPLACEMENT (Fiber Cement)

**Cost \$13,382**  
**Resale value \$10,707**  
**Cost recouped 80.0%**

National averages

### What this project entails:

Replace 1,250 square feet of existing siding with new fiber-cement siding, factory primed and factory painted. Include all 4/4 (1-inch) and 5/4 (1.25-inch) trim using either fiber-cement boards or cellular PVC.

"Siding materials can vary widely, so home owners should be sure they're getting actual cement siding, rather than pressboard or other composite materials," says McCluskey. "Look on the Internet at the specifications on the various cement siding products. There are no standard materials, so you have to know what materials are being used so you can compare apples to apples."

Home owners should also ask siding contractors how much of an overlap, called the "lap," there will be on each board. "This is one of these 'duh' things," says Goldsmith. "I live in a historic district, and I've seen homes in which the lap is three inches, which gives siding a wood look, instead of the maximum lap of six inches. Those home owners are wasting materials. Ask how big a lap contractors will use and whether it would save on materials and lower the cost to increase the lap."

Finally, home owners should consider pre-painted siding, which they can then tout to potential buyers. "That can save home owners money," says McCluskey. "They won't have to have the siding repainted every few years."

**Since it was added to the survey in 2005, fiber-cement siding replacement has ranked first among projects costing \$5,000 or more.**





#### PROJECT 4: **KITCHEN REMODEL**

(Minor)

**Cost \$21,695**

**Resale value \$15,790**

**Cost recouped 72.8%**

National averages

**What this project entails:** In a functional but dated 200-square-foot kitchen with 30 linear feet of cabinetry and countertops, leave cabinet boxes in place but replace the fronts with new raised-panel wood doors and drawers, including new hardware. Replace the wall oven and cooktop with new energy-efficient models. Replace laminate countertops; install a mid-priced sink and faucet. Repaint the trim, add wall covering, and remove and replace resilient flooring.

"Too often, home owners overimprove their kitchen," says Adam Bosworth, a sales associate at Peggy Parker Real Estate LLC in Norwich, N.Y. "That's not cost-effective unless they'll stay in the house a long time."

To save a good chunk of money on a kitchen remodel, keep your existing electrical wiring and plumbing in place, Bosworth says.

Another idea: Considering painting your cabinets instead of buying new ones, advises Jude Herr, broker-owner of Boulder Area Realty in Boulder, Colo. And while many home owners opt for laminate flooring that resembles wood, Herr says ceramic tile is a smarter option. "With a laminate, you may get a negative reaction," she says. "You can buy nice ceramic tile for the same amount of money as wood laminates."

However, do consider a laminate countertop. "The most cost-effective way to give a kitchen a better look is with a laminate," says Jeff Carbone, a general contractor and sales associate at Coldwell Banker Premiere, REALTORS®, in Southington, Conn. "The selections today are very impressive, with many mimicking quite well the look of marble, granite, or other natural stones."

Finally, to save money, do some of the work yourself. For example, tell your contractor that you'll remove the cabinets, advises Bosworth. "Ask your contractor to let you know when he's done with the drywall," adds Herr. "Then do the painting yourself before cabinets are installed, patching nail holes or scratch marks later. That will save you the cost of painting, and it's easier than painting afterward, when you have to work around the cabinets."

**The minor kitchen remodel may carry a high price tag, but it's a relatively inexpensive face-lift to what many buyers consider the most important room in the home.**



#### PROJECT 5:

#### **DECK ADDITION**

(Wood)

**Cost \$10,973**

**Resale value \$7,986**

**Cost recouped 72.8%**

National averages

#### **What this project entails:**

Add a 16-by-20-foot deck using pressure-treated joists supported by 4-by-4-foot posts anchored to concrete piers. Install pressure-treated deck boards in a simple linear pattern. Include a built-in bench and planter of the same decking material. Include stairs, assuming three steps to grade. Provide a complete railing system using pressure-treated wood posts, railings, and balusters.

A new wood deck can look stunning, but if not done correctly it could turn into a drawback to buyers. Home owners should also be sure a new deck isn't too big or small. "Home owners can add an 8-by-8-foot wood deck, but it's so small the space seems useless," says Bosworth. "Or they can put on a deck that spans the length of the home. That's great for entertaining, but they'll never recoup the cost."

Bosworth also recommends that sellers who need to save money choose a contractor who'll let them do some of the work. "Have the footings poured by a professional and maybe the frame put together by one, too," he says. "But anybody who knows how to use a screw gun can put in the floorboards and railings."

Adding a natural stain can be a final selling point. "I hear constant complaints from home owners about having to stain the deck every year," says Bosworth. "Colored stains like darker browns and reds wear very unevenly. Natural stains wear more evenly."

Before any work begins on the new deck, make sure that permits are in place. "Home owners should check with their local code enforcement department," Worley says. "People who work [in the department] will often give them free advice to help owners avoid mistakes. They may even provide copies of building codes so home owners can be sure railings are the correct height and vertical slats aren't too far apart or close together, potentially dangerous for children or pets."

**This project is considered essential rather than discretionary in many markets, particularly in neighborhoods where every home has an outdoor living space.**