



BLOG POST

# Home Improvements:

*Can you recoup  
your cost when you sell?*



## Home Improvements: Can You Recoup Your Costs When You Sell?

Home improvements are exciting. An extra room or a new pool is something that anyone could be happy about.

*But many home improvements are poor decisions from a financial perspective.* It's not always obvious which home improvements make the most sense financially. Some of the worst home improvements in terms of recouping your costs are the most popular.

**Here are some of the worst offenders for the money:**

1. **Adding a master suite.** Master suites are very common in modern homes, but not as common in older construction. Think about the house in which you grew up. Odds are there was not a large master bedroom with an attached bathroom.
  - *This building project is among the worst when it comes to recouping your costs.* You can expect to only get about 52% of your money back at selling. Part of the charm of older homes is in the styling. Leave the master bedroom alone.
2. **Sunroom addition.** Most of us like big windows and lots of natural light. If you're in a house with small windows, it might make sense to add a sunroom in lieu of adding larger windows. Unfortunately, a sunroom is one of the worst home improvements to make when looking at the financial picture.
  - Homeowners can expect to get back \$0.49 back for every \$1.00 spent.
3. **Adding a large garage.** If you're like most people, your garage is crammed full of cars, bikes, lawn tools, and all your stuff that won't fit in the house. A large garage can be appealing to those that want some space and order. *However, most prospective homeowners view a large garage as space that won't get used.*
  - Instead, consider cleaning out the garage you already have. Get rid of the stuff you don't use. Sweep it out and paint the interior. You might already have enough space to make it work.
  - If you build a garage, you're only going to get back around 54% of the cost.
4. **Extra bathroom.** This is a very common addition, but it only yields a 53% return at sale time. Plumbing is expensive and adds considerable cost to this project. Consider how much an extra bathroom really means to you.
5. **Home office.** *A home office is less appealing to homebuyers than it used to be.* With wireless Internet, a person working at home can choose any room in the house to set up shop. It's also just as easy to head to the local coffee shop or to an outdoor location.
  - Converting a spare bedroom to a home office will only deliver back 46% of the cost.
6. **Getting a backup generator.** Backup generators yield about 60 cents on the dollar when you sell your house. Those in areas more prone to natural disasters tend to see a better recoup rate. Also, it's more of a challenge to lose your heat in Minnesota in winter than in south Texas, so location has a lot to do with your return on investment.
7. **Adding a pool.** Unless your home is in Florida, California, or Texas, adding a pool can actually be a detriment to selling your house! Many potential homeowners are driven away

by the costs and trouble of maintaining a pool that they would only use for a small portion of the year.

***The only home improvement that actually pays for itself is replacing a wood entry door with a steel door.*** All other home improvements are money losers to varying degrees.

Also, remember that for most projects, half of the cost is labor. ***If you can do the work yourself, then practically all home improvements will yield at least a small profit.*** Some can even result in a considerable profit.

Of course, if you intend to stay in your home for many years, follow your own desires when choosing home improvement projects. They'll bring you enjoyment for many years to come!

If you're improving your home to get more money at sale time, think of these returns on investment and go with the ones that will most increase the value and salability of your home.