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## Will Your Home Improvements Pay You Back?

Last Updated Tuesday, 25 April 2006

Spring seems the perfect time for renovations, both inside and outside. How do you know that the money you put into your home will come back to you?

While there are some things that you just have to do, like replace a leaky roof or inoperable hot water heater. These things decrease the value of your home, so you have to take care of them. But where do the visual improvements pay you back? Are they worth it?

First, I think you have to look at your home. Consider the age first of all. For example, my mother is holding on to the home her uncle built for her mother 60 years ago. He wasn't a carpenter and didn't know what he was doing. The home has had minimum major repairs and only slight upkeep over the years. It needs a new roof, new walls in some places, new ceiling, new piping, new electrical, new windows, new floorboards and so on. There isn't anything that doesn't need to be replaced. She wants to keep updating it, but her money isn't doing anything. It needs \$50,000 worth of repairs to raise it's value. Several thousand aren't going to do anything for it.

But if you have a home in good condition, chances are that by wisely improving it, you can increase the value of your home.

But you have to put your money in the right places. One of the most popular improvements is finishing a basement. This has one of the lowest rates of return. The average payback is less than 50% of your cost. So if you spend \$10,000, expect an increase of less than \$5,000.

Updates in the most frequently used areas, such as the kitchen and bathrooms, give you between 75% and 90% return. These are the areas that you should focus on. But be wise when making decisions. Stick with traditional styles and materials. Keep colors neutral and make moderate choices. You may want a high-end stove, but you may be better off with a mid-range if you are looking to get a good return on the investment.

Extras are nice in a home, but they really don't pay you back either. Whirlpools, fireplaces and decks are nice, but they will only get you a return of around 10%. What is important to you may not be important to potential buyers.

But you may not be looking to sell.

If you are making remodeling choices for yourself and plan to live in the home for the next twenty years, go ahead and pick what you want. Remember that this is your home and if it is something you can afford, who says that you have to get all of your money back out of it? Just make wise choices and think about the future before you invest money into your home. It will pay you back in the long run.

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