



Hot Commodities

Which updates get you the most bang for the buck?

By Karen Eubank
Contributing Writer

If beauty is in the eye of the beholder, then value is certainly in the eye of the consumer.

Consumers today are spending like never before to add home value. According to Harvard's Joint Center For Housing Studies, "Homeowners continued to invest in their homes by spending more than \$139 billion on home improvements and repairs over the past four quarters."

So, what adds value to our homes? From appraisers to architects, Realtors to remodelers, each industry professional has an opinion.

Kitchen Culture

Kitchens top everyone's list. Cooking skills aside, most of us crave the gourmet dream cookery complete with the Sub-Zero refrigerator, granite counters and multiple sinks. It's a given that the kitchen needs to open into a family area and, of course, there's the coveted mudroom.

Park Cities residents Elizabeth Mack and her husband David Allen knew their 1930s kitchen needed major work. The washer and dryer held center stage and there was no place to serve the children breakfast.

With the help of Carol Gantt, a design and construction consultant, they put together a plan to open up their kitchen and update its look. The addition of breakfast and mudrooms on the first floor provided space to create a new master bath and walk-in closet on the second floor. A new garage with guest quarters above completed their wish list.

While the couple has no plans to move, they wanted to make sure the construction returned value.

"Carol helped us analyze whether we would be over-renovating for the neighborhood," Mack said. "She allowed us to see the big picture that we would still be within market for our street."

W.H. Langhenry, owner of National Appraisal Group, a real estate appraisal firm specializing in the valuation of Park Cities homes, said that the best way to maximize the equity in your home is to professionally update the kitchen and bathrooms.

"Staying current with design



trends is crucial when selecting appliances, countertops, and fixtures," he said.

Square Footage

According to architect Greg Lorie, whose firm, Architectura, was an integral part of Mack's team, the basic rule of thumb is that you will add value to a home if the square footage you add on will sell for more than it costs you to construct.

He said that renovating or adding kitchen and master suites with spa-like bathrooms post the highest percentage of return, and Langhenry said the same.

"When adding square footage, make sure it is attached to the main structure and finished out to the same quality level as the rest of the house," Langhenry said.

Blending an addition seamlessly into your home should be a high priority in augmenting its value. Joe Cleveland of Cleveland Partners recently remodeled a home on Caruth, building a two-story, 1,700-square-foot addition onto the back of an existing home, adding a master bedroom, family room, and laundry space.

"Square-foot gain is always a better value in the Park Cities," he said. "The more you can get on the lot, the more value you get out of the property."



FRESH: Lime green walls? Oh, yes. Park Cities homeowners Elizabeth Mack and David Allen used outside expertise to update their kitchen (top above) and to add on a breakfast room. Renovating a kitchen and adding square footage are ways to rake in the highest rate of return when reselling a home.

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The Caruth house was purchased for about \$650,000. After the \$200,000 renovation, it was appraised at \$ 1.3 million.

Architectural Integrity

Adding on to an architecturally significant home poses its own distinct set of issues. Gantt knows of certain cases in Lakewood where original baths in good condition have been torn out and replaced at a cost of \$30,000 to 50,000.

"The value of the house actually went down," she said. "You have to know your neighborhood and understand what buyers in that area are after, which materials return, and which don't."

Gantt's own second-story addition to an original Hutsell is so well-executed that it's impossible to tell where the original stops and the addition begins. Realtor David Bush and his wife Shannon called on Gantt's expertise to restore their 1930s Tudor.

"We wanted to keep the architectural integrity intact, do things we liked, but keep in mind what would be good for resale," Bush said.

Contractor Steve McCombs worked with Gantt to salvage the two existing baths, going so far as to have the master bath tile custom-made to replicate tile from the period. McCombs enlarged the kitchen, added a powder room, mudroom, and master suite. A two-story garage with guest quarters finished off the project. Gantt said she is confident they can recoup most of their investment because the house is unique.

Guest Quarters

The trend for a garage with quarters above is growing in popularity. Adding square footage outside the walls of your house won't raise your taxes as much and is easier to heat and cool efficiently.

However, Gantt said, "Building a garage at about \$80 per square foot with quarters at about \$150 to \$200 per square foot runs the same [price] as construction onto your home will cost, and it won't return at as high a rate as an additional room added on to the house itself."

If you decide to tear down your old garage and add 500 square feet with another 500 in overhead quarters, the cost will be between \$100,000 and \$140,000, but the redo may only add up to \$40,000 on to your resale price.

If you make your old garage a bit more serviceable and add the 500 square feet to your house instead, it would cost between \$75,000 and \$100,000 and could return what it costs or more depending on your neighborhood.

Amenities

What about the smaller amenities? Do they return value for cost? Cleveland advises that hardwood floors are always a good bet.

"Their overall impact is tremendous," he said. "If the floors are bad, it detracts from the appearance of the entire house."

Gantt's experience has shown that cheap granite returns as well as expensive granite, and nice but cheaper appliances bring in as much as pricier ones in all but exclusive homes.

Landscape

There's a reason why Realtors value curb appeal — it works. It isn't necessary to indulge in elaborate plantings



STAFF PHOTO: ELIZABETH LAVIN

VINTAGE: David and Shannon Bush restored their kitchen to mint condition instead of gutting the existing furnishings. Maintaining a home's original architecture and design leads to a higher return on investment when selling.

Words of Wisdom

What you get back on your investments depends on your neighborhood, the value of your home, how fast home prices are rising, and how soon you sell after renovations. You can't go wrong with a kitchen or bath remodel, or a square-footage addition to the main structure. However, bear in mind the return is seldom dollar for dollar. In the best-case scenarios, a kitchen will return on average only 80 percent of its cost.

Each spring, *Remodeling Magazine* publishes its yearly "Cost vs. Value Report." The figures are based on national numbers and the sale of the home within a year after renovations. However, most of us don't remodel for the sole purpose of selling.

As Lorie said, "Don't build for the next

person, build to enjoy your home, yourself."

When you are ready to sell, Park Cities Realtor Tom Rhodes advises that you not overlook the value of painting and staging your home.

"These things will give you the best return on the money spent and the least hassle," he said.

If resale value is your primary factor in remodeling, consult with an appraiser, a real estate agent, and a remodeler. And because prices in the Park Cities, Preston Hollow, and Lakewood keep rising (the dirt value of an average-sized lot in Park Cities is now about \$650,000 to \$700,000), purchasing a teardown will run over half a million dollars.

In that case, as far as value is concerned, there is nowhere to go but up.