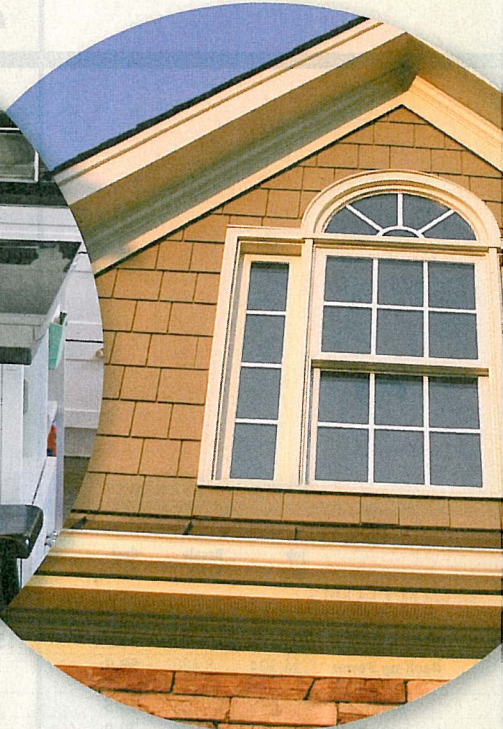
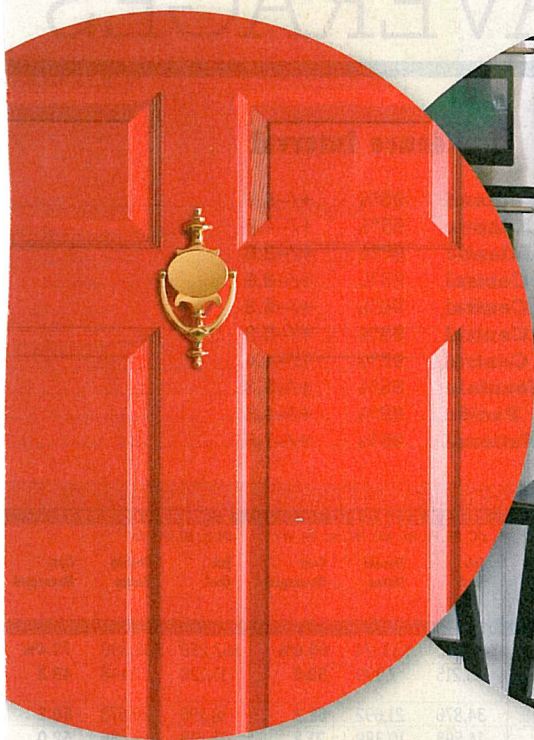


Through an agreement with *Remodeling* magazine, REALTOR® Magazine brings you the average cost recouped for 33 home improvement projects in nine regions (pages 22-23).



Small Projects, Big Bang

By G.M. Filisko

Judicious home remodeling is still worth the investment, according to Remodeling magazine's annual "Cost vs. Value Report."

Uncertainty and restraint are the order of the day in this economy, and that sense of caution is reflected in home owners' return on their investment in remodeling projects, according to REALTORS® in 80 metropolitan markets surveyed by *Remodeling* magazine for this year's Cost vs. Value Report.

The majority of the 10 remodeling projects with the best return on investment nationally are a testament to pragmatism. Six of the 10 projects—siding and window replacement using a variety of materials—involve home maintenance that costs less than \$14,000.

Two more—adding an attic bedroom or a wood deck—reinforce the notion that boosting the amount of livable space in and around your home will attract buyers who are increasingly looking for more room for their buck. In past years, converting an attic into a bedroom was a project that landed squarely in the middle of the rankings, but this year it leapfrogged over other categories into third place. It's an admittedly pricey project, with an average national cost of nearly \$50,000, but it generates an average national return of 83.1 percent and a better-than-100 percent return on investment, according to REALTORS® in 14 of the 80 cities surveyed.

Adding a wood deck is much more economical, with an average national cost of slightly more than \$10,000. Its average national return is 80.6 percent, but in six cities, its return is estimated at 100 percent or greater.

The six siding and window home maintenance projects in the top 10, combined with the project with the biggest return on investment—a mid-range entry door replacement—prove something that every sales associate tells sellers throughout the country: First impressions count. A mid-range entry door replacement, a project new to the survey this year, is the only home remodeling project that REALTORS® expect to generate a full return for the money nationally. It's the least expensive of the 33 projects included in the analysis, yet it brings a whopping average national return on investment of 128.9 percent. It generates a better-than-100 percent return in 48 of the 80 cities, according to REALTORS® surveyed, and in several cities, its return is estimated at more than double its cost.

Additional data prove the value of restraint. Upgrading kitchens and baths is still a smart bet. However, home owners will recoup the greatest share of their costs by foregoing super-deluxe projects in favor

Page 25 >>>

2009-10 AVERAGES

For national averages, the Confidence Interval is 95 percent +/-1.5 (i.e., 95 percent of the time, national results for this survey will fall within 1.5 points to either side of the results published here). Confidence intervals for each of the nine regions are as follows:

Confidence Interval

| | | |
|-------------------------|-----|--------|
| New England | 95% | +/-5.9 |
| Middle Atlantic | 95% | +/-4.9 |
| South Atlantic | 95% | +/-3.5 |
| E. North Central | 95% | +/-3.9 |
| E. South Central | 95% | +/-6.3 |
| W. North Central | 95% | +/-5.2 |
| W. South Central | 95% | +/-4.4 |
| Mountain Pacific | 95% | +/-4.5 |
| National | 95% | +/-1.5 |

NATIONAL AVERAGES

REGIONAL AVERAGES

| | NATIONAL AVERAGES | | | NEW ENGLAND CT, ME, MA, NH, RI, VT | | | MIDDLE ATLANTIC NJ, NY, PA | | | SOUTH ATLANTIC DC, DE, FL, GA, MD, NC, SC, VA, WV | | | E. NORTH CENTRAL IN, IL, MI, OH, WI | | |
|------------------------------------|-------------------|--------------|---------------|---------------------------------------|--------------|---------------|-------------------------------|--------------|---------------|--|--------------|---------------|--|--------------|---------------|
| | 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 |
| ADDITIONS | | | | | | | | | | | | | | | |
| MIDRANGE | | | | | | | | | | | | | | | |
| Attic Bedroom | \$49,346 | \$40,992 | 83.1% | \$52,668 | \$44,014 | 83.6% | \$53,780 | \$39,292 | 73.1% | \$43,540 | \$39,171 | 90.0% | \$52,289 | \$38,390 | 73.4% |
| Back-up Power Generator | 14,304 | 8,428 | 58.9 | 14,727 | 7,025 | 47.7 | 15,290 | 8,206 | 53.7 | 13,215 | 7,909 | 59.9 | 15,120 | 7,448 | 49.3 |
| Bathroom | 39,046 | 23,233 | 59.5 | 41,201 | 24,040 | 58.3 | 42,441 | 22,272 | 52.5 | 34,876 | 21,692 | 62.2 | 41,195 | 20,672 | 50.2 |
| (composite) Deck | 15,373 | 10,904 | 70.9 | 15,724 | 11,236 | 71.5 | 15,890 | 10,404 | 65.5 | 14,598 | 10,389 | 71.2 | 15,619 | 9,686 | 62.0 |
| (wood) Deck | 10,634 | 8,573 | 80.6 | 11,207 | 9,426 | 84.1 | 11,260 | 7,917 | 70.3 | 9,505 | 7,589 | 79.8 | 10,675 | 7,669 | 71.8 |
| Family Room | 82,756 | 54,051 | 65.3 | 86,854 | 54,121 | 62.3 | 88,704 | 51,991 | 58.6 | 73,736 | 50,632 | 68.7 | 87,558 | 49,045 | 56.0 |
| Garage | 58,432 | 36,361 | 62.2 | 60,364 | 36,870 | 61.1 | 62,431 | 34,847 | 55.8 | 53,307 | 35,132 | 65.9 | 61,696 | 31,212 | 50.6 |
| Master Suite | 103,696 | 67,578 | 65.2 | 109,033 | 69,085 | 63.4 | 111,857 | 67,612 | 60.4 | 92,606 | 63,341 | 68.4 | 109,483 | 61,846 | 56.5 |
| Sunroom | 73,167 | 37,118 | 50.7 | 75,525 | -37,611 | 49.8 | 76,580 | 38,661 | 50.5 | 68,362 | 37,805 | 55.3 | 75,525 | 32,785 | 43.4 |
| Two-Story | 156,309 | 107,286 | 68.6 | 160,614 | 111,566 | 69.5 | 165,708 | 107,770 | 65.0 | 140,210 | 102,908 | 73.4 | 163,286 | 93,548 | 57.3 |
| UPSCALE | | | | | | | | | | | | | | | |
| Bathroom | \$75,812 | \$43,888 | 57.9% | \$78,966 | \$44,811 | 56.7% | \$81,166 | \$42,240 | 52.0% | \$69,394 | \$41,330 | 59.6% | \$79,224 | \$39,377 | 49.7% |
| (composite) Deck | 37,745 | 22,934 | 60.8 | 38,608 | 23,081 | 59.8 | 39,270 | 22,584 | 57.5 | 35,932 | 22,350 | 62.2 | 38,280 | 19,959 | 52.1 |
| Garage | 87,230 | 48,762 | 55.9 | 90,744 | 49,896 | 55.0 | 92,962 | 45,241 | 48.7 | 79,847 | 47,137 | 59.0 | 91,579 | 41,822 | 45.7 |
| Master Suite | 225,995 | 125,793 | 55.7 | 234,258 | 116,687 | 49.8 | 238,299 | 124,774 | 52.4 | 209,141 | 124,400 | 59.5 | 234,715 | 110,271 | 47.0 |
| REMODELINGS | | | | | | | | | | | | | | | |
| MIDRANGE | | | | | | | | | | | | | | | |
| Basement | \$62,067 | \$46,825 | 75.4% | \$65,715 | \$42,042 | 64.0% | \$67,455 | \$41,127 | 61.0% | \$55,337 | \$46,707 | 84.4% | \$65,063 | \$39,026 | 60.0% |
| Bathroom | 16,142 | 11,454 | 71.0 | 17,018 | 11,677 | 68.6 | 17,383 | 11,817 | 68.0 | 14,784 | 10,630 | 71.9 | 16,740 | 10,141 | 60.6 |
| Home Office | 28,375 | 13,648 | 48.1 | 29,076 | 13,887 | 47.8 | 29,525 | 13,841 | 46.9 | 26,794 | 12,754 | 47.6 | 29,224 | 12,209 | 41.8 |
| Major Kitchen | 57,215 | 41,260 | 72.1 | 58,996 | 42,995 | 72.9 | 59,905 | 39,860 | 66.5 | 53,900 | 40,199 | 74.6 | 58,829 | 36,533 | 62.1 |
| Minor Kitchen | 21,411 | 16,773 | 78.3 | 21,951 | 17,896 | 81.5 | 22,130 | 15,973 | 72.2 | 20,504 | 15,923 | 77.7 | 21,899 | 15,194 | 69.4 |
| UPSCALE | | | | | | | | | | | | | | | |
| Bathroom | \$52,295 | \$32,196 | 61.6% | \$54,454 | \$33,680 | 61.9% | \$55,766 | \$31,862 | 57.1% | \$48,519 | \$31,198 | 64.3% | \$54,143 | \$28,618 | 52.9% |
| Major Kitchen | 111,794 | 70,641 | 63.2 | 113,910 | 71,501 | 62.8 | 115,605 | 67,988 | 58.8 | 107,430 | 69,708 | 64.9 | 113,903 | 62,947 | 55.3 |
| REPLACEMENTS | | | | | | | | | | | | | | | |
| MIDRANGE | | | | | | | | | | | | | | | |
| Entry Door (20-gauge steel) | \$1,172 | \$1,470 | 128.9% | \$1,215 | \$1,431 | 117.8% | \$1,248 | \$1,217 | 97.5% | \$1,065 | \$1,562 | 146.8% | \$1,228 | \$1,106 | 90.1% |
| Roofing | 19,731 | 13,133 | 66.6 | 22,463 | 15,148 | 67.4 | 22,292 | 14,508 | 65.1 | 16,775 | 12,042 | 71.8 | 21,317 | 11,720 | 55.0 |
| (vinyl) Siding | 10,607 | 8,476 | 79.9 | 10,969 | 9,432 | 86.0 | 10,980 | 8,920 | 81.2 | 9,562 | 7,698 | 80.5 | 10,879 | 7,992 | 73.5 |
| (vinyl) Window | 10,728 | 8,217 | 76.6 | 11,155 | 9,182 | 82.3 | 11,408 | 8,766 | 76.8 | 9,705 | 7,417 | 76.4 | 11,242 | 7,734 | 68.8 |
| (wood) Window | 11,700 | 9,044 | 77.3 | 12,199 | 9,653 | 79.1 | 12,410 | 9,248 | 74.5 | 10,627 | 8,332 | 78.4 | 12,268 | 8,788 | 71.6 |
| UPSCALE | | | | | | | | | | | | | | | |
| Entry Door (fiberglass) | \$3,490 | \$2,275 | 65.2% | \$3,572 | \$2,272 | 63.6% | \$3,632 | \$2,316 | 63.8% | \$3,286 | \$2,217 | 67.5% | \$3,593 | \$1,932 | 53.8% |
| Grand Entrance (fiberglass) | 7,464 | 5,135 | 68.8 | 7,696 | 5,075 | 65.9 | 7,855 | 5,013 | 63.8 | 6,902 | 4,952 | 71.7 | 7,747 | 4,612 | 59.5 |
| Roofing | 37,359 | 22,610 | 60.5 | 42,892 | 25,389 | 59.2 | 42,333 | 24,133 | 57.0 | 31,701 | 21,172 | 66.8 | 40,632 | 20,738 | 51.0 |
| Siding (fiber cement) | 13,287 | 11,112 | 83.6 | 13,386 | 12,140 | 90.7 | 13,497 | 10,710 | 79.4 | 13,027 | 11,242 | 86.3 | 13,459 | 10,093 | 75.0 |
| Siding (foam-backed vinyl) | 13,022 | 10,285 | 79.0 | 13,406 | 11,386 | 84.9 | 13,369 | 10,489 | 78.5 | 11,848 | 9,580 | 80.9 | 13,276 | 9,445 | 71.1 |
| (vinyl) Window | 13,862 | 10,601 | 76.5 | 14,550 | 11,471 | 78.8 | 14,795 | 10,857 | 73.4 | 12,534 | 9,660 | 77.1 | 14,535 | 10,185 | 70.1 |
| (wood) Window | 17,816 | 12,738 | 71.5 | 18,453 | 12,951 | 70.2 | 18,656 | 12,536 | 67.2 | 16,468 | 11,969 | 72.7 | 18,470 | 11,739 | 63.6 |

Remodeling's Cost vs. Value Report ©2009-10 by Hanley Wood LLC.

How We Get the Numbers

Cost data are generated by HomeTech Information Systems (www.hometechonline.com), a remodeling estimating software developer based in Bethesda, Md. HomeTech regularly collects current cost information from a nationwide network of remodeling contractors and suppliers. Then it employs an adjustment factor to account for regional pricing variations. HomeTech provided cost estimates for all 33 remodeling projects, customized for the 80 metropolitan areas surveyed. This year, we've added three projects. Two are midrange entry door replacements, one for steel and one for fiberglass; the third is a "grand entrance" in the upscale category. The "resale value" data for each project are aggregated based on estimates provided by REALTORS®. E-mail surveys containing project descriptions, construction costs, and median home price data for each city were sent to more than 150,000 appraisers, practitioners, and brokers in the summer of 2009. A record 6,233 survey respondents used this information to estimate the value that the remodeling projects would add to the house at resale in the current market. They 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.

| E. SOUTH CENTRAL AL, KY, MS, TN | | | W. NORTH CENTRAL IA, KS, MN, MO, NE, ND, 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 |
| \$43,535 | \$39,360 | 90.4% | \$49,476 | \$37,992 | 76.8% | \$41,389 | \$40,448 | 97.7% | \$46,239 | \$34,902 | 75.5% | \$60,135 | \$52,749 | 87.7% |
| 13,135 | 11,302 | 86.0 | 14,304 | 8,475 | 59.2 | 12,540 | 9,789 | 78.1 | 13,825 | 7,592 | 54.9 | 16,351 | 9,462 | 57.9 |
| 34,672 | 23,606 | 68.1 | 38,951 | 19,825 | 50.9 | 33,188 | 22,955 | 69.2 | 36,987 | 21,410 | 57.9 | 47,052 | 32,057 | 68.1 |
| 14,474 | 10,523 | 72.7 | 15,312 | 11,169 | 72.9 | 14,463 | 10,011 | 69.2 | 15,145 | 10,620 | 70.1 | 16,956 | 13,922 | 82.1 |
| 9,075 | 7,547 | 83.2 | 10,502 | 8,687 | 82.7 | 9,773 | 7,924 | 81.1 | 10,608 | 8,395 | 79.1 | 12,838 | 11,744 | 91.5 |
| 73,467 | 50,112 | 68.2 | 83,322 | 50,484 | 60.6 | 70,827 | 51,071 | 72.1 | 78,525 | 53,169 | 67.7 | 100,023 | 73,551 | 73.5 |
| 52,035 | 33,484 | 64.3 | 58,148 | 32,484 | 55.9 | 50,123 | 33,538 | 66.9 | 56,141 | 35,192 | 62.7 | 69,912 | 51,882 | 74.2 |
| 92,216 | 63,940 | 69.3 | 104,136 | 61,929 | 59.5 | 88,750 | 61,959 | 69.8 | 98,505 | 66,628 | 66.6 | 124,579 | 90,616 | 72.7 |
| 68,370 | 36,388 | 53.2 | 72,853 | 34,873 | 47.9 | 66,046 | 34,375 | 52.0 | 70,711 | 34,537 | 48.8 | 83,463 | 45,245 | 54.2 |
| 142,050 | 99,455 | 70.0 | 159,482 | 97,763 | 61.3 | 139,048 | 99,095 | 71.3 | 150,260 | 105,494 | 70.2 | 184,839 | 143,073 | 77.4 |
| \$69,070 | \$43,542 | 63.0% | \$75,755 | \$37,812 | 49.9% | \$66,720 | \$44,807 | 67.2% | \$72,758 | \$41,198 | 56.6% | \$88,000 | \$58,557 | 66.5% |
| 35,517 | 21,854 | 61.5 | 37,622 | 21,540 | 57.3 | 35,426 | 21,829 | 61.6 | 37,203 | 22,703 | 61.0 | 41,428 | 29,687 | 71.7 |
| 78,450 | 45,338 | 57.8 | 86,965 | 43,456 | 50.0 | 75,871 | 47,310 | 62.4 | 83,431 | 46,910 | 56.2 | 102,955 | 68,334 | 66.4 |
| 208,526 | 122,106 | 58.6 | 226,478 | 117,044 | 51.7 | 203,593 | 124,873 | 61.3 | 217,891 | 122,463 | 56.2 | 257,770 | 164,278 | 63.7 |
| \$55,004 | \$45,430 | 82.6% | \$62,070 | \$40,447 | 65.2% | \$52,931 | \$49,010 | 92.6% | \$58,743 | \$45,170 | 76.9% | \$74,974 | \$68,648 | 91.6% |
| 14,700 | 11,657 | 79.3 | 16,066 | 10,486 | 65.3 | 14,109 | 11,532 | 81.7 | 15,296 | 10,765 | 70.4 | 18,864 | 14,517 | 77.0 |
| 26,907 | 13,650 | 50.7 | 28,449 | 11,724 | 41.2 | 26,101 | 13,970 | 53.5 | 27,559 | 12,814 | 46.5 | 31,479 | 17,801 | 56.5 |
| 53,937 | 39,334 | 72.9 | 57,172 | 36,775 | 64.3 | 52,405 | 39,346 | 75.1 | 55,336 | 40,382 | 73.0 | 63,803 | 53,923 | 84.5 |
| 20,499 | 15,749 | 76.8 | 21,417 | 14,861 | 69.4 | 20,077 | 16,557 | 82.5 | 20,805 | 15,944 | 76.6 | 23,210 | 21,991 | 94.8 |
| \$48,264 | \$32,495 | 67.3% | \$52,130 | \$27,270 | 52.3% | \$46,865 | \$33,724 | 72.0% | \$50,286 | \$30,587 | 60.8% | \$59,456 | \$39,648 | 66.7% |
| 107,498 | 68,685 | 63.9 | 111,511 | 63,095 | 56.6 | 105,621 | 69,898 | 66.2 | 109,493 | 69,083 | 63.1 | 120,379 | 89,764 | 74.6 |
| \$1,079 | \$1,263 | 117.0% | \$1,169 | \$884 | 75.6% | \$1,043 | \$2,496 | 239.3% | \$1,138 | \$1,265 | 111.1% | \$1,353 | \$1,732 | 128.0% |
| 17,757 | 11,879 | 66.9 | 19,201 | 10,057 | 52.4 | 15,148 | 10,734 | 70.9 | 17,727 | 12,531 | 70.7 | 24,712 | 18,829 | 76.2 |
| 9,488 | 8,461 | 89.2 | 10,565 | 7,624 | 72.2 | 9,365 | 7,394 | 79.0 | 10,284 | 8,222 | 79.9 | 13,114 | 10,674 | 81.4 |
| 9,819 | 7,135 | 72.7 | 10,791 | 7,083 | 65.6 | 9,285 | 6,859 | 73.9 | 10,239 | 8,006 | 78.2 | 12,760 | 11,328 | 88.8 |
| 10,689 | 8,444 | 79.0 | 11,795 | 7,720 | 65.5 | 10,168 | 7,802 | 76.7 | 11,156 | 8,888 | 79.7 | 13,804 | 12,175 | 88.2 |
| \$3,314 | \$2,150 | 64.9% | \$3,490 | \$1,819 | 52.1% | \$3,252 | \$2,415 | 74.3% | \$3,423 | \$2,338 | 68.3% | \$3,835 | \$2,930 | 76.4% |
| 6,979 | 4,924 | 70.6 | 7,463 | 4,376 | 58.6 | 6,806 | 5,317 | 78.1 | 7,281 | 5,151 | 70.8 | 8,408 | 6,602 | 78.5 |
| 34,381 | 20,434 | 59.4 | 36,360 | 18,395 | 50.6 | 29,554 | 19,474 | 65.9 | 32,340 | 20,934 | 64.7 | 45,875 | 31,235 | 68.1 |
| 13,034 | 10,833 | 83.1 | 13,319 | 9,692 | 72.8 | 12,874 | 11,121 | 86.4 | 13,200 | 11,031 | 83.6 | 13,759 | 12,674 | 92.1 |
| 11,708 | 9,762 | 83.4 | 12,945 | 8,802 | 68.0 | 11,671 | 9,738 | 83.4 | 12,684 | 10,325 | 81.4 | 15,960 | 12,873 | 80.7 |
| 12,643 | 8,929 | 70.6 | 13,895 | 9,094 | 65.5 | 11,888 | 9,378 | 78.9 | 13,076 | 10,396 | 79.5 | 16,589 | 14,634 | 88.2 |
| 16,554 | 11,209 | 67.7 | 17,922 | 10,951 | 61.1 | 15,899 | 11,875 | 74.7 | 17,123 | 13,024 | 76.1 | 20,559 | 17,554 | 85.4 |

Republication or redissemination of the Report is expressly prohibited without written permission of Hanley Wood LLC. Cost vs. Value is a registered trademark of Hanley Wood LLC.