



Jamie Adam,  
WRHBA President 2011-12

## Payback on Your Renovation Investment

October is Renovation Month in Canada, sponsored by Home Hardware, and all across the country Home Builders' Associations are talking to home owners about the benefits of renovating your home through seminars, parades of renovations and other events. All this excitement has many home owners asking; what renovations offer the best return on investment? Maintenance and improving ones quality of life are at the forefront of why people renovate, but for many, ensuring a good return on their investment when it comes time to sell is an important factor. Spending some time up front and doing some research on the impact of the work on the value of your home is a great idea.

Homeowners can now get a better idea of the return on investment they can expect for a variety of home improvements through RENOVA, an interactive web-based guide provided by the Appraisal Institute of Canada, free of charge ([www.aicanada.ca](http://www.aicanada.ca), *Client Resource Centre*).

RENOVA lists 25 popular renovation projects. Homeowners can enter the amount of money they plan to spend on a particular improvement, and the program will calculate the expected return on the investment.

Kitchen and bathroom renovations continue to top the list, as they have for years, and homeowners can expect to recoup 75% to 100% of the investment on resale. Among lower-priced improvements, a fresh coat of exterior and interior paint may also return up to 100% of the cost.

At the other end of the spectrum, installing a swimming pool, a whirlpool tub or a skylight may provide only a modest return, if any. In fact, a pool can limit the marketability of your home, as some buyers regard it as a liability.

For many common improvements, such as a basement renovation, rec room addition, flooring upgrade and window replacement, homeowners can expect a return of 50% to 75%. For some exterior work, e.g. landscaping, fencing and paving, the return is less, from 25% to 50%.

The Appraisal Institute cautions that RENOVA is a guide only. Many factors determine the value and return on renovation investment for a particular home, notably location, the neighbourhood and the quality of the work and materials. You may want to hire an appraiser to identify the current value of your home and its projected value after renovation.

### **Waterloo Region Home Builders' Association**

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When return on investment is a consideration, a professional renovator can help you develop a plan that allows you to achieve your renovation goals without over-investing. An experienced renovator can suggest a range of designs, alternative approaches, less expensive materials, and so on, to keep your project within a comfortable price range. You end up getting the best of both worlds—a great place to live, and a reasonable expectation of recouping your investment, when it is time to move.

For a list of qualified local renovation contractors visit [www.renomark.ca/waterloo](http://www.renomark.ca/waterloo).

*Established in 1946, the Waterloo Region Home Builders' Association (WRHBA) is the official voice of the residential construction industry in Waterloo Region. WRHBA is actively involved in all facets of the new home construction and residential renovation industries. As a voluntary association with over 250 member companies, WRHBA's network of professionals effectively manage industry issues across the region including the cities of Kitchener, Waterloo, Cambridge, and the Townships of North Dumfries, Wellesley, Wilmot and Woolwich. WRHBA's primary goals are to promote housing affordability and choice; and to build vibrant, prosperous and healthy communities through encouraging innovations and excellence in the planning and building of sustainable communities and in the redevelopment and renovation of existing communities. WRHBA works with and regularly facilitates discussions between the industry and the federal, provincial, regional, and local governments to establish fair and effective policies that affect development, building, and home ownership in Waterloo Region.*

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