

# Return on Renovation



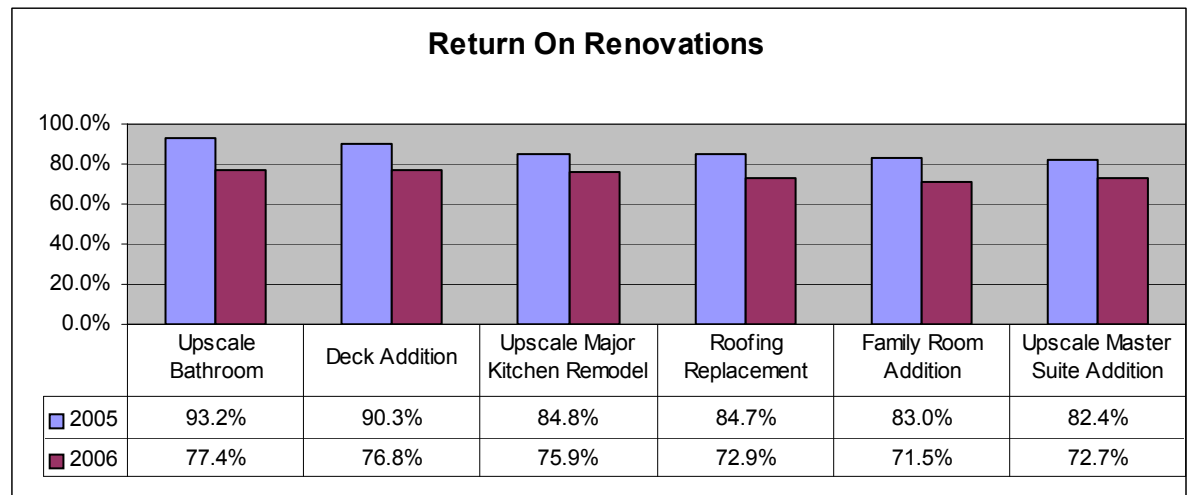
by Marcia Hawken

In other words, what's the payback for remodeling?

In an actual real estate transaction, the payback for a given remodeling project depends on the condition of the rest of the house, the value of similar homes nearby, and the rate at which property values are changing in the surrounding area. A home's value is affected by its neighborhood, and the availability and cost of new and existing homes in the immediate vicinity. Where resale value is a major factor in a homeowner's decision to remodel, the decision process should begin with meeting a local general contractor to discuss construction cost, and with an experienced Realtor® to discuss home prices in the your neighborhood.

An unusually strong housing market over the past few years has boosted both remodeling and new-construction activity. The appreciation in house prices significantly added to their net worth of many homeowners. Often, home improvement projects paid for themselves through a comparable increase in the home's value.

Eventually, things return to normal. The 19th annual Cost vs. Value Report (*Remodeling Magazine*, November 2006) suggests that "normal" is when a home improvement project only costs 20 to 25 cents on the dollar. The other 75 to 80 cents goes directly back into the home through increased value along with the enjoyment that a homeowner gets from living with that improvement.



National Association of Realtor's chief economist, David Lereah, said market conditions are nearly the opposite of a year ago. "Last year we had a record sales market and historically tight supplies of homes with buyers bidding over the asking price," he said. "With the market in full transition, buyers now have choices and sellers are more willing to negotiate – under these circumstances it's no surprise that overall home prices are slightly below a year ago. We expect this trend to continue in the months ahead, but we'll see modest appreciation in 2007."

## What Do Buyer's Prize?

### Kitchens

Countertops made of granite or a quartz-based synthetic, such as Silestone or Zodiaq. Stainless-steel appliances are on the way out with white appliances or matching cabinet appliance covers on an upward trend.

### Bathrooms

Even if you prefer to take showers, make sure there's at least one bathtub in the house. Large walk-in shower stalls in the master bathroom are especially attractive to mature home buyers. You need to know your market.

### Floors

Updated flooring, all things being equal, increases a home's value by 5% to 11%, according to a study by G. Stacy Sirmans, a professor of real estate at Florida

State University. Buyers want to see some type of stone--usually travertine (a variety of marble) or limestone. Wood floors also register with buyers, she says. Laminate floors, such as Pergo, sound hollow underfoot and turn off many buyers.

### Curb Appeal

Focus on the view from the street, where would-be buyers make their first, brutal assessment of a home. In particular, a new front door with raised panels and slim windows along the sides really makes the front of your house pop. Improvements to the landscaping and front walkway could add more value than their relatively modest cost--if the rest of the house is in decent shape. The overall lesson for homeowners: To get the most resale bang for your buck, chat with some real estate agents to see what's currently in favor with buyers. Be conscious of cutting-edge ideas which may not appeal to the broadest range of buyers.

## Trends Making Strong Footholds in 2006

With most of 2006 behind us, we can look back and see which ideas have actually taken hold. Welcome as we all were to anything retro, we honestly didn't want some of those things to come back. Here are some of the items introduced in the last two years that have proven themselves out.

**Outdoor Kitchens:** Outdoor kitchens make the most sense in warmer climates where BBQers and outdoor entertainers can use these year round. Outdoor Kitchens are here to stay.

**Vessel Sinks:** Most everyone has seen these sinks that look like bowls sitting on the counter, if not in the bathroom of your local sushi joint then in your trendy friend's guest bath. Given that vessel sinks can be made of any material, there is really no stopping their popularity.

**Interlocking Concrete Pavers:** If you haven't seen a patio or a walkway with interlocking concrete pavers, then you haven't been outside in the last two years. All different shapes and colors are available at any big box home store, and this has been a very popular do-it-yourself project.

Pelican Bay Residential Listings for 12 months ending December 20, 2006				
Active Listings		Closed Sale Listings		
Current Inventory	Average List Price	# of Sales	% Sales Price to Listing Price	Average Days On Market
344	\$1,472,967	200	94%	162



# To Do List

## Sail

Sweet Liberty, a 53' sailing catamaran, [www.sweetliberty.com](http://www.sweetliberty.com)

Lady Stirling, an 80' majestic schooner, [www.pmcharters.com](http://www.pmcharters.com)

## Eat

*Cibao Grille* in Neapolitan Way.....434.6653

*Handsome Harry's* on Fifth.....434.6400

*Roy's* at Bayfront Place.....261.1416

## Celebrate

11th Annual New Year's Art Festival, [www.fifthavenuesouth.com/events.php](http://www.fifthavenuesouth.com/events.php)

## Play

Get drenched at the Sun-N-Fun Lagoon.....254.4066

## New on the market

**Bright and open first floor condominium with three bedrooms, two baths, a wonderful lake and fountain view. Priced to sell at \$597,000, so move right in & enjoy this season in Naples.**

Split bedroom with master bedroom suite, walk-in closet, garden bath, separate shower and double sinks

Large kitchen with breakfast nook and pass-through to dining area

Screened lanai has electric storm shutters and ceiling fan

Tile throughout the kitchen, baths, dining and lanai; carpet in the three bedrooms

Walk to entertainment area with pool, spa, exercise room and social room

Covered parking and guest space provided

Call Marcia at 239.269.0434 to see this lovely unit

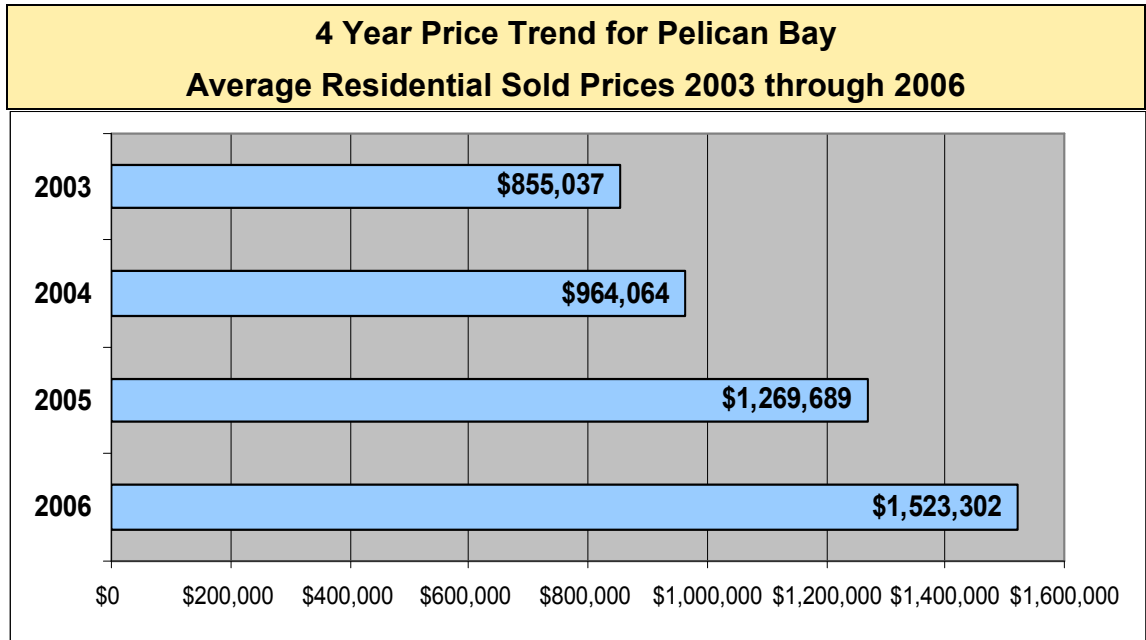




Pre Srt Std  
U.S. Postage  
Paid  
Naples, FL  
Permit # 222

p: 239.269.0434  
f: 239.513.1418

3411 Tamiami Trail North  
Suite 100  
Naples, FL 34103



The source of this real property information is the copyrighted and proprietary database compilation of SunshineMLS, LLC. Copyright 2002-2006 SunshineMLS, LLC. All rights reserved. This information should be independently verified if any person intends to engage in a transaction based upon it.

**For additional data specific to your property, please email or call me.**

**[Marcia@ChooseNaples.com](mailto:Marcia@ChooseNaples.com)**

**ph: 239.269.0434**