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# THE BEST HOME RENOVATIONS THAT PAY



31% of Canadians would increase their budget for home improvements if the guaranteed ROI was at least 10%. But how can they predict which renovations will actually pay off when they go to sell? We asked three experts.

According to this year's Real Estate Renovations Trends report from RE/MAX Canada, 31% of Canadians would increase their budget for home improvements that add value from \$10,000 to just under \$50,000 if the guaranteed ROI was at least 10%.

But how can a homeowner predict which home renovations — be it a new kitchen or bathroom — will actually pay off when they go to sell their home? We asked three experts in home sales and renovations for their take on which home renovations generate the best ROI.

# WHERE YOU LIVE MATTERS



The ROI from a home renovation is entirely dependent upon the house and the neighbourhood," says Mike Babcock, partner of Alair Homes Lawrence Park Toronto, chartered accountant and licensed realtor.

"What works for one homeowner won't necessarily work for another."

If you're considering renovations that add value to your home, reaching out to experts, such as contractors and realtors, can help you identify which improvements will increase the home's value and by how much, he says. The contractor will also be able to help with recommending architectural design partners, interior designers, and building code identification numbers, if necessary.

# CONSIDER YOUR BUDGET



While home makeovers with unlimited budgets make for great reality TV, deep coffers are generally not in the toolbelts of most would-be renovators. Which is why the reno should depend on the budget, says Ari Armani, Toronto real estate agent. According to Armani, even working with a small budget of a few thousand dollars offers options.

"Painting goes a long way," he says. "It's a no-brainer. Painting is the cheapest and most effective renovation. It's at the top of my list."

For those with a budget of \$20-25,000, some of the best home improvements to increase a home's value are cosmetic changes, such as replacing cabinet doors in the kitchen and bathroom and getting new appliances like stoves, stove hoods and microwaves, which can be bought together and often at a discount.

Landscaping will also go a long way," says Armani. "It's important to pay attention to your area and try to match what you see." In other words, there's no need for the extravagant landscaping you see along Toronto's infamous Bridle Path if you're selling a home where more modest landscaping will do.

If there is one best return on investment in home improvements, it's the kitchen, says Jack Torossian, owner and founder of Golden Bee Homes in Toronto, and a third-generation builder. "The kitchen is the heart of our homes, the place we spend most of our time prepping, cooking, eating, talking, watching, listening and spending time together," he says. "The more organized and functional it is, the more value we will get out of it.

There are many ways to refresh a kitchen at different price points, from new cabinets and hardware, to adding a sink or replacing countertops and backsplash tiles. "Whether you are looking to stay in your home, resell it or are even thinking of retiring in it, the kitchen is a smart choice to invest in," he says.



## UNDERSTAND THE TOTAL COST OF THE PROJECT



It's easy to get swept up in dreams of a shiny new kitchen or modern bathroom, but home renovation prices can quickly spiral out of control. Whichever renovation a homeowner chooses, knowing the total cost of the project will help in understanding the potential ROI, says Babcock.

Make sure the plans are as finalized as possible before tallying up the numbers, he says. "If I personally were moving forward with a home renovation, I would not sign a construction agreement with anyone until drawings are complete, permits are obtained and every selection has been priced out and decided upon," says Babcock.

"Only then are you in a position to know what your project will cost you."



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