



The Malm-Cluett Team  
 barbaramalm@jennypruitt.com

Jenny Pruitt & Associates  
 404-310-5164

*Renovations:  
 Cost vs. Value*

*At Your Service*  
**UPDATE**

Volume XII, Issue 5

Home rehabbers who are considering remodeling in the not-too-distant future should focus mostly on exterior upgrades. That’s the message from REALTORS who participated in *Remodeling* magazine’s 20th annual “Cost vs. Value Report,” done in cooperation with REALTOR Magazine. We have included the information pertaining to the South Atlantic region. The Current Real Estate Market has resulted in many owners opting to remodel versus selling. We hope you will find this "Cost and Recoup" value data informative.

**COST VS. VALUE TRENDS**

Rising remodeling costs, coupled with an overall slowdown in housing activity nationwide. combined to extend the general downward trend in Cost vs. Value data. After several years of accelerated remodeling spending and record housing appreciation, it is not surprising to see a moderating trend in the share of cost recovered for remodeling projects. What is more difficult to peg is the extent of the downturn. As is often the case, the data tell more than one story.

Some of the volatility in year-over-year comparisons is brought about by two changes to report methodology itself. The first is a general overhaul of project descriptions and cost estimates, begun in 2006 and completed this year, which resulted in disproportionate increases in the cost of some projects (notably major kitchen remodels, bath projects, and siding replacements). While these updated construction costs are more accurate than in previous years, they combine with falling home appreciation rates to create a lower percentage in the "value" column. The second change began in 2002 with the introduction of higher-priced “upscale” versions of some projects. While the range of costs thus created made the report more useful, it muddies the waters with respect to year-over-year comparisons.





**South Atlantic Region:**

- |                  |                |                |
|------------------|----------------|----------------|
| Atlanta, GA      | Baltimore, MD  | Columbia, SC   |
| Jacksonville, FL | Miami, FL      | Norfolk, VA    |
| Orlando, FL      | Raleigh, NC    | Richmond, VA   |
| Tampa, FL        | Washington, DC | Wilmington, DE |

South Atlantic			2007	National Averages		
Job Cost	Resale Value	Cost Recouped	Project Midrange	Job Cost	Resale Value	Cost Recouped
\$53,519	\$43,279	80.9%	<a href="#">Basement Remodel</a>	\$59,435	\$44,661	75.1%
\$14,445	\$11,388	78.8%	<a href="#">Bathroom Remodel</a>	\$15,789	\$12,366	78.3%
\$9,266	\$7,936	85.6%	<a href="#">Deck Addition - Wood</a>	\$10,347	\$8,835	85.4%
\$25,438	\$15,209	59.8%	<a href="#">Home Office Remodel</a>	\$27,193	\$15,498	57%
\$52,659	\$41,766	79.3%	<a href="#">Major Kitchen Remodel</a>	\$55,503	\$43,363	78.1%
\$20,221	\$16,727	82.7%	<a href="#">Minor Kitchen Remodel</a>	\$21,185	\$17,576	83%
\$15,376	\$11,069	72%	<a href="#">Roofing Replacement</a>	\$18,042	\$12,166	67.4%
\$10,242	\$8,226	80.3%	<a href="#">Window Replacement - Wood</a>	\$11,384	\$9,241	81.2%

			Project Upscale			
\$46,988	\$32,656	69.5%	<a href="#">Bathroom Remodel</a>	\$50,590	\$34,588	68.4%
\$14,232	\$11,201	78.7%	<a href="#">Deck Addition - Composite</a>	\$15,039	\$11,672	77.6%
\$104,893	\$78,008	74.4%	<a href="#">Major Kitchen Remodel</a>	\$109,394	\$81,096	74.1%
\$28,044	\$19,611	69.9%	<a href="#">Roofing Replacement (steel)</a>	\$33,151	\$21,769	65.7%
\$15,980	\$12,334	77.2%	<a href="#">Window Replacement - Wood</a>	\$17,383	\$13,784	79.3%

Cost data for the Report come from HomeTech Information Systems, a remodeling estimating software company in Bethesda, MD. Construction cost figures include labor, material, sub-trades and contractor overhead and profit.



## COST VS. VALUE PROJECT DESCRIPTIONS

### **Basement Remodel**

Finish the lower level of a house to create a 20-by-30-foot entertaining area with wet bar and a 5-by-8-foot full bath; construct 24 LF of finished partition to enclose mechanical area. Walls and ceilings are painted drywall throughout; exterior walls are insulated; painted trim throughout. Include five six-panel factory-painted hardboard doors with passage locksets. Electrical wiring to code. Main room: Include 15 recessed ceiling light fixtures and 3 surface-mounted light fixtures, and a snap-together laminate flooring system.

Bathroom: Include standard white toilet, vanity with cultured marble top, resilient vinyl flooring, two-piece fiberglass shower unit, a light/fan combination, vanity light fixture, recessed medicine cabinet, towel and paper-holder hardware.

Bar area: Include 10 LF of raised-panel oak cabinets with laminate countertops, stainless steel bar sink, single-lever bar faucet, under-counter refrigerator, and vinyl floor tile.

### **Bathroom Remodel**

Update an existing 5-by-7-foot bathroom. Replace all fixtures to include 30-by-60-inch porcelain-on-steel tub with 4x4-inch ceramic tile surround; new single-lever temperature and pressure-balanced shower control; standard white toilet; solid-surface vanity counter with integral sink; recessed medicine cabinet with light; ceramic tile floor; vinyl wallpaper.

### **Bathroom Remodel - Upscale**

Expand an existing 35-square-foot bathroom to 100 square feet within existing house footprint. Relocate all fixtures. Include 42-by-42-inch neo-angle shower with ceramic tile walls with accent strip, recessed shower caddy, body spray fixtures, and frameless glass enclosure. Include a customized whirlpool tub; stone countertop with two sinks; two mirrored medicine cabinets with lighting; a compartmentalized commode area with one-piece toilet; and a humidistat-controlled exhaust fan. Use all color fixtures. Use larger matching ceramic tiles on the floor, laid on the diagonal with ceramic tile base molding. Add general and spot lighting including waterproof shower fixture. Cabinetry shall include a custom drawer base and wall cabinets for a built-in look. Extend HVAC system, and include electric in-floor heating and heated towel bars.

### **Deck Addition -Wood**

Add a 16-by-20-foot deck using pressure-treated joists supported by 4x4 posts anchored to concrete piers. Install pressure-treated deck boards in a simple linear pattern. Include a built-in bench and planter of the same decking material. Include stairs, assuming three steps to grade. Provide a complete railing system using pressure-treated wood posts, railings, and balusters.

### **Deck Addition -Composite**

Add a 16-by-20-foot deck using pressure-treated joists supported by 4x4 posts anchored to concrete piers. Install composite deck material in a simple linear pattern. Include a built-in bench and planter of the same decking material. Include stairs, assuming three steps to grade. Provide a complete railing using a matching system made of the same composite as the decking material.

### **Home Office Remodel**

Convert an existing 12-by-12-foot room to a home office. Install custom cabinets to include 20 linear feet of laminate desktop, computer workstation, and wall cabinet storage. Rewire room for computer, fax machine, and other electronic equipment, as well as cable and telephone lines. Include drywall interior, painted trim, and commercial-grade carpeting.



## COST VS. VALUE PROJECT DESCRIPTIONS (cont.)

### **Minor Kitchen Remodel**

In a functional but dated 200-square-foot kitchen with 30 linear feet of cabinetry and countertops, leave cabinet boxes in place but replace fronts with new raised-panel wood doors and drawers, including new hardware. Replace wall oven and cooktop with new energy-efficient models. Replace laminate countertops; install mid-priced sink and faucet. Repaint trim, add wall covering, and remove and replace resilient flooring.

### **Major Kitchen Remodel**

Update an outmoded 200-square-foot kitchen with a functional layout of 30 linear feet of semi-custom wood cabinets, including a 3-by-5-foot island; laminate countertops; and standard double-tub stainless-steel sink with standard single-lever faucet. Include energy-efficient wall oven, cooktop, ventilation system, built-in microwave, dishwasher, garbage disposal, and custom lighting. Add new resilient flooring. Finish with painted walls, trim, and ceiling.

### **Major Kitchen Remodel - Upscale**

Update outmoded 200-square-foot kitchen with 30 linear feet of top-of-the-line custom cherry cabinets with built-in sliding shelves and other interior accessories. Include stone countertops with imported ceramic or glass tile backsplash; built-in refrigerator, cooktop, and 36-inch commercial grade range and vent hood; built-in warming drawer, trash compactor, and built-in combination microwave and convection oven. Install high-end undermount sink with designer faucets, and built-in water filtration system. Add new general and task lighting including low-voltage under-cabinet lights. Install cork flooring, cherry trim.

### **Replace Roofing**

Remove existing roofing to bare wood sheathing and dispose of properly. Install 30 squares of 235-pound fiberglass asphalt shingles (min. 25-year warranty) with new felt underlayment, galvanized drip edge, and mill-finish aluminum flashing. Assume a 5-square hip roof; custom flashing at two average-sized skylights; and custom cap treatment at vented ridge.

### **Replace Roofing - Upscale**

Remove existing roofing to bare wood sheathing and dispose of properly. Install 30 squares of standing seam metal, formed on site into 16-inch panels using factory-enameled roll steel; double-lock all seams. Use custom brake-bent flashing from same material for drip edge and all flashing at roof-wall intersections. Assume a 5-square hip roof; custom flashing at two average-sized skylights; and custom cap treatment at vented ridge. Apply over new felt underlayment; use ice-and-water membrane at eaves, valleys, and all penetrations.

### **Replace Windows - Wood**

Replace 10 existing 3-by-5-foot double-hung windows with insulated wood replacement windows, exterior clad in vinyl or aluminum. Wrap existing exterior trim as required to match. Do not disturb existing interior trim.

### **Replace Windows - Wood - Upscale**

Replace 10 existing 3-by-5-foot double-hung windows with insulated, low-E, simulated-divided-light wood windows. Interior finish of stained hardwood; exterior finish of custom-color aluminum cladding. Trim exterior to match existing; do not disturb existing interior trim.