

HARRISON BOWKER

REAL ESTATE APPRAISERS



2015
HOME RENOVATIONS GUIDE

2015 HOME RENOVATIONS GUIDE

First, we would like to announce that effective September 1, 2014, HarrisonBowker Real Estate Appraisers Ltd. became the sole owners of Jackson Real Estate Appraisers Ltd. There have been no changes to operations as a result of this transaction. Jackson Real Estate Appraisers and its staff have and will continue the tradition of commitment to superior service and quality, just now under the management of HarrisonBowker Real Estate Appraisers.

Over the past 25 years, Jackson Real Estate Appraisers has built its success on understanding and working with their valued clients while giving back to the community. These values have been the cornerstone of their business and we will continue to adhere to these principles.

Collectively, our staff is made up of five AACI designated members, two CRA designated members, four Candidate members, and two support staff, which allows us to serve our clients better. Our entire staff is in office, encouraging maximal collaboration.

With this recent transaction, HarrisonBowker will continue the successful tradition of publishing the annual **HOME RENOVATIONS GUIDE**, formerly published by Jackson Real Estate Appraisers.

This guide explains the return on investment that you can expect for different types of renovations. Using this information, you can plan the most

effective use of your renovation dollars.

All prices and value contributions are based on a 1,200 sq. ft 3-bedroom/2.5 bath bungalow in average condition with a fully finished basement on a 6,000 sq. ft lot in a middle-income neighbourhood. The costs assume professional installation of average or better quality materials at fair market prices. The rates of return do not assume any sweat equity by the owner, in which case your rate of return can be exceeded.

Contractor pricing can easily vary by 50%-150%, depending on economic conditions, seasonal variances, material costs and contractor motivation. Therefore, individual rates of return will most likely vary from project to project and season to season as the real estate market changes. Also, consider whether you are renovating for resale purposes or for your own personal preferences - this can have a dramatic affect on

HARRISONBOWKER REAL ESTATE APPRAISERS

Our services:

- RESIDENTIAL APPRAISALS
- COMMERCIAL APPRAISALS
- RESERVE FUND STUDIES
- INSURANCE APPRAISALS

**Visit harrisonbowker.com
for more details**

your return on investment. Lastly, some components like new insulation and high efficiency furnaces and other energy efficient products can pay off over time.

No matter your motivation or the time of year, we hope that this guide serves as a useful reference to get you started. Please feel free to make as many copies as you wish and send out to your friends, colleagues and clients. The guide is also available for download at harrisonbowker.com.

We always appreciate your feedback. If there is anything you think we should add let us know.

Lastly, I would like to personally thank our valued clients for their support in providing updated cost information and for making this the best renovation guide yet.

On behalf of everyone at HarrisonBowker happy renovating!



Greg V. Bowker



WHY YOU SHOULD GET AN APPRAISAL

WHETHER YOU ARE BUYING OR SELLING

IF YOU ARE BUYING A HOME

Buying a home is probably the largest investment you will ever make. Having it appraised before you buy will give you peace of mind that the price is fair and reasonable. In addition, your realtor can use the appraisal as a tool in negotiations with the seller. Armed with an appraisal, you and your realtor become a much more dynamic team, and teamwork tends to produce better results.

IF YOU ARE SELLING YOUR HOME

An appraisal is an independent, certified document. Thus, your realtor can use the appraisal to satisfy prospective purchasers, possibly close a deal more quickly and at an acceptable price to you.

POTENTIAL COST SAVINGS

Don't forget that the relatively small cost of a home appraisal could easily save you thousands.

PICK YOUR OWN MORTGAGE LENDER

Armed with a certified appraisal, you are no longer dependant on any one mortgage lender. Instead, you can let the appraisal speak for itself and send it to as many potential mortgage sources as you want. After all, the appraisal belongs to you.

NEED PROPERTY INSURANCE?

Your appraisal can be easily tailored to include a provision for **Replacement Cost New** - the cost of replacing something with comparable materials and doesn't mean creating an exact replica of the original. This is something you can give to your home insurance provider to ensure you aren't paying too much or too little for your home insurance policy.

It is comforting to know that all appraisers carry Errors & Omissions Insurance. So, in the unlikely event that something goes wrong, you will be protected.

Peace of mind is important when dealing in real estate. Take some of the worry out of the process and let HarrisonBowker help to give you the assurance you need.

APPRAISAL COST OPTIONS

From realtor's commissions to home inspection services, lawyer's fees and moving costs, we understand that the process of buying or selling a home can be costly. But did you know that the price of a home appraisal is one of the least expensive items on the to-do list?

With advances in the MLS database, Google Earth technologies, Alberta land titles registries, online city and county tax and assessment records, and the internet in general, appraisers today are armed with a number tools that can be less invasive than ever.

Our firm can conduct a comprehensive full physical interior/exterior inspection of your property, a quick drive-by of the home and even an inexpensive "desktop" appraisal. Not all appraisal types are appropriate for all homes, so call us and we can discuss your options.

Put our expertise to work for you.

HARRISON BOWKER
REAL ESTATE APPRAISERS

harrisonbowker.com

TOLL FREE: 1-877-458-3815

TEL: 780-458-3814

GETTING THE MOST FROM YOUR RENOVATIONS

According to the **Appraisal Institute of Canada** and various professionals we've consulted, the following are a few things to keep in mind before you get started on your renovation.

DO YOUR HOMEWORK

Before any work begins, you need to create a budget and stick within it. Make sure to add at least 15% for contingencies. Just remember that things will probably take longer and cost more despite all your best intentions.

Some contractors will try to convince you to pay them by the hour plus materials, or sometimes ask for most if not all of the costs before the job is finished. **Do not do it.** This approach provides no incentive for efficient work and leaves you with no clear idea how much building you'll receive for your dollar.

On the other hand, deviation from any detailed plan can be costly so be prepared to pay extra for changes to the contract you signed.

INVEST IN YOUR KITCHEN

About 10–15% of the overall value of the home should be spent on the kitchen. If you don't plan on selling for another 5 years, spending 15–25% more on it today will give you about a 45% higher return depending on the quality of the renovations. For example, buyers need a functionally designed, spacious, low maintenance kitchen. Scratch-resistant, durable materials such as granite countertops and high-quality appliances add tremendous value and have timeless appeal.

THE BATHROOM IS NEXT

You can expect up to a 75–95% (and in some cases over a 100%) contribution to value on a well-designed bathroom even if it requires a complete relocation of fixtures or walls. From floor to ceiling, new tiles, light fixtures and cabinetry to create one's own personal spa is especially appealing. Luxury fixtures to enhance pampering may include water jets, soaker tubs and double sinks in the ensuite bathroom.

DON'T FORGET THE FLOORS AND WALLS

Buyers want a home that's ready to move in to. Smooth walls with tasteful, neutral paints will make spaces seem larger and will give you an 80–110% recapture. Hardwood and tile flooring not only hold fewer allergens, but add elegance as well. Quality carpet with a good underlay is also appealing. In the end, good flooring that flows from room to room and ties in with baseboards, cabinetry, walls and so on can provide a 60–80% better contribution to value than low-cost flooring.

SPEND THE MONEY

As the saying goes, "you get what you pay for". Over the past year the cost of materials may not have increased much, but the cost of labour is certainly rising. Quality craftsmanship is key. Nothing is more costly than having to do something twice or replace something early. The importance of using the highest quality materials and reputable contractors cannot be stressed enough.

Remember: High-quality, easy maintenance, environmentally conscious products and timeless designs are all essential to ensuring value-added appreciation with the best contribution to value possible.

DOs AND DON'Ts OF HOME RENOVATIONS

DO:

- Do your homework. Get educated by discussing your projects with home improvement specialists.
- Get referrals and check references for contractors (www.chba.ca). Don't just take someone's word for it.
- Save money and purchase finishing materials yourself.
- Pre-book your contractor well in advance. Winter is the off-season, so there may be more availability of good contractors then.
- Hire a project manager on large jobs to ensure quality workmanship and timelines are being met.
- Take advantage of natural light where possible and use timeless design patterns.
- Consider building a 3D scale model to better visualize an add-on or new construction.
- Protect against mould and insist on the very best vapour barrier installation like structural insulated panels (SIPs), insulated concrete forms (ICFs) or an exterior layer of rigid foam.
- Choose the very best roofing material. It will be the least costly in the long run as a large portion of the cost involved is in the labour.
- Consider Canada's advanced technology in radiant in-floor heating systems. These either distribute hot liquid through floor frames or use high-resistance electric heating pads.

DON'T:

- Don't agree to pay by the hour plus materials. There's no guarantee of cost or work efficiency without a detailed contract and a set price. Beware of any changes that you make later on. It may require a lot of extra money and patience.
- Don't assume that a great job is being done. Check up periodically while bringing coffee for the crew.
- Don't be afraid to cancel the job if you don't feel you can trust your contractor.
- Don't hesitate to offer your input and ideas to the contractor. Of course you should be clear and respectful.
- Don't limit your thinking to just monetary payoffs. By using energy-efficient materials and techniques your home will be that much more valuable.

2016 RENOVATION GUIDE

Would you like to be
a contributor for 2016
Renovation Guide?

If so, email:
renoguide@harrisonbowker.com
and ask us how you can contribute
for our next publication.

HOME EXTERIORS

The sample home used in this guide is a 1,200 sq. ft bungalow in average condition in a typical middle-income neighbourhood. It has three main floor bedrooms, two baths (ensuite and main) kitchen, living room and dining area. The home has front and rear doors, a rear patio door, and approximately 11 windows (8 on main, 3 in basement). Except where noted, the guide assumes simple replacement of each component not creating one where one did not exist originally. For example, the cost to create an opening for a patio door or skylight will be significantly more expensive than simply replacing it. Some exceptions would be for new sunrooms, family room additions and garages.

RENOVATION	COST RANGE	% RETURN
SIDING <ul style="list-style-type: none"> • New Stucco Application • Premium Vinyl Siding • Standard Vinyl Siding • Hardiplank • Artificial Masonry/Cultured Stone • Brick Façade • Soffits & Fascia • 5" Seamless Eavestroughs • 6" Seamless Eavestroughs 	<ul style="list-style-type: none"> \$17,000-21,000 \$10,000-12,000 \$8,000-10,000 \$11,000-13,000 \$12-15/sq. ft \$35-45/sq. ft \$4,000-6,000 \$7-9/ft \$11-15/ft 	<ul style="list-style-type: none"> 25-50% 50-75% 50-75% 50-75% 50-75% 20-35% 25-50% 25-50% 25-50%
ROOF <ul style="list-style-type: none"> • Asphalt (25-30 yrs / \$3-4/sq. ft) • Rubber (50 years, \$6-8/sq. ft) • Cedar Shakes (30-40 yrs, \$5-10/sq. ft) • Metal (50 yrs, \$9-13/sq. ft) • Re-Insulate Attic 	<ul style="list-style-type: none"> \$4,000-5,000 \$8,000-9,000 \$15,000-20,000 \$15,000-20,000 \$1,400-1,500 	<ul style="list-style-type: none"> 75-95% 50-75% 50-75% 50-75% 25-35%
DOORS (Single) Standard <ul style="list-style-type: none"> • Exterior (Basic: insulated, metal clad, embossed panels, half moon window etc.) • Interior (hollow core) Deluxe <ul style="list-style-type: none"> • Exterior (including upgraded hardware and sidelights) • Interior • Replace Sliding Patio Door-PVC (72" x 80") 	<ul style="list-style-type: none"> \$1,500-2,000 \$300-600 \$3,000-4,000+ \$600-1,000 \$1,500-2,500 	<ul style="list-style-type: none"> 50-75% 50-75% 50-75% 50-75% 50-75%
WINDOWS <ul style="list-style-type: none"> • Double Pane, Vinyl Casement, 1 Bay • Low-E, Triple Pane, Vinyl Casement, 1 Bay 	<ul style="list-style-type: none"> \$10,000-13,000 \$11,000-14,000 	<ul style="list-style-type: none"> 75-90% 75-90%
SKYLIGHT (Basic) <ul style="list-style-type: none"> • Triple Glaze, Standard Roof • Solar Tubes (new install) 	<ul style="list-style-type: none"> \$800-1,500 \$700-1,000 	<ul style="list-style-type: none"> 15-30% 15-30%

HOME INTERIORS

RENOVATION	COST RANGE	% RETURN
INTERIOR PAINTING	\$3,000-5,000	80-110%
NEW FLOORING <ul style="list-style-type: none"> • Hardwood • Laminate • Ceramic tile • Porcelain tile • Slate • Carpet & Pad • Sheet Vinyl • Luxury Vinyl Tile (LVT) • Cork • Removal and disposal add: 	\$9-13/sq. ft \$5-9/sq. ft \$7.50-8.75/sq. ft \$9-11/sq. ft \$13-14 /sq. ft \$2.75-4.50 /sq. ft \$2.75-4.50/sq. ft \$3.75-7.50/sq. ft \$7.50-10/sq. ft \$0.25-0.50/sq. ft	60-80% 60-80% 60-80% 50-65% 50-65% 60-80% 60-80% 60-80% 25-45%
REMODEL BATH ROOM - 4pc (New fixtures, vanity, tub, shower and flooring)	\$10,000-20,000 and up	50-75%
REMODEL KITCHEN (Cabinets, flooring, countertop, appliances, lighting) <ul style="list-style-type: none"> • Average quality • High quality 	\$15,000-30,000 \$40,000-70,000+	75-95% 40-60%
BASEMENT REDEVELOPMENT (Drywall finish, paint, 3-piece bathroom, 2 bedrooms, family room, carpet, vinyl, drop ceiling tile)	\$35,000-50,000 \$30-45 /sq. ft	50-75%
GAS FIREPLACE <ul style="list-style-type: none"> • Average quality • High quality 	\$2,500-5,000 \$5,000-10,000+	45-70% 25-50%
SENIORS WALK-IN TUB	\$7,500+	0-25%

MECHANICAL, PLUMBING, ELECTRICAL

RENOVATION	COST RANGE	% RETURN
CENTRAL VACUUM	\$1,300-1,500	30-60%
ALARM SYSTEM (Basic) • Monthly monitoring	\$25 and up	0-10%
HOT WATER TANK • Mid-Efficiency, Natural Draft (40-50 imperial gallons) • High-Efficiency, Power Direct Vent (40-50 Imperial gallons) • Tankless On-Demand	\$1,000-1,200 \$1,500-2,000 \$4,000-6,000	50-75% 60-80% 65-85%
WATER TREATMENT • Water Conditioner • Reverse Osmosis Drinking System	\$2,300-4,000 \$1,500-2,000	25-50% 25-50%
NEW FURNACE • High Efficiency	\$4,000-6,000	60-85%
AIR CONDITIONING • Ranges by efficiency and sound	\$3,000-6,000	40-60%
ELECTRICAL SERVICE UPGRADE • 60-100 Amps	\$5000-6,000	90% +
PLUMBING LINES (Copper to PEX)	\$3,000-6,000	25-50%

GARAGES, SUNROOMS & ADDITIONS

RENOVATION	COST RANGE	% RETURN
• NEW 24'x24' Double Detached Garage Heated, Insulated, Slab	\$25,000-35,000	60-80%
• NEW 24'x24' Garage with Secondary Suite	\$125,000-175,000	30-40%
• RENOVATE older 24'x24' garage with new insulation, drywall, insulated garage door & heater.	\$8,000-12,000	25-40%
• NEW 3-Season 10'X15' Sunroom Addition	\$15,000-25,000	50-75%
• NEW 4-Season 10'X15' Sunroom Addition	\$25,000-35,000	50-75%
• 300 sq. ft Family Room Addition (No basement, vaulted ceilings, gas fireplace, hardwood flooring, exterior to match existing)	\$60,000-90,000	30-50%

LANDSCAPING & YARD

RENOVATION	COST RANGE	% RETURN
PONDS, FOUNTAINS & ROCKS (Wide variance)	Varies widely	10-30%
DRIVEWAYS and HARD SURFACES <ul style="list-style-type: none"> Remove/repour concrete Replace concrete with paving stone or brick Add stamped or exposed aggregate finish 	\$12-14/sq. ft \$18-20/sq. ft \$3-4/sq. ft	25-50% 10-50% 10-20%
RAISED DECK 12'x20' (Screw pile foundation) <ul style="list-style-type: none"> Pressure Treated Wood Cedar Composite Vinyl Railing (Aluminum) Railing (PVC) Pergola (Cedar) Pergola (Maintenance Free) 	\$40/sq. ft \$45/sq. ft \$75-85/sq. ft \$75-85/sq. ft \$45-50/foot \$75/foot \$20-28/sq. ft \$75/sq. ft.	
UNDERGROUND SPRINKLER SYSTEM (Front and back)	\$4,000-5,000	20-50%
FENCING & CURBING <ul style="list-style-type: none"> Pressure Treated Wood (6') (add gate: \$250+/-) Ornamental Aluminum (4') Vinyl (6') Chain Link (Galvanized or Coated) (6') Concrete Curbing 	\$38-45/linear ft \$35-45/linear ft \$45-55/linear ft \$15-25/linear ft \$5-8/sq. ft	60-75% 50-75% 50-75% 50-75% 10-25%
TREE REMOVAL (I.e., 35' spruce tree)	\$700-800	0-10%
SOD REPLACEMENT	\$2-3/sq. ft	25-50%
OUTDOOR HOT TUB JACUZZI	\$7,000-10,000 and up	5-40%

GOING GREEN

These days home renovations aren't just about putting green back into your wallet. More than ever, homeowners and potential buyers are looking to reduce their environmental footprints and will opt to pay more initially for long-term gain. Even during the recent slowdown of today's market, homeowners who may not be intending to sell immediately are seeking out materials and building techniques designed to be eco-friendly and minimize their impact on the environment.

Five ways to go green:

1. Use energy efficient fixtures and appliances, and be sure they are Energy Star rated. Install things such as low-flush toilets and high performance showerheads. On-demand hot water tanks are extremely efficient, taking only seconds to heat water as needed, but they cost about \$4,500. Homeowners must also keep in mind that high-efficiency furnaces are only efficient if the home has proper insulation and windows.
2. Make the most of natural and solar lighting, and tailor lighting for individual needs. Consider implementing solar energy heating in your designs.
3. Recycle/salvage previous building materials and use materials manufactured with recycled content. Consider construction techniques that minimize waste and debris.
4. Use water-based paints, varnishes and adhesives free of volatile organic compounds (VOCs) that will not give off toxic gases.
5. Have an energy audit done on the home to determine the best ways to make the most of your "green" renovations.

**For more information, go to Canadian Mortgage and Housing Corporation:
www.cmhc-schl.gc.ca**

BIGGEST MISTAKES HOMEOWNERS MAKE

1. Not having a well-planned design and a reasonable time frame.
2. Not budgeting for unforeseen costs or changes to the plan. Making frequent or major changes after the renovation has begun can add huge costs to the project.
3. Not getting a complete quote in writing or having a full understanding of the quote given. Get at least three quotes before committing to one contractor.
4. Not hiring a professional for jobs that require the expertise. Poor craftsmanship and/or incomplete projects result in huge wastes of time, money and energy. This could also lead to hazardous conditions and/or an unhealthy living environment, becoming an insurance liability.
5. Not planning renovations in terms of resale. Although one of the major perks of owning your own home is that you are free to do what you want to it, when it comes time to put it on the market, you don't want your house to be the white elephant of the neighbourhood. Permanently changing the function of the rooms, not keeping with the average/appropriate style of the neighborhood or going overboard and creating a house well above the average listing price of other homes in the area will make it difficult to sell.

HARRISON BOWKER
REAL ESTATE APPRAISERS

TOLL FREE: 1-877-458-3815
TEL: 780-458-3814
harrisonbowker.com
200 37th St. Thomas Street
St. Albert, AB T8N 6Z1