

Remodeling Cost *vs* Value Report 2007

hanley wood



Complete data
organized by project
and by city

2007 Cost vs. Value Report - It's Payback Time

Remodeling magazine's annual "Cost vs. Value Report" shows exterior and replacement projects bring the biggest return.

ADAPTED FROM REMODELING MAGAZINE

Home rehabbers who are considering a move 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.

REALTORS® in 65 markets were given construction specs and costs on 29 upscale and midrange projects and asked to estimate the percentage return at resale.

On most projects, the value of remodeling trended down in 2007 compared with 2006. No project exceeded an 88 percent return. The likely culprits for the year-to-year drop: rising remodeling costs and slowing home appreciation brought on by the lackluster housing market in many areas.

Nationally, projects at the bottom of the cost-recovery ladder included home office remodels (57 percent), installing a back-up power generator (58 percent), and adding a mid-range sunroom (59.1 percent).

Put Costs and Values in Context

Looked at over a number of years, some projects appear to recoup considerably less than others. Home office remodels, for instance, have been at or near the bottom of the national averages since 2005 when the project was added to the survey. People investing in a home office typically do so to fill a specific need, such as to start a home-based business or telecommute. A prospective buyer with different space needs won't see the value, regardless of the cost.

On the other hand, since minor kitchen remodels were added to the report in 2004, they've consistently ranked among the highest-value projects, according to practitioners surveyed.

When looking at cost estimates for individual projects, remember that averaging tends to have a leveling effect on job cost data. Also, seemingly small differences in project size and scope, or in the quality of finishes, can dramatically affect final project cost.

It's also important to consider whether a remodeled space reduces the perceived number of rooms or available square footage. For example, carving a half-bath out of unused storage space under a staircase is an obvious gain in usable space. But converting an existing bedroom into a master bath, while a positive development in many respects, may reduce the number of bedrooms below the minimum expectation of some prospective buyers.

Similarly, the cost recouped on a given remodeling project depends on a wide variety of factors. These include the condition of the rest of a house, the value of similar homes nearby, and the rate at which property values are changing in the surrounding area. A home's urban, suburban, or rural setting also affects its value, as does the availability and cost of new and existing homes in the immediate vicinity.

Finally, there can be wide regional swings. A midrange bathroom remodel recovers 85 percent of its cost in the South but only 63 percent in the Midwest.

Where resale value is a major factor in a home owner's decision to remodel, the best course of action is to consult with a local remodeler about construction cost — and look closely at the comps and market conditions.

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PROJECT TYPE	DALLAS			WEST SOUTH CENTRAL			2007 NATIONAL AVERAGES		
	Job Cost	Resale Value	Cost Recouped	Job Cost	Resale Value	Cost Recouped	Job Cost	Resale Value	Cost Recouped
MIDRANGE									
Attic Bedroom Remodel	\$39,162	\$30,164	77.0%	\$40,123	\$32,034	79.8%	\$46,691	\$35,771	76.6%
Back-up Power Generator	12,205	7,055	57.8%	12,052	8,198	68.0%	13,357	7,748	58.0%
Basement Remodel	50,763	39,971	78.7%	52,051	45,249	86.9%	59,435	44,661	75.1%
Bathroom Addition	32,058	19,303	60.2%	32,482	24,558	75.6%	37,202	24,553	66.0%
Bathroom Remodel	13,860	10,110	72.9%	14,044	12,766	90.9%	15,789	12,366	78.3%
Deck Addition (wood)	9,005	6,810	75.6%	9,182	7,859	85.6%	10,347	8,835	85.4%
Family Room Addition	68,109	42,199	62.0%	70,029	50,042	71.5%	78,989	54,148	68.6%
Garage Addition	47,833	28,679	60.0%	47,529	34,842	73.3%	53,897	37,461	69.5%
Home Office Remodel	25,253	12,986	51.4%	25,416	16,373	64.4%	27,193	15,498	57.0%
Major Kitchen Remodel	51,078	35,604	69.7%	51,390	41,635	81.0%	55,503	43,363	78.1%
Master Suite Addition	85,564	54,192	63.3%	87,122	62,480	71.7%	98,863	68,172	69.0%
Minor Kitchen Remodel	19,905	14,643	73.6%	20,029	17,694	88.3%	21,185	17,576	83.0%
Roofing Replacement	14,051	8,802	62.6%	14,130	9,801	69.4%	18,042	12,166	67.4%
Siding Replacement	8,652	5,867	67.8%	8,884	7,367	82.9%	9,910	8,245	83.2%
Sunroom Addition	63,744	32,131	50.4%	64,219	37,805	58.9%	69,817	41,231	59.1%
Two-Story Addition	122,022	79,002	64.7%	124,183	94,623	76.2%	139,297	103,010	73.9%
Window Replacement (vinyl)	9,153	5,910	64.6%	9,381	7,498	79.9%	10,448	8,290	79.3%
Window Replacement (wood)	10,039	7,053	70.3%	10,174	8,212	80.7%	11,384	9,241	81.2%
UPSCALE									
Bathroom Addition	\$65,434	\$45,920	70.2%	\$65,914	\$51,597	78.3%	\$73,145	\$50,442	69.0%
Bathroom Remodel	45,868	32,516	70.9%	46,182	35,618	77.1%	50,590	34,588	68.4%
Deck Addition (composite)	14,058	10,070	71.6%	14,165	10,805	76.3%	15,039	11,672	77.6%
Garage Addition	72,880	44,588	61.2%	72,784	51,998	71.4%	82,108	53,056	64.6%
Major Kitchen Remodel	104,387	73,058	70.0%	104,559	82,248	78.7%	109,394	81,096	74.1%
Master Suite Addition	199,230	123,064	61.8%	201,957	144,200	71.4%	220,149	141,120	64.1%
Roofing Replacement	26,243	17,648	67.2%	26,364	19,282	73.1%	33,151	21,769	65.7%
Siding Replacement (fiber-cement)	12,887	10,579	82.1%	12,898	12,023	93.2%	13,212	11,633	88.1%
Siding Replacement (foam-backed vinyl)	10,752	7,122	66.2%	10,989	8,779	79.9%	12,132	9,668	79.7%
Window Replacement (vinyl)	11,646	7,871	67.6%	11,941	10,080	84.4%	13,479	10,913	81.0%
Window Replacement (wood)	15,714	11,768	74.9%	15,899	13,032	82.0%	17,383	13,784	79.3%

BOUND RESEARCH REPORT

A bound copy of the 2007 Cost vs. Value Report will be available after January 1, 2008 at www.costvsvalue.com. The printed research report organizes the survey data by project (listing all city data for each project) and by city (listing all project data for each city). Also included is a table of national averages as well as tables for 9 U.S. regions.

CONFIDENCE LEVEL: West South Central: 95% +/- 7%

CONFIDENCE LEVEL: 95% +/- 2%

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Project Descriptions

ATTIC BEDROOM REMODEL

Convert unfinished attic space to a 15-by-15-foot bedroom and a 5-by-7-foot bath with shower. Include a 15-foot shed dormer, four new windows, and closet space under the eaves. Insulate and finish ceiling and walls. Carpet floor. Extend existing HVAC to new space; provide electrical wiring and lighting to code. Retain existing stairs, but add rail and baluster around stairwell.

BACK-UP POWER GENERATOR

Install Guardian or similar electrical back-up system with capacity for providing 70 amps of emergency power in two 240-volt circuits and six 120-volt circuits. Assume existing LP gas supply. Include generator mounted on 2x4 concrete or composite pad; automatic transfer switch, load center; exterior disconnect, and grounding rod. Include 30 feet of conduit and electrical cable for generator connections; grounded cable for circuits; 5 feet of flexible fuel line for connection to existing rigid gas supply line; and automotive-type storage battery.

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 ADDITION

Add a full 6-by-8-foot bath over a crawl space with poured concrete walls. Include cultured-marble vanity top with molded sink; standard chrome faucets; 30-by-60-inch white fiberglass tub/shower with ceramic tile surround; single-lever temperature and pressure-balanced faucet; white low-profile toilet; general and spot lighting; electrical wiring to code; mirrored medicine cabinet; linen storage closet or cabinet; vinyl wallpaper; painted trim; and ceramic tile floor.

BATHROOM ADDITION - UPSCALE

Add a new 100 SF master bath to existing master

bedroom over a crawl space. 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.

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 - UPSCALE (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.

FAMILY ROOM ADDITION

In a style appropriate to the existing house, add a 16-by-25-foot room on a crawl space foundation with vinyl siding and fiberglass shingle roof. Include drywall interior with fiberglass insulation, pre-finished hardwood floor, and 180 square feet of glazing including windows, atrium-style exterior doors, and two operable skylights. Tie into existing HVAC. Add electrical system to code, including 12 recessed ceiling lights.

GARAGE ADDITION

Construct a 26x26-foot free-standing two-car garage, including footings and slab-on-grade foundation, 2x4 wood frame with OSB structural sheathing, and gable truss roof at 6/12 pitch. Install 25-year asphalt shingle roofing with galvanized metal flashing; vinyl siding and trim. Install 5 double-hung 30x48-inch vinyl windows; one 30/68 exterior door with half-glass and lockset; and two composite 9x8 overhead doors with motorized openers. Include 100-amp breaker at main house panel and 50 Lf of trench buried conduit to feed new electrical sub-panel. Provide electrical wiring for openers; 3-way switching for fluorescent ceiling fixtures over each bay; 3-way switching for 2 exterior spotlights; outlets to code. Interior wall, floors, and ceilings remain unfinished.

GARAGE ADDITION - UPSCALE

For the same mid-range two-car garage, add interior wall finish using moisture resistant drywall on ceiling and three walls. At rear wall install modular storage systems, including wall panels, upper and lower storage cabinets with work surfaces, and required task lighting. Trim all window and doors and provide base molding at perimeter; paint all trim, ceiling, and walls. Finish cement floor with color, slip-resistant epoxy sealer.

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.

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.

MASTER SUITE ADDITION

Add a 24-by-16-foot master bedroom suite over a crawl space. Include walk-in closet/dressing area, whirlpool tub in ceramic tile platform, separate 3-by-4-foot ceramic tile shower, and double-bowl vanity with solid surface countertop. Bedroom floor is carpet; bath floor is ceramic tile. Painted walls, ceiling, and trim. General and spot lighting, exhaust fan; electrical wiring to code.

MASTER SUITE ADDITION - UPSCALE

Add a 32-by-20-foot master bedroom suite over a crawl space.

Bedroom: Add a spacious sleeping area with lounging/sitting area adjacent to large master bath. Include custom bookcases and built-in storage with millwork details; high-end gas fireplace with stone hearth and custom mantle; and large walk-in closet/dressing area with natural light, mirrors, and linen storage. Add French doors to exterior.

Bath: Include a large walk-in shower with dual shower system, stone shower walls and floor, and custom frameless glass enclosure. Add corner-design

whirlpool tub bordered on two sides by windows and built into granite or marble platform with custom cabinet front. Include two sinks in separate custom vanities with stone countertops and large mirrors. Create partitioned area for luxury one-piece toilet.

General: Add 5-foot-long hospitality center with bar sink, under-counter refrigerator, custom cabinetry, granite or marble countertop, and microwave. Include soundproofing, in-floor heating, custom wall finishes and hardware, general and spot lighting, and lighting controls.

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 SIDING

Replace 1,250 square feet of existing siding with new vinyl siding, including all trim.

REPLACE SIDING - UPSCALE (FIBER-CEMENT)

Replace 1,250 square feet of existing siding with new fiber-cement siding, factory primed and factory painted. Include all 4/4 and 5/4 trim using either fiber-cement boards or cellular PVC.

REPLACE SIDING - UPSCALE (FOAM-BACKED VINYL)

Replace 1,250 square feet of existing siding with new foam-backed vinyl siding, including factory trim at all openings and corners.

SUNROOM ADDITION

Construct a 200-square-foot sunroom addition, including footings and slab-on-grade foundation. Post-and-beam framing exposed on interior side. Wall glazing: vinyl or aluminum clad awning and casement windows with low-E, laminated or

tempered glazing and screens. Roof glazing: 10-large aluminum clad venting skylights with screens. Provide ceiling fan; insulate all non-glass areas; provide movable shades for glass area. Quarry tile or equal on floor.

TWO-STORY ADDITION

Add a first-floor family room and a second-floor bedroom with full bath in a 24-by-16-foot two-story wing over a crawl space. Add new HVAC system to handle addition; electrical wiring to code.

Family room: Include a prefabricated gas fireplace; 11 3-by-5-foot double-hung insulated clad-wood windows; an atrium-style exterior door; carpeted floors; painted drywall on walls and ceiling; and painted trim.

Bathroom: 5 by 8 feet. Include a one-piece fiberglass tub/shower unit; standard white toilet; wood vanity with solid-surface countertop; resilient vinyl flooring; and mirrored medicine cabinet with built-in light strip; papered walls; and painted trim; exhaust fan. Bedroom: Include walk-in closet/dressing area; carpet; painted walls, ceiling, and trim; general and spot lighting.

REPLACE WINDOWS - VINYL

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

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 - VINYL - UPSCALE

Replace 10 existing 3-by-5-foot double-hung windows with insulated, low-E, simulated-divided-light vinyl windows. Simulated woodgrain interior finish; custom-color exterior finish. Trim exterior to match existing; 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.