



# It pays to renovate before you sell

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TREB PRESIDENT'S COLUMN AS IT APPEARS IN THE TORONTO SUN

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If you're preparing to get in on the Greater Toronto Area's spring housing market by undertaking a number of improvement projects to your home, you're in good company.

According to Canada Mortgage and Housing Corporation, close to \$21.3 billion was spent in our country's 10 major centres on renovations in 2008, an increase of more than \$1.6 billion compared to 2007. The majority of those surveyed, 55 percent, indicated renovations were undertaken in preparation for a sale, to update or add value to their homes. Another 33 per cent of respondents pointed to a need for repairs as their primary motivation for improvements.

Whether you're planning a renovation in preparation for a sale, because your house is in need of repairs or simply for esthetics, it's wise to plan carefully to achieve the best return on investment.

Most of us know that kitchens, bathrooms and a fresh coat of paint inside and out, offer the best return on investment. According to the Appraisal Institute of Canada, you can expect to get back 75 to 100 per cent of what you put into kitchens and bathrooms. Painting will return 50 to 100 per cent of your investment. Not surprisingly, these four types of projects are the most popular among homeowners.

Upgrading your flooring and finishing your basement are renovation options that can yield up to a 75 per cent return on investment. Particularly with respect to the latter though, it's important to consider the preferences of future buyers. A finished basement might not be as desirable in a seniors' community for example, as in a neighbourhood of starter homes.

Perhaps the most sensible renovations you can undertake are those that boost your home's energy efficiency. They have become more desirable to homebuyers, they qualify for a number of government rebates and they help you save money on heating and utility costs right up to the time you sell your home. These types of improvements, which include replacing your furnace or air conditioner, installing new windows and doors, and adding a new roof, can provide a return on investment of up to 75 per cent.

Your REALTOR® can provide you with details on the many available government programs that offer significant rebates.

Natural Resources Canada for example, provides a grant to homeowners who undertake renovations that improve the overall energy efficiency rating of their homes. An EnerGuide for Houses evaluation must be performed prior and subsequent to renovations to determine the change in the home's rating. Grants vary based on the amount by which the home's energy rating improves as a result of renovations.

Before you undertake any renovation though, be sure to seek the advice of a Greater Toronto REALTOR® who can offer advice on features that are in demand in today's housing market, and an objective perspective on improvements most beneficial to your home.

Please visit [www.TorontoRealEstateBoard.com](http://www.TorontoRealEstateBoard.com) for more information on government programs, market statistics, GTA property listings, a schedule of upcoming open houses and more.

*Tom Lebour is President of the Toronto Real Estate Board, a professional association that represents 28,000 REALTORS® in the Greater Toronto Area.*