

Cashing In On Your Kitchen and Bath

By Nicholas Draper

“I’m not moving anywhere!” How many times have we heard this from our friends and co-workers in recent months? We’re in a lower portion of the current real estate cycle and, along with the other economic issues we’re facing, most of us are just staying put. However, we don’t have to wait to begin building equity for the future or enhancing our homes for daily living.

Did you know that renovating a kitchen or bath is the best way to add value to your home? As we wait for the economy to stabilize and home prices to increase, there are a number of ways you can work on your home now to ensure a great return on investment in the months and years ahead. Not only that, but your home will also be a more enjoyable place to live!

October is National Kitchen and Bath Month. This is a great time to be reminded that remodeling your kitchen and bath are the two best investments you can make for the future. Francisca Alonso, owner of AV Architects and AV Builders in McLean, Virginia, states, “Prospective buyers will look at the kitchen and bathrooms as the number one priority when deciding to buy a home.” Many realtors say that a new kitchen make the difference between a home selling and not selling.

“If you chose to do renovations for resale, your best bet is either in the kitchen or in the bathrooms,” said Robert Masse, a successful real estate agent based in Tampa, Florida. “If you have to choose one, though, then choose the kitchen. The kitchen gives you a much higher return on investment than any other room in the house.”

Even with a declining housing market, last year the National Kitchen & Bath Association (NKBA) reported that homeowners would spend more than \$96 billion, renovating 7.6 million kitchens by the end of 2007.

Whether you’re listing your home soon or waiting for the market upturn, take a look at your kitchen or bath through the eyes of a potential buyer. Are there design issues you would like to fix in the layout? Are your kitchen appliances out of date or not energy efficient? Do your hardware and fixtures need to be replaced?

How about your countertops? Are they outdated or showing signs of wear? Perhaps now is the time to think about a granite countertop due to its inherent strength, abrasion resistance, superior durability, and upscale appearance. Upgrading a kitchen or bath surface not only changes the utility of the countertop but also dramatically transforms the look and feel of the entire room.

Even in our current economy, we may have equity in our homes still available for renovation. According to Peter Kalian of George Mason Mortgage, “Equity lines for an existing home are still

available. The rates are based on prime and depending upon the percent you borrow in relation to the value.”

A kitchen or bathroom renovation can also enhance our lifestyle when we’re not even thinking about resale. In his presentation to the Pacific Coast Builders Conference last month, J. Walker Smith, president of the Yankelovich Partners research firm, stated, “Homeowners today are looking at the home as a “command center,” a place to live, work, and function as a beehive of activity and engagement.”

Kitchens are the core of our command centers. They need to be both practical and efficient. Social and business entertaining are becoming more common, so kitchens must have a sense of style, as well as function. Kitchens make a strong lifestyle statement. Francisca Alonso agrees. “The kitchen is the heart of the modern home. It’s where we gather... where we live.”

Remodeling a kitchen or bath or just replacing your countertops can seem overwhelming, so be sure to work with a skilled professional who specializes in renovating these rooms. In the end, whether you’re selling or staying; when the project is completed, you should be able to say, “I love it!”

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