

Royal LePage Identifies Top Renovations with best ROI (Return on Investment)

TORONTO, March 19, 2008 - If you've spent years waking up to wood-panelled walls and soft shag rugs, some home renovations, especially if you're thinking of selling your home, may be in order. Before picking up a sledgehammer, however, it's worthwhile to know the cost of updating your decades-old décor, and the degree to which those costs will be recouped when it comes time to sell. While some renovations such as updating a kitchen or bathroom may require a trained professional, there are a number of do-it-yourself projects that are sure to increase a home's resale value, according to the Royal LePage Renovations and Returns Survey released today.

With April just around the corner - the busiest month of the year for home sales - homeowners may want to consider tackling some simple home improvements that will ensure their properties sell for top dollar. The Royal LePage Renovations and Returns Survey examines some top renovations that bring the best return on investment, as compiled by the Royal LePage network. "Amid today's competitive real estate market, renovations offer a relatively affordable means to boost the value of a home," said Lisa da Rocha, vice president, marketing and sales, Royal LePage Real Estate Services. "Do-it-yourself tasks such as painting walls, changing cupboard knobs or laying new flooring will make a house not only more appealing to buyers, but also offer a great return on investment." With the expansion of renovation chains across the country, and the proliferation of do-it-yourself television shows, it is no surprise that homeowners are tackling renovation projects now more than ever. According to Statistics Canada, renovation spending grew by 8.3 per cent in the fourth quarter 2007 to \$9.2 billion, from the same period in 2006. Added da Rocha: "There are some renovations, such as finishing a basement that a homeowner does for their own enjoyment without much concern for the return on investment. What we have explored within this survey are renovations that are intended to translate directly into enhanced equity in a property."

REASONABLE AND RADICAL RENOVATIONS

From simple aesthetics to washroom overhauls, Royal LePage has identified the top renovations that will increase the equity of a home. The list is ranked in ascending order of cost of project.

(Highlighted areas in Yellow are specialties of Added Value Renovations)

1. Freshen up: Adding a new coat of paint can freshen up a house and make the interior look like new - not to mention more spacious. For homeowners looking to sell in the near term, neutral colours are most preferred.

2. Floors galore: Today, hard surfaces are all the rage. If genuine hardwood exceeds budgets, laminate works well. Buyers like to see hard floors throughout, so if possible, be sure to lay down laminate in dining rooms and living rooms, and even in bathrooms and bedrooms.

3. Lighten up: Old or standard-grade light fixtures, electrical and light cover plates can easily date a house. To modernize, add distinct flair to the interior, consider installing new light fixtures. Remember to go green, and use compact fluorescent (CFL) light bulbs, where possible.

4. Pebble Beach? Well, close: The old adage, you never get a second chance to make a first impression is extremely true when it comes to selling a home. To increase curb appeal and entice buyers, ensure front lawns are tidy and gardening is minimal. While there is no need to go overboard and plant an expensive Japanese Maple, adding some standard shrubs and flowers will make a home more inviting.

5. Stylishly steel: Similar to the issue with old light fixtures, knobs, fume hoods and backsplashes can make a kitchen seem outdated. Sleek, stainless steel hardware designs have the biggest and most positive impact on those people looking to buy a home.

6. Opening all the right doors: An elegant entrance enhances a prospective buyer's first impression of the house itself.

7. ROI from the ground up: To see an even higher return on investment, replace old flooring with new hardwood. While a range of qualities, textures and colours exist, it's best to opt for a neutral wood colour to accommodate the widest possible array of tastes and décor.

8. White picket fence?: Building a fence and a deck instantly boosts a home's appeal. Keeping kids and pets in the yard, and nosey neighbours out, fences provide the back and side yards with a sense of being finished.

9. Occupied, no more: A bathroom situated on the main floor is increasingly seen by homebuyers as an essential fixture in their next purchase. While many older homes were built

with bathrooms only on the second floor, many homeowners are resorting to transforming closets or adding new rooms to accommodate two-piece powder rooms.

10. Exquisite en suite: Today's homebuyer prefers bathrooms that have spa-style tubs and modern faucets. Granite and marble tiles are now readily available and can be purchased at relatively affordable prices.

11. Everything, and the kitchen sink: While prices can vary when renovating a kitchen, one thing is certain - updated kitchens bring one of the highest returns on investment. With homeowners spending more time in the kitchen than any other room, it's no surprise they want the best possible style and functionality. Stainless steel appliances, ceramic sinks and clean lines on cupboards rank as the more preferred finish options. Since kitchens and baths can be such a personal space, it's wise not to select a dramatic style or colour scheme since your tastes may not be the same as the next owner.

TOP 'DO IT YOURSELF' RENOVATIONS WITH BEST ROI

(Highlighted areas in Yellow are specialties of Added Value Renovations)

RENOVATION PROJECT	APPROX. COST*	APPROX. ROI**
Paint the interior	\$1,000	50-100%
Replace carpeting with affordable laminate	\$2,000 (for 1,000 square foot space)	50-75%
Install new light fixtures	\$2,000	60-70%
Groom the exterior landscape	\$2,000	25-50%
Replace knobs and hardware	\$2,000	75-100%
Update the entryway	\$3,000	50-75%
Replace carpeting and laminate floors with hardwood	\$5,000 (for 1,000 square foot space)	50-75%
Build a fence/deck	\$5,000	50-75%

Notes:

*Assumes mid-grade quality finishes, labour excluded

** Source: Appraisal Institute of Canada RENOVA, Royal LePage

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