

6 WAYS FLOORING INCREASES THE VALUE OF YOUR "HOUSING STOCK"

Building, buying or remodeling, flooring can be an investment with a big return.

We spoke with bankers like Sally Coulter, Senior Lending Officer of The Peachtree Bank in Roswell, Georgia, who say great floors certainly add value to your home at resale time, but they also can build your borrowing power while you're living there because they also affect the appraisal value and financing for a remodeling project. (Sally is also a member of the board of directors of the Atlanta Chapter of the national Association of the Remodeling Industry and a board member of the Atlanta Home Improvement Magazine.)



SALLY COULTER



From Carpet One is Anderson's Wood Flooring in Conservatory Plank Maple Brandy.

WHAT DO THE EXPERTS SAY?

1. "When considering floors in any home, go with what's popular in your area." Hardwood is popular in Atlanta, stone and tile in Florida, carpet in the Northeast, etc.

2. Consider cost-recovery rates for each project. In Coulter's Atlanta, a mid-range bathroom addition along with a full bathroom remodel beat the stock market last year with more than 120% of the initial cost recouped at resale. (For the national average, see nearby chart.)

3. Value includes elements which can't readily be measured, but they add up. Therefore, quality materials and design are worth more than the sum of their parts. Coulter says, "While sometimes quite difficult to quantify, if the selection is appropriate for the area, good flooring throughout the home is far more valuable than good crown molding."

4. Coulter says, "Dramatic flooring, such as in a foyer, can have an impact on the appraised value, but more importantly, salability." (The speed at which you can sell a home and get your money has a value, too.)


5. Often overlooked from a lending perspective, she says, is that when remodeling one's home, the current equity in the home may provide enough funds to obtain a better home equity line of credit to fund the flooring project.

6. "Additionally, if floors are just a portion of the remodeling project," Coulter says, "what you select may have an effect on the amount you can borrow. Many renovation loans in the United States are based on the appraised value of the project *as completed*, providing funds for up to 95% of the *as completed value*, if the home has been owned for 12 months." 🏠

REMODELING JOBS AND RESALE VALUES

Costs vs Value Report, Remodeling Magazine, 2004

Project	Cost	% Recouped at resale
1. Minor kitchen remodel	\$15,273	92.9
2. Siding replacement	6,946	92.8
3. Bathroom remodel, mid-range	9,861	90.1
4. Deck addition	6,917	86.7
5. Bath addition, mid-range	21,087	86.4
6. Bath remodel, upscale	25,273	85.6
7. Window replacement, mid-range	9,273	84.5
8. Window replacement, upscale	15,383	83.7
9. Attic bedroom	35,960	82.7
10. Bath addition, upscale	41,587	81.1
11. Roof replacement	11,376	80.8
12. Family room	52,562	80.6



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