

# *Homeowner Guide:* Return On Investment



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# *Thank you*

Thank you for downloading my PDF guide.

I made this document to help any homeowner get the best ROI (Return On Investment) on their property. Many options within different budgets are available in order to bring up a home value, and you will find them all in this guide.

Check any items you complete and keep all of your invoices and receipts for future reference: I highly recommend having a Home Binder handy.

Should you have questions or need help, feel free to reach out to me directly at [jenny@brunswickroyalrealty.com](mailto:jenny@brunswickroyalrealty.com)

— Jenny



# *In This Guide*

- ✓ Understand the importance of ROI and find guidance on how to calculate the ROI of home improvements.
- ✓ Plan and set up your budget to maximize your ROI.
- ✓ Understand risk management.
- ✓ Monitor and evaluate your ROI.
- ✓ Find a list of popular home improvements to increase the value of your home within the budget of your choice.



# *Why is ROI Important?*

Return on Investment (ROI) stands as one of the most critical metrics in business, finance, and decision-making processes across industries. As a homeowner, it is important to keep ROI in mind when it comes to renovations or upgrades, especially if you intend to sell in the near future, to make informed decisions.

ROI helps:

- 1 Maximizing Value:** When investing in improvements, you want to ensure you are getting the most value for your money. ROI helps understand which upgrades will increase your home's value the most, so you can prioritize your investments wisely and increase your equity.
- 2 Budgeting Wisely:** Home improvements can be expensive, so it's essential to budget your money wisely. Always ask yourself if an improvement is worth the cost before committing to it.
- 3 Selling Potential:** Improvements that provide a high ROI can make your home more attractive to potential buyers and increase its resale value. The same goes if you are planning on re-financing.
- 4 Avoiding Over-Improvement:** Avoid over-improving your property by focusing on upgrades that will actually increase its value relative to the investment made.

# *Important Notes*

To determine the ROI of a home project, you will have to keep a few factors in mind. It's also advisable to consult with real estate professionals and financial advisors to assess the viability of your investment strategy.

**1** **Location:** The location of the home plays a significant role in its ROI. Factors such as proximity to schools, public transportation, amenities, job centers, and low crime rates can increase the value of the property over time.

**2** **Neighbourhood Standards and Trends:** Consider the expectations and standards of your neighbourhood. Is the neighbourhood up-and-coming? Over-improving a home compared to others in the area may not yield a favorable ROI.

**3** **Cost of Renovations:** Evaluate the cost of the renovation project against the potential increase in the home's value and focus on cost-effective improvements.

**4** **Quality of Work:** Renovations should be done professionally and with quality materials. Poor workmanship can decrease the perceived value of the home and negatively impact its ROI.

**5** **Permits and Regulations:** Ensure that all renovations comply with local building codes and regulations. Failure to obtain necessary permits can lead to fines and complications when selling the home.

**6** **Timeframe:** Consider how long you plan to stay in the home after renovations. Some renovations may provide immediate enjoyment but may not offer a significant ROI if you sell shortly afterward.

# *Planning & Budgeting*

Planning and budgeting for home improvement with a focus on return on investment (ROI) involves several key steps:

1

**Identify Goals and Prioritize Projects:** Determine the goals of your home improvement projects and research which home improvement projects typically yield the highest ROI in your area.

Prioritize the projects that aligns most with your goal (Ex: Enhance your own living versus. selling for the most money in a short period).

2

**Set a Realistic Budget:** Assess your financial situation and set a realistic budget for your home improvement projects. Make sure to include a buffer for unexpected costs that may arise during the project. Decide which projects you will do yourself to save money, and which will be done professionally. Obtain quotes from several contractors or service providers for the work you plan to undertake and compare them considering the quality of materials, warranties and workmanship.

3

**Track Expenses and Stay on Budget:** Keep track of all expenses related to your home improvement projects to ensure you stay within your budget. Use spreadsheets or budgeting apps to monitor spending and make adjustments as needed to avoid overspending.

# *Risk Management*

Renovations entail potential risks that must be carefully managed to maximize returns. Here's a comprehensive look at understanding risk management in renovation projects.

1

**Assess and plan accordingly:** Begin by conducting a thorough assessment of the property or area you are renovating. Define clear renovation objectives and establish a realistic budget that aligns with the anticipated ROI. Consider engaging professionals such as architects, contractors, and real estate agents to provide valuable insights and expertise during the planning phase.

2

**Identify Potential Risks:** Each project has its own risks, including budget overruns, delays, regulatory compliance issues, and unexpected structural or environmental challenges. Evaluate external factors such as market conditions, economic trends, and changes in zoning regulations that could impact the project's success, especially if your project requires a building permit.

For extensive renovations, do not hesitate to conduct regular inspections and quality assurance checks to verify that the renovation work meets the necessary standards and requirements.

3

**Ask About Insurances & Warranties:** If you are hiring professionals to do the work, ask about their insurance coverage and warranties. What happens if there is construction-related damage done to the property? Who is responsible in case of accidents? What are the warranties on the work done and are those warranties transferrable?

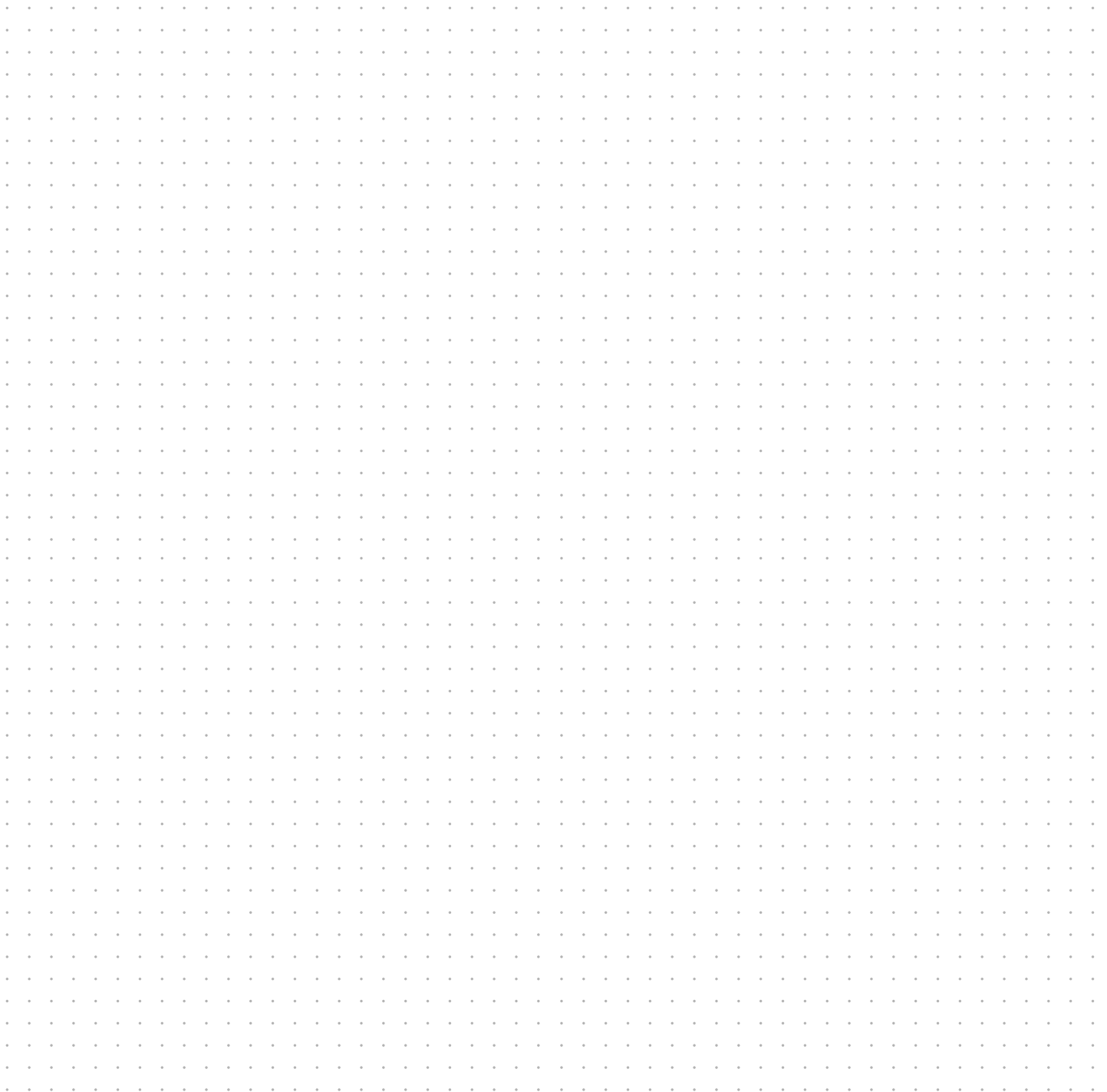
4

**Monitor Your Budget :** Monitor and manage the project's financial performance closely to ensure adherence to the established budget and ROI targets.

# *Project Planner*

Project Name: \_\_\_\_\_

Description & Sketches:

A large grid of small dots, intended for sketching or drawing. The grid consists of approximately 30 columns and 40 rows of dots, providing a structured space for visualizing project components or processes.





# *Monitor Your Budget*

Monitoring your budget during home renovations is not just prudent; it's essential for maximizing your return on investment (ROI). Whether you're upgrading your kitchen, renovating a bathroom, or revamping your entire home, keeping a close eye on your finances ensures that you're making strategic decisions that add value to your property without overspending.

Here's how you can effectively monitor your budget to increase your ROI:

**1 Track Expenses Diligently:** Keep meticulous records of all expenses related to your home renovation project. Use spreadsheets or budgeting software to monitor your expenses: including materials, labor costs, permits, and any additional fees. Regularly review your spending against your budget to identify areas where you may be overspending

**2 Avoid Last Minute Decisions:** Stick to your original renovation plan and avoid making unnecessary changes or additions that can inflate your budget. While it's tempting to add extra features or upgrades along the way, these can quickly spiral out of control and jeopardize your ROI.

**3 Regularly Review Progress:** This is very important if you hire a team of professional to do the work. Schedule regular check-ins with your contractor and review project milestones to ensure work is progressing according to schedule and budget. Address any concerns or deviations from the plan promptly to avoid costly delays or mistakes.

# *Bringing Your Home Value Up \$*

- Paint front door with an accent colour
- Fill cracks, repair damage and add a fresh coat or sealant to the driveway
- Freshen up your curb appeal: flower beds, outdoor furniture, pressure wash siding, etc.
- Touch up exterior paint to improve curb appeal and protect against weather damage.
- Stain deck/front porch/fence
- Upgrade outdoor lighting
- Install a fire pit or outdoor seating area for cozy evenings
- Seal windows and doors to prevent drafts and improve energy efficiency
- Paint walls and ceilings
- Refresh trim and baseboards with a fresh coat of paint
- Change all outdated outlet covers, switch plates and thermostats for a polished look
- Install dimmer switches for added ambiance and flexibility
- Upgrade baseboard heaters
- Add light fixtures to create different ambiances
- Install shelving in closets and pantry areas to maximize storage space
- Organize closets and storage areas to showcase storage potential
- Install blackout blinds in bedrooms
- Paint or apply a fresh coat of stain to your kitchen cabinets
- Upgrade doorknobs, handles, and hinges
- Update cabinet hardware
- Install matching paneling on dishwasher & fridge
- Replace old faucets and shower-heads with water-efficient models



## **Did You Know?**

Most small repairs and upgrades won't necessarily bring up your home value in term of monetary value, but will encourage more buyers to offer on your home and be willing to pay over the asking price. It's all about enhancing the lifestyle here.

# *Bringing Your Home Value Up \$\$*

- Replace garage door
- Install garage door openers
- Add a stone or concrete pathway
- Refinish hardwood floors and stairs to restore their original luster
- Enhance the architecture by adding moulding and crowns
- Install new higher quality blinds
- Install decorative trims, crowns and matching baseboards to enhance architectural details
- Upgrade interior doors with modern styles to enhance visual appeal
- Replace traditional thermostats with smart, programmable models for energy savings
- Add insulation to attics and crawl spaces to reduce energy consumption
- Install an under-sink water filter for clean, purified drinking water
- Upgrade countertops to quartz, granite or marble
- Add a tile backsplash
- Get matching appliances if they don't match yet
- Replace old appliances with energy-efficient models
- Replace the toilet with a newer, energy-efficient model
- Replace an old or outdated bathroom vanity with a modern one
- Update old shower doors with fresh, modern designs



## **Did You Know?**

NB Power offers many incentives to home owners upgrading to more efficient solutions such as insulation. For more information, visit [www.saveenergy.nb.ca/en/save-energy/residential/total-home-energy-savings-program/](http://www.saveenergy.nb.ca/en/save-energy/residential/total-home-energy-savings-program/)

# *Bringing Your Home Value Up \$\$\$*

- Upgrade windows for more energy efficient ones
- Change roof if older than 18 years
- Build a patio or deck for outdoor entertaining
- Build a 3 or 4 seasons sunroom
- Upgrade any outdated heating system (ex: oil to electric furnace)
- Add ductless mini-split heaters (if no duct work available)
- Upgrade outdated plumbing
- Upgrade outdated electrical panel
- Finish basement to add more living space
- If you have a 8'-0"+ ceiling in your attic, convert it into living space
- Add built-in storage space such as floor to ceiling cabinets
- Kitchen remodel: New cabinets, countertops, appliances, floorings, etc.
- Bathroom remodel: New vanity, plumbing, floorings, etc.
- Build a second bathroom



## **Did You Know?**

One of the most wanted upgrade in a home for 2024 is mini-split heat pumps. Preferably the newer models still on warranty and on each level. Not only it reduces heating bills, it makes living much more comfortable by having both hot and cool air.