



Realtors® Rate Exterior Replacement Projects Among Most Valuable Home Improvements

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WASHINGTON (January 16, 2014) – A home's curb appeal is crucial because it can be the first thing buyers notice about a home. That's why Realtors® rated exterior projects among the most valuable home improvement projects in the 2014 Remodeling Cost vs. Value Report.

"With many factors to consider such as cost and time, deciding what remodeling projects to undertake can be a difficult decision for homeowners," said National Association of Realtors® President Steve Brown, co-owner of Irongate, Inc., Realtors® in Dayton, Ohio. "Realtors® know what home features are important to buyers in their area, but a home's curb appeal is always critical since it's the first impression for potential buyers. That's why exterior replacement projects offer the greatest bang for the buck. Projects such as entry door, siding and window replacements can recoup homeowners more than 78 percent of costs upon resale."

NAR's consumer website HouseLogic.com highlights the results of the report in its "[Best Bets for Remodeling Your Home in 2014](#)" slideshow. The site also provides information and advice on various home improvement projects, including a [guide to kitchen remodeling with the best payback](#) and dozens of exterior replacement projects.

Realtors® judged a steel entry door replacement as the project expected to return the most money, with an estimated 96.6 percent of costs recouped upon resale. The steel entry door replacement is consistently the least expensive project in the annual Cost vs. Value Report, costing little more than \$1,100 on average.

Eight of the top 10 most cost-effective projects nationally, in terms of value recouped, are exterior projects. A wood deck addition came in second with an estimated 87.4 percent of costs recouped upon resale. Two different siding replacement projects also landed in the top 10, including fiber-cement siding, expected to return 87 percent of costs, and vinyl siding, expected to return 78.2 percent of costs. Out of the top 10 projects, the fiber-cement siding replacement project improved the most since last year, with costs recouped increasing by more than 15 percent. Two garage door replacements were also in the top 10; a midrange garage door replacement is expected to return 83.7 percent while an upscale garage door replacement follows closely at 82.9 percent of costs recouped. Rounding out the top exterior remodeling projects were two window replacements; a wood window replacement is estimated to recoup 79.3 percent of costs and a vinyl window replacement is estimated to recoup 78.7 percent of costs.

According to the report, two interior remodeling projects in particular can recoup substantial value at resale. An attic bedroom is ranked fourth and is expected to return 84.3 percent of costs; nationally, the average cost for the project is just above \$49,000. The second interior remodeling project in the top 10 is the minor kitchen remodel. The project landed at number seven and is estimated to recoup 82.7 percent of costs. Nationally, the average cost for the project is just under \$19,000. The improvement project likely to return the least is the home office remodel, estimated to recoup 48.9 percent.

For the report, Realtors® provided their insights into local markets and buyer home preferences within those markets. For 2014, the national average cost-value ratio stands at 66.1 percent, a jump of 5.5 points over last year and the largest increase since 2005, when the ratio increased 6.1 points to reach a high of 86.7 percent. For the second consecutive year, Cost vs. Value data shows that the value of remodeling is up for all 35 projects included in the survey. Additionally, for the first time in four years, improved resale value of residential housing had more of an influence in the cost-value ratio than construction costs. A modest 2.2 percent increase in average national construction costs was more than offset by an 11.5 percent improvement in average national resale value.

The 2014 Remodeling Cost vs. Value Report compares construction costs with resale values for 35 midrange and upscale remodeling projects comprising additions, remodels and replacements in 100 markets across the country. Data are grouped in nine U.S. regions, following the divisions established by the U.S. Census Bureau. This is the 16th consecutive year that the report, which is produced by Remodeling magazine publisher Hanley Wood, LLC, was completed in cooperation with NAR.

“Every neighborhood is different and the desirability and resale value of a particular remodeling project varies by region and metro area. Before undertaking a remodeling project, homeowners should consult a Realtor® as they are the best resource when deciding what projects will provide the most return upon resale,” said Brown. “Realtors® have a unique understanding of local markets, home features and buyer preferences and know that there are a variety of factors that affect a home’s value, such as location, condition of surrounding properties and regional economic climate.”

Seven of the nine regions covered in the report outperformed the national average, a distinct improvement over 2013, when just four regions performed better than average. Once again, the Pacific region, consisting of Alaska, California, Hawaii, Oregon and Washington, led the nation with an average cost-value ratio of 88 percent, due mainly to strong resale values. The next best performing region was West South Central with 76.4 percent, followed by three regions tied at 74.6 percent: South Atlantic, which improved from 63.7 percent in 2013, New England, which improved from 56.2 percent in 2013, and East North Central, which improved from 54.8 percent in 2013.

To read the full project descriptions and access national and regional project data, visit www.costvsvalue.com. “Cost vs. Value” is a registered trademark of Hanley Wood, LLC.

HouseLogic is a free source of information and tools from the National Association of Realtors® that helps homeowners make smart decisions and take responsible actions to maintain, protect and enhance the value of their home. HouseLogic helps homeowners plan and organize their home projects and provides timely articles; home improvement advice and how-tos; and information about taxes, home finances, and insurance.

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The National Association of Realtors®, “The Voice for Real Estate,” is America’s largest trade association, representing 1 million members involved in all aspects of the residential and commercial real estate industries.