

Make home improvements for yourself unless you plan on selling right away

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Q We are in the process of updating our kitchen in Atlanta, including buying all new appliances. We're not sure whether we should spend basically double the price to buy pro-style appliances (which frankly don't get great ratings) or buy higher end appliances, which do pretty well in testing.

I'm thinking that, for resale, it will be better if we have the very high-end appliances, but I don't know if the resale angle justifies the price. Our house is worth about \$600,000 or so, so we're in a "nicer" house, but we are not in one of the multi-million dollar homes that almost require pro-style for certain buyers.

What do you think?

A It's always hard to decide what to do in a home when your gauge for determining what upgrades or modifications you make to your home is the eventual resale of the home. Since it does not appear that you are selling soon, the real question for you is what do you feel most comfortable living with over the next five to 10 years? If you won't get the enjoyment out of the very high-end appliances and feel that you might have to put in more money over the years to keep them up, you might be better off with more reliable appliances.

If a refrigerator sells for several thousand dollars but the high-end one sells for \$8,000, you have to wonder if you'll enjoy spending double the money now without knowing whether you'll get that money back five or 10 years down the line.

You can talk to one or more real estate agents in your neighborhood and ask them if there is any premium that sellers get when they have very high-end kitchens in homes of your type. In studies we have received, we don't always see home sellers getting more for their renovation improvements to their home than what they put in. The few examples that do seem to get more money back than the money spent on a home usually deal with decorating issues and clutter issues. If you spend \$2,000 painting the inside of a home that was once painted with dark colors, you might see getting much more than the \$2,000 back when you sell.

If you spend \$500 decluttering your home and making the home look more open, spacious and clean, you could see yourself getting much more than the \$500 from a buyer that decides the home is right for him or her. However, if you purchased your home for \$600,000 and decide to spend \$100,000 on a high-end kitchen, will your home



sell for \$700,000 or more? If homes in your area generally sell for \$600,000 when they are in good condition, your market may not bear the high-end kitchen you put it. You might get more than other homes, but you may not get back dollar for dollar what you put into the home.

Frankly, if you put in that kind of money and then live in the home for some time, the type of buyer looking for the high-end kitchen you might put in may not be satisfied at that time with your appliances anyway. He or she may be looking at the next best thing and not at what was the best several years ago. If that's the case, the prospective home buyer might buy the cheaper home to can put in his or her dream kitchen and not pay you the premium that you might seek when you sell the home.

This takes us back to our original thought, that you should rehab the home to your liking, with the appliances you feel comfortable with and will enjoy. Live in the home for years to come, use the money you save toward other things: college funds for your kids, your retirement savings or savings for a rainy day. Saving that money for other expenses you may incur down the line may give you a far greater

reward than spending the money now and never see much of a return for that money.

If you were buying and flipping homes, we might have a different view. Home buyers in your area may be looking for the very best even in homes in your price range. But if you were in that business, we'd expect that you'd know the market for your buyers and would know what return you'd get if you installed those high-end appliances in the first place. Since you plan to use this home and you're not in the business to flip this home, do what is comfortable to you, choose what you will enjoy and don't over-improve the home solely to please some future buyer that may or may not like what you have done to the home.

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