

## 5 Home Improvements That Can Increase Your Property Value

Make sure you're putting your money where it matters with your home improvement projects.

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Don't over-renovate, you should add modern touches without breaking the bank.

Maintaining your home and making necessary upgrades is a critical part of being a homeowner. Failure to update things like your [roof](#), [heating and cooling systems](#), and [plumbing](#) can lead to major issues down the road and loss of property value. At the same time, renovations like [redoing your bathroom](#) or overhauling your kitchen can make your home more functional and appealing to future buyers.

But what improvements actually retain their value?

Looking at data from the 2023 Cost vs. Value report by Remodeling by JLC, here are the top five home improvements you can make to help increase your property value. The report analyzed the average costs for 23 major home improvement projects in the 150 largest markets in the U.S. and calculated a projected return on investment (ROI).

## **1. HVAC Cooling and Heating Systems**

[HVAC systems](#) can be very costly to install or upgrade. Heating and cooling are also major components in a home that directly impacts the monthly [utility bill](#). According to the JLC report, the average job cost is \$17,747. While that may create sticker shock, it had an average resale value of \$18,366, or a 103% ROI.

"Many buyers are looking at the cosmetic upgrades, but are ultimately leaning towards houses that have the four main systems upgraded including HVAC," says Charles Fischer, real estate investor, broker and CEO of Fischer Group at eXp Realty on Florida's Space Coast. "People are paying a lot of attention to energy efficiency when they're buying. With interest rates so high, folks are looking at every cost, including utility bills, to make sure they are staying within budget."

## **2. Garage Door Replacement**

If you have a garage door that is outdated or a bit worse for wear, you'll be happy to hear that replacing your garage door is one of the improvements that provides a 102% return on investment. According to the report, installing a new garage door on galvanized steel tracks with a motorized opener should cost just over \$4,300 on average and have a resale value of \$4,400.

## **3. Exterior Stone Veneer or New Vinyl Siding**

"First impressions are everything," says Michael Winn, owner of Winn Design + Build in McLean, Virginia. "When someone pulls up, you want the house to feel well cared for."

This isn't just about curb appeal, Winn says: It also means the home was built with high-quality materials and is in appropriate condition for the neighborhood.

Having manufactured stone veneer on at least half of the home, or replacing new vinyl siding, has a 102% and 94.7% ROI respectively. Stone veneer is popular in certain areas of the country, largely in housing developments in the suburbs of major cities across the South. Vinyl siding is more commonly found in older homes and homes throughout the Northeast.

## **4. New Entry Door**

Regarding first impressions, replacing an older front door with a new 20-gauge steel door, particularly one that has glass and the same color on both sides, should deliver a 100% ROI. Front doors are a surprisingly expensive investment, costing around \$2,000 to \$3,000 or more to purchase and install, depending on the door and whether you are DIYing it or not.

"I tend to recommend spending more on a front door – one that feels sturdy," says Winn. "Even if it's not something that's observed consciously by the buyer, I think on a subconscious level, the quality of the door has an impact on their decision."

## 5. Minor Kitchen Remodel (Midrange)

The last home improvement that can confidently increase your property value is a minor to midrange kitchen remodel. "Kitchens can really date a house. If it has been updated and feels well designed and well constructed, I think it makes the whole house feel of a better caliber," says Winn.

Modernize an outdated kitchen with things like painting or replacing kitchen cabinet fronts, changing out hardware, replacing appliances with energy-efficient units and adding more resilient modern flooring. Minor or midrange kitchen remodels cost around \$26,000, according to the report, and have a resale value of just under \$23,000.

This isn't redoing the entire kitchen from top to bottom with the state-of-the-art units, finishings or counters. That type of high-end or large-scale remodel costs around \$78,000 on average and provides around a 41% ROI, which is a huge difference compared with a midrange return.

It's important that you don't over-renovate for your neighborhood. Choose modern touches that are on trend but have staying power – functional and energy-efficient without breaking the bank.

## Home Improvements That Don't Recoup Their Full Cost

Here are other popular home improvements that don't quite make the cut. This doesn't mean these renovations aren't worth it, but it is helpful to know you may not get your full investment cost back at sale time.

- Windows, vinyl: 68.5% ROI. For wood windows: 61.2%.
- Midrange bathroom remodel: 66.7% ROI.
- Shingled roof: 61.1% ROI.
- Deck: 50.2% ROI.
- Metal roof: 48.9% ROI.

Remember that every market and home is unique. For example, energy-related projects like replacing windows, adding insulation or replacing HVAC hold more value in older homes compared to newer properties. "In Florida, insurance is going sky-high," Fischer says. "So having roof, plumbing, electrical and HVAC up to the newest code is a big deal right now. The roof is very important too, so the buyer can have a good wind-mitigation report and get reasonable homeowners insurance."

This is a good starting point to help you focus on the improvements that are likely to help increase your property's value. Where you live, the age of your home and the general condition of homes in your neighborhood will ultimately tell you where your money is best spent.