

Should You Move or Renovate Your Home?

Deciding whether to renovate or move? Consider your budget, the value of your current home and how well it can be adapted to your evolving needs.

By [Liz Brumer-Smith](#) | Reviewed by [Liisa Rajala](#) | Edited by [Dawn Bradbury](#) | April 30, 2025, at 2:27 p.m.



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"Should I stay or should I go?" It is an age-old question for home owners.

Key Takeaways

- The decision to move or renovate should be driven by cost, feasibility and personal needs.
- Moving can be a better choice if your home can't support changes, renovations are too expensive or you can improve your living situation by moving.
- If you've got space, the money to renovate or a great mortgage rate, renovating in a location you love may be best.

There often comes a point in a homeowner's journey when their current space just doesn't work anymore. Maybe your family has grown, you now work from home or you're simply tired of squeezing into a single bathroom and living with a closet busting at the seams. At that point, you're faced with a big decision – should you stay and renovate or sell and move on?

HGTV's popular television show, "Love It or List It," makes it look like an easy choice. In reality, the decision is complicated and driven by several factors, especially with today's high interest rates and even higher home prices impacting affordability. This guide will help you understand the key considerations to make the best decision in today's market.

When to Stay and Renovate

Michael Winn, the founder and CEO of Winn Design + Build in McLean, Virginia, has this conversation with clients daily. Below are some key factors he tells them to consider, starting with the neighborhood.

You Love Your Lot or Neighborhood

The biggest reason to put the time and effort into renovating or expanding your home is its location. "If you love your neighborhood, maybe it's the nearby school, the walkability to shops and restaurants, or your neighbors – it may be compelling to renovate," says Winn. If you're attached to memories or the home's character, which can't be replicated in another property, renovating may be the better option, he says.

You Have the Allowable Space to Make the Desired Changes

The first step is to determine what's possible and what it would cost to bring your renovation vision to life. Contact an architect to assess the space and structural limitations. Is your lot large enough for an expansion, and can the existing home support the desired changes? "Sometimes it's more cost-effective to buy or build new rather than retrofit," says Winn.

You Have a Lot of Equity or a Favorable Mortgage Rate

"Anyone from 2020 to 2021 probably has secured a great rate," says Mike Toltzis, a real estate agent with the SET Real Estate Group with Compass in Atlanta. Rates have risen notably since their low of 2.65% in January 2021. As of April 27, 2025, 30-year fixed-mortgage rates were hovering around 6.90%. If you locked in a rate at 2.65% or even 4% just a few years ago, that low monthly payment is a major incentive to stay put.

For example, let's say you bought a median-priced home and took out a \$263,200 mortgage loan after putting 20% down when interest rates were their lowest in 2021, making your monthly mortgage payment \$1,060.60, before property taxes and insurance.

If you bought a median-priced home today, putting 20% down at a 6.96% interest rate, your payment would be \$2,258.20 – 113% higher, before taxes and insurance. This simple math may convince you that it's better to stay put with your low interest rate. You'd have to make a substantially higher down payment to find a commensurate low monthly mortgage payment.

YEAR PURCHASED	MEDIAN HOME PRICE	DOWN PAYMENT	INTEREST RATE	MONTHLY PAYMENT (WITHOUT TAXES AND INSURANCE)
2021	\$329,000	\$65,800 (20%)	2.65%	\$1,060.60
2025	\$426,000	\$85,200 (20%)	6.96%	\$2,258.20
2025	\$426,000	\$265,938 (62%)	6.96%	\$1,060.60

"If you have a lot of equity built in your current home, you can buy down the rates by putting down a much larger down payment with the equity you have," says Michael Opyd, author of "The Education of a Real Estate Agent" and an active agent with RE/MAX Premier in Chicago.

Using the U.S. median home price of \$426,000 in 2025, you would need to put around 62% down, or \$265,938, to achieve the same monthly payment as in 2021. For many homeowners, that's not feasible.

If today's higher home prices and mortgage rates are pushing monthly payments out of your budget, [renovating](#) might be a more affordable option.

You Have the Budget to Renovate

Large-scale renovations or additions are an expensive and time-intensive endeavor. You have to hire an architect, pay permitting fees, find the right general contractor and purchase and pick out all of the finishes, explains Opyd. Depending on the scope of the job, it can easily cost \$50,000 to \$250,000 or more.

Most homeowners use a [home equity line of credit](#) (HELOC) to fund renovations, though some may have enough saved to pay out of pocket. Before moving forward, compare the monthly cost of a HELOC to what you'd pay if you bought a new home. Make sure the renovation won't stretch your budget more than a move would.

When to Move On

Renovating can work for some, but often, [moving](#) is the easier and more practical choice, even with today's elevated interest rates.

You Don't Have the Space to Modify as You Wish

Many homes or lots don't have the space or structural foundation to support an addition or major reconfiguration. Sometimes, you just have to accept that you've outgrown your home and find a new place that better suits your family's needs.

It's More Affordable to Move Than Renovate

Depending on your local real estate market, it may make more financial sense to move into a home that already offers the layout, space or features you're missing in your current one than to renovate. Toltzis, a luxury real estate agent, says he sees more homeowners choosing to move rather than renovate in the Atlanta area.

Toltzis has noticed that if the desired renovation project exceeds \$100,000 to \$150,000, it starts to make more financial sense to move, especially when factoring in time, stress and lifestyle disruption. "They can always refinance later, while getting a home that better suits their needs for the next seven to 10 years," he says.

You Can Upgrade to a Better Home or Neighborhood

"Don't just move to move," says Toltzis. Changing properties should be an upward move that puts you in a better neighborhood, gives you more space or provides you with an overall better property than you had previously. While higher home prices and mortgage rates will likely raise your monthly costs, hopefully, you can use any home equity gains from the last few years to lower your monthly housing costs.

Renovate vs. Move: It's a Personal Decision

Financing and Affordability

"The market has changed a lot from someone who bought seven to 10 years ago," says Opyd. Price and interest rates will directly impact what you can afford. Focus on your monthly payment in both scenarios and choose the solution that doesn't stretch your budget too far while still meeting your family's lifestyle, neighborhood and space needs.

Market Conditions

Market conditions will largely determine what route to take. If you're in a down market and can't get the price you want or need out of your home to move to a better property or neighborhood, it might make more sense to renovate in the meantime. If you're in a competitive market, however, it might make sense to sell your home while prices are high and homes are in strong demand.

"Look at what things are selling for," says Toltzis. This can help you understand what you can afford for your next purchase and if you can get what you hoped for from your existing home.

Hassle of Renovating or Moving

Both moving and renovating come with headaches. Moving can be expensive and requires a lot of coordinating, packing and cleaning, along with the general [stress of selling a home](#).

[Renovating causes notable lifestyle disruption](#). "For some people, it's less stressful to move and start over rather than spending months in disarray," says Winn. The projects Winn Design + Build do often require the family to relocate temporarily during the renovation, which isn't possible for everyone.

"It's not an easy question," says Winn. The key is to make informed decisions, not emotional ones. Weigh the pros and cons based on what makes sense for you right now. Chat with a mortgage broker, banker or real estate agent for expert advice on what will work best for your situation.