



## 5 Things Downsizers Should Consider Before They Remodel Their Home

So you're considering remodeling your home before you downsize. It could be a great way to create more equity for your retirement... or it could be a financial mistake. I've had numerous folks who are considering downsizing ask me if they should remodel their home or just sell it as-is. Unfortunately, the answer isn't necessarily cut-and-dry. There are 5 things downsizers should consider before they remodel their home:

- 1) The current as-is value of the home
- 2) The maximum potential value of the home
- 3) Your financial flexibility or the available equity in the home
- 4) Your timeline
- 5) Your desire to go through the process of remodel and/or repair

You can ask a real estate agent to assess the as-is value of your home in the current market. Any assessment should take into account current market trends like inventory, pricing, interest rates, and other indicators to help you understand the near-term market. Alternatively, you can hire a licensed appraiser to produce a report. This process can be completed in a matter of days. You can expect to pay up to \$750 for an appraiser's evaluation of your home depending upon the size of your home.

Assessing the maximum potential value of the home will require not only a market survey, but also an in-depth analysis of the home and any potential upgrades and/or repairs. This requires specialized knowledge of building trends, buyer desires, home inspection, and construction estimation. It also requires an understanding of market trends as a projection of valuation into the future needs to be completed. Any report of future potential value should be detailed with no rolled-up costing – you should see where every dollar is going. If possible, any estimation should help you to understand the potential return on investment so you can understand if investing the money into repairs and/or modifications makes financial sense. You can expect to pay from \$1500 to \$3000 for a detailed report.

Any potential repairs and/or modification will require an outlay of funds... and you need to have the flexibility to pay for the work as it progresses without causing yourself unnecessary financial stress. You may also be able to utilize equity financing, which is borrowing against the future estimated equity of the home after repairs and/or modifications. This is a more costly path but could make sense if there's enough of a return on your investment.

Depending on your timeline, repairs and/or modifications may not make sense. Scoping the work, ordering and receiving supplies, scheduling contractors, performance of the work, addressing any surprises, permit sign-offs, and completion of work will take some time. Then the home will need to be marketed. Depending on the total scope of the project, it could push your timeline out one month or much longer.

Lastly, and most importantly, is your desire to go through the process of repairs and/or modifications. Having professionals into your home could throw your routine into disarray. If you're a later riser, it could mess with your normal sleeping schedule, as contractors like to get started early so they can maximize the workday. There is the potential for the work to be very noisy and/or dusty, which can be very upsetting if you have no alternative place to go while work is being completed. It could cause a portion of your home to be closed off, or unusable, for a time, which may interfere with your lifestyle. You really need to be cognizant of the potential challenges of having the work completed and whether you are up to the task.

For information on hiring a real estate appraiser, you can visit [here](#). You can also check out "*Renovations That Give You A Return on your Investment*" from [This Old House](#).

If you're in the Greater Boston area and are considering downsizing, or if you're a family member or friend helping seniors weigh their options, call or email the First Class Realty Group at (508) 565-8778 or [prepp@ExpectFirstClass.com](mailto:prepp@ExpectFirstClass.com) to schedule your free consultation and get your complimentary copy of our books "Downsizing Made Easy" or "Moving Mom & Dad".

**About the Author:** Ryan Cook is the broker/owner of the First Class Realty Group in Easton, MA. Their Core Purpose is to "*Improve People's Lives Through Real Estate*" and they believe in their 5 Core Values of Honesty, Integrity, Caring, Learning, and being Solutions Focused. The First Class Realty Group's overall mission is to become the most respected real estate organization in the US and most responsible for the change in perception of real estate agents in our social fabric.