

## Remodeling Your Home

### Part Two - More Good Reasons Why *Not* to Remodel

Like most homeowners, you have no doubt thought about remodeling your home. Maybe you've already tackled some projects. and you're thinking about adding a bit more space. You know the remodeling process can involve a lot of money, time, personal energy, and maybe some aggravation thrown in for good measure. You also know that if you make a mistake in remodeling, it could be a BIG mistake, that probably won't be undone. Before you start down the path of remodeling your home, whether for the first time or the fifth, you should use a rational process to make sure that it makes sense for you. In my last column, I started to share with you some of the *not so good* reasons for doing a remodeling project. Having been involved in hundreds of home remodels, let me offer some additional *not so good* reasons for planning a remodel.

**"Our family is growing; we need more space. Since our budget is extremely limited, we cannot afford to move on to a new house."**

The Real Estate market in Sacramento (and in many other areas of the country) recently went through a brief period where it was less expensive to add space on to a home than to buy existing space. In other words, it cost less to add on to an existing house, than it cost to buy a similar house that already had the square footage desired. You remember just a few years ago when real estate prices were sky rocketing. Sale prices of existing homes were breaking records every day, on the basis of how much they sold for per square foot. Houses that were in good, clean condition sold quickly. Houses that had been 'fixed up' nicely, sold even more quickly, even though they cost considerably more than houses that were not as spiffy.

During this brief, topsy-turvy real estate market a few years ago, *it actually was less*

*expensive to add on than to buy an existing larger home.* In fact, I know of single family homes in East Sacramento and Land Park, that were bought by investors strictly for the purpose of adding on. The investors thinking was based on some relatively simple arithmetic, that went basically like this:

"Gee, I can buy this little, two-bedroom house that is in poor shape for \$80.00 per square foot. It will cost \$20.00 per square foot to totally redo it and \$85 per square foot for adding on. 'Fixed-up' homes in tip-top shape that are spacious and have all the modern amenities are selling in this neighborhood for \$130.00 per square foot. That means for every square foot I add, I might make \$50.00. Lets pack as many new square feet as we can on to this existing house. If I can fit 1200 new square feet somehow onto the existing 1200 square feet, that is \$60,000.00 that I can make."

Unfortunately, or fortunately, depending on your perspective, those topsy-turvy real estate times did not last long. Now, we are back to a more 'normal' real estate market situation, where it *costs more to add to a house than it does to either build new square footage or buy existing square footage.*

It isn't hard to figure out why that this is true. Picture yourself a plumber, starting work on a new home in a tract development. You walk onto the site, and in front of you are nice clean trenches under a big blue sky. There's nothing much on the site yet, so there's nothing in your way. Your plumbing work is basically a straight forward process that you've been through countless times before. You could practically do it in your sleep. Now, take that same plumbing job, but transfer it to an addition on a forty year old home. You, the plumber, have to crawl around on your belly in a spider infested crawl space trying find the pipes. When you find them, you have to try to

figure out how the heck the last three plumbers and two 'home mechanics' have been modifying what started out pretty simple. Now it looks like metal spaghetti. When you do figure out where to hook up, the pipes are ancient and corroded pipes. Some of them will probably shatter, leak or otherwise cause you fits. Now, Mr. imaginary plumber, which job would you do for less money?. Which job do you think will use fewer parts? Which job do you think will require more expensive parts - some of which may not even be available?

The conclusion of the plumbing example extends to a degree to all the trades, and all the materials. It costs more to add square footage, than it does to build new square footage.

**"Our family has been troubled for years. There are many personal problems that we have been facing in our daily relationships. I am afraid our family is ready to fall apart. Maybe an addition would give us something to focus on. Maybe the new space could be configured so it will help us get along better."**

Remodeling projects are expensive. Anything that costs money and takes time carries with it certain stress. Remodeling can be fun and rewarding, and my clients would back this notion up, but that does not mean it is not also a lot of work. Everyone in a family is affected by a remodeling project, all the way down to the family dog. Everyone in a family needs to be involved in creating the design, because everyone in the family needs to have a stake in the outcome. After all, everyone will be paying for the project, in their own way, whether by dollars, or by inconvenience and stress, or both. Expectations for what will be accomplished by the project must be realistic and in line with the expected outcome. Walls, windows, roofing, and the other elements of the physical construction, no matter how gracefully designed, and beautifully executed, will not change the dynamics of family communication and interaction.

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