

ERGIL & JACKSON
APPRAISALS LTD

2010 HOME RENOVATION **GUIDE**

- 2010 Renovation Costs and Returns
- Why to Get Your Home Appraised
- Do's and Dont's of Home Renovations
- Going Green



ERGIL & JACKSON APPRAISALS LTD

(FORMERLY HENDERSON & BUTT APPRAISAL CONSULTANTS LTD)

2010 HOME RENOVATION GUIDE

Once again, the Ergil & Jackson Appraisals Ltd. (formerly Henderson & Butt Appraisal Consultants Ltd.) **2010 HOME RENOVATION GUIDE** explains the return on investment that you can expect for different types of renovations. Using this information, you can plan the most effective use of your renovation dollar.

The Guide explains the cost and return on investment that you can expect for different types of renovations. It also has a list of important contacts that most home owners will need. This is especially useful for people who are new to Edmonton. This is supplemented by the advertising which highlights the businesses on the List of Important Contacts for Homeowners.

All prices and value contributions are based on an average 1,200 ft² bungalow with full basement on a 6,000 ft² lot. All cost ranges include installation and are based on average or better quality materials and services. We hope that this Guide serves as a useful reference to get you started.

Sincerely,

Shey N. Ergil, MBA, AACI, P.App, CRP
CEO

Colin Jackson, CRA, CRP
President

ERGIL & JACKSON APPRAISALS LTD – “your one-stop shop”

Our Services:

- Certified Home Inspections
- Residential Appraisals
- Appraisals of Commercial Properties of all types
- Insurance Appraisals
- Reserve Fund Studies for residential and commercial condos, and not for profit organizations
- We serve the greater Edmonton area, as well as rural areas
- Approved by all major banks and lenders
- Members of the Appraisal Institute of Canada and the Real Estate Institute of Canada

Email: admin@ejappraisals.com

online: www.ejappraisals.com

GETTING THE MOST OUT OF YOUR RENOVATIONS

According to the **Appraisal Institute of Canada** and various professionals we've consulted, the following are a few things to keep in mind before you get started:

Invest in your kitchen!

About 10-15% of the overall value of the home should be spent on the kitchen. If you don't plan on selling for another 5 years, spending 15-25% more on it today will give you about a 44% higher recapture depending on the quality of the renovations. For example, buyers need a functionally designed, spacious, low maintenance kitchen. Scratch-resistant, durable materials such as granite countertops and high-quality appliances add tremendous value and have timeless appeal.

The bathroom is next!

You can expect up to a 60-80% (and in some cases up to 100%) contribution to value on a well-designed bathroom even if that requires a complete relocation of fixtures or walls. From floor to ceiling, new tiles, light fixtures and cabinetry to create one's own personal spa is especially appealing. Luxury fixtures to enhance pampering may include water jets, soaker tubs and double sinks in the ensuite bathroom.

Don't forget the floors and walls!

The buyer wants a home that's ready to move into. Smooth walls with quality, neutral paints will make spaces seem larger and will give you an 80-110% recapture. Carpeting should be limited to bedrooms, if at all. Hardwood and tiles not only benefit in allergen reduction but add elegance as well. Good flooring that flows from room to room and ties in with baseboards, cabinetry, walls and so

on, can provide a 50-75% better contribution to value than low-cost, mediocre flooring.

Spend the money!

As the saying goes "You get what you pay for". Over the past year the cost of materials may not have increased dramatically but the cost of labour is certainly rising. Quality craftsmanship and insuring a job well done is key. Nothing is more costly than having to do it twice or replace it early. The importance of using the highest quality materials cannot be stressed enough.

Remember: High-quality, easy maintenance, environmentally conscious products and timeless designs are all essential to ensuring value-added appreciation with the best contribution to value possible.

2010 RENOVATION GUIDE

HOW TO CONTACT US:

Call: (780) 486-5158

Fax: (780) 486-6226

www.ejappraisals.com

Publisher: Shey Ergil
shey@ejappraisals.com

Magazine Advertising: Shey Ergil
shey@ejappraisals.com

WHY YOU SHOULD GET AN APPRAISAL – WHETHER YOU ARE BUYING OR SELLING

If you are buying a home – Buying a home is probably the largest investment you will ever make. Having it appraised *before you buy* will give you peace of mind that the price is fair and reasonable. In addition, your realtor can use the appraisal as a tool in negotiations with the vendor. Armed with an appraisal, you and your realtor become a much more dynamic team and teamwork tends to produce better results.

If you are selling your home - An appraisal is an independent, certified document. Thus, your realtor can use the appraisal to satisfy prospective purchasers and possibly close a deal more quickly, and at an acceptable price to you.

Potential Cost Savings - Don't forget that the relatively small cost of a home appraisal could easily save you thousands!

Pick your own mortgage lender - Armed with a certified appraisal, you are no longer dependant on any one mortgage lender. Instead,

you can let the appraisal speak for itself and send it to as many potential mortgage sources as you want. After all, the appraisal belongs to you!

Need property insurance? - Your appraisal can be easily tailored to include a provision for Replacement Cost New that you can give to your home insurance provider. Be sure you aren't paying too much or too little for your policy. Replacement Cost New means replacing something with comparable materials; it does not mean creating an exact replica of the original.

It is comforting to know that all appraisers carry Errors & Omissions Insurance. So, in the unlikely event that something goes wrong, you will be protected.

Peace of mind is important when dealing in real estate. Take some of the worry out of the process and let Ergil & Jackson Appraisals Ltd help to give you the assurance you need.



HOME EXTERIOR

RENOVATION	COST RANGE	PERCENTAGE RETURN
1. SIDING		
a) Exterior paint – acrylic over stucco	\$2,500 – \$5,000	75 – 100%
b) Exterior paint – for wood siding & trim	\$4 – \$5.50/sq. ft.	75 – 90%
c) Vinyl	\$3 – \$6/sq. ft.	55 – 75%
d) Aluminum/Metal	\$5 – \$11/sq. ft.	45– 65%
e) Wood siding	\$12 – \$18/linear ft.	40 – 60%
f) Artificial Masonry Brick	\$15 – \$20/sq. ft.	70 – 90%
2. SHINGLES		
a) Asphalt (25 – 30 yrs.)	\$5,000 – \$6,000	70 – 90%
b) Rubber (50 years)	\$10,000 – \$12,000	60 – 90%
c) Cedar Shakes	\$8,000 – \$15,000	50 – 70%
d) Metal	\$8,000 – \$10,000	65 – 90%
3. DOORS		
(Standard)		
a) Exterior	\$500 – \$1,500	45 – 75%
b) Interior	\$250 – \$650	50 – 75%
(Deluxe)		
a) Exterior	\$2,000 – \$12,000	50 – 75%
b) Interior	\$500 – \$1,200	50 – 75%
4. REPLACE WINDOWS		
(including one bay picture window and the balance of all vinyl casement & energy efficient windows)		
	\$8,000–\$15,000	60 – 85%
5. SKYLIGHT (with opening capacity)		
a) Daylighting Systems	\$1,200 – \$5,500	0 – 30%
	\$575 – \$1500	0 – 30%



HOME INTERIOR

RENOVATION	COST RANGE	PERCENTAGE RETURN
6. INTERIOR PAINTING	\$3,000 – \$ 5,000	80 – 115%
7. NEW FLOORING		
a) Hardwood		
1) Standard	\$9,000 – \$12,500	60 – 80%
2) Premium	\$15,000 – \$20,000	60 – 80%
b) Laminate	\$4,800 – \$6,000	60 – 80%
c) Ceramic tile	\$10 – \$18/sq. ft.	60 – 75%
d) Porcelain tile	\$12 – \$18/sq. ft.	60 – 75%
e) Slate	\$16 – \$22 / sq. ft.	60 – 75%
f) Carpet		
1) Average quality	\$5,000 – \$10,000	40 – 60%
2) High quality	\$10,000 and up	30 – 60%
g) Shock absorption floor (cork, rubber tile)	\$3 – \$10/sq. ft.	25 – 45%
8. REMODEL BATH ROOM (new fixtures, flooring and ceramic tile - 4 piece standard quality)	\$6,000 – \$10,000 and up	50 – 85%
9. REMODEL KITCHEN (cabinets, flooring, countertop)		
a) Average quality	\$6,000 – \$15,000	60 – 85%
b) High quality	\$15,000 and up	40 – 75%
10. BASEMENT DEVELOPMENT (drywall finish, paint, 3 piece bathroom, carpet, linoleum)	\$60,000 – \$90,000 \$50 – \$75 / sq. ft.	50 – 70%
11. WET BAR (with plumbing)	\$4,000 and up	10 – 25%
12. MEDIA ROOM/HOME THEATRE (includes cabinetry, carpet, seating for 12, 101" screen, projector, receiver, speakers, Blu Ray system, soundproofing, ½ bath)	\$22,000 – \$60,000 and up	20 – 60%
13. GAS FIREPLACE		
a) Average quality	\$2,200 – \$4,500	45 – 70%
b) High quality	\$3,000 and up	45 – 70%
14. WOOD STOVE	\$1,650 – \$6,000	50 – 60%
15. GARBURATOR	\$400 – \$900	0 – 20%

MECHANICAL, PLUMBING, ELECTRICAL

RENOVATION	COST RANGE	PERCENTAGE RETURN
16. CENTRAL VACUUM	\$1,300 – \$2,500	30 – 60%
17. ALARM SYSTEM		
a) Installation	\$200 – \$1,000	0 – 10%
b) Monthly monitoring	\$25 and up	
18. HOT WATER TANK		
a) 40 gal. tank (33 Imperial gallons)	\$1,000 – \$1,200	35 – 65%
b) 50 gal. tank (38 Imperial gallons)	\$1,200 – \$1,500	35 – 65%
19. WATER SOFTENER		
30 – 100 grain/gallon capacity	\$750 – \$1,200	20 – 50%
20. WATER DISTILLER	\$3,000 – \$5,000	20 – 50%
21. REVERSE OSMOSIS DRINKING SYSTEM	\$1,000 – \$1,500	20 – 50%
22. NEW FURNACE		
Medium – High efficiency	\$1,000 – \$4,500	50 – 90%
23. AIR CONDITIONING	\$3,000 – \$7,000	0 – 50%
24. CONDOMINIUM	\$2,500 – \$5,000	95 – 100%
Add an in-suite laundry		
25. ELECTRICAL SERVICE UPGRADE	\$5000 – \$6,000	90% +
60 Ampere to 100 Ampere		



“BABY BOOMER SPECIALS”

ACCESSIBILITY

RENOVATION	COST RANGE	PERCENTAGE RETURN
a) Ramps (4 steps)	\$3,000 and up	10 – 30%
b) 3 to 5 Step specialized wheelchair lift	\$5,000	50 – 75%
c) Special vertical straight wheelchair lift (Basement)	\$9,500	10 – 30%
d) 3 Stop Elevator	\$50,000	50 – 75%
e) Remodel bathroom with walk in tub	\$15,000	50 – 70%



LANDSCAPING & YARD

RENOVATION	COST RANGE	PERCENTAGE RETURN
26. PONDS & FOUNTAINS	\$10,000 – \$12,000	10 – 30%
27. LENGTHEN/WIDEN CONCRETE DRIVEWAY (Acreage)	\$9.80 – \$15/sq. ft.	20 – 50%
28. PATIO DECK (raised 12' x 20') treated cedar top	\$4,000 – \$5,500	40 – 60%
29. VINYL DECKING (vinyl covering over existing 12' x 20' structure)	\$4,000 – \$5,000	30-50%
30. GAZEBO a) Contractor b) Package	\$2,900 and up \$1,000 – \$2,000	10 – 40% 10 – 40%
31. UNDERGROUND SPRINKLER SYSTEM	\$4,200 – \$4,800	20 – 50%
32. FENCING a) Cedar b) Spruce c) Wrought iron d) Chain link	\$18 – \$27/linear ft. \$9 – \$16/linear ft. \$33 and up/linear ft. \$15 – \$20/linear ft.	60 – 75% 60 – 75% 25 – 40% 40 – 75%
33. SUNROOM (3 season 16'x10')	\$16,000 – \$25,000 (\$100/sq. ft.)	50 – 70%
34. OUTDOOR HOT TUB JACUZZI	\$7,000 – \$28,000	0 – 40%*
35. SAUNA	\$4,500 – \$8,500	0 – 20%*
36. SWIMMING POOL (16'X30') a) Outdoor b) Indoor	\$39,000 – \$75,000 \$86,000 – \$155,000 +	0 – 25%** 5 – 25%*
37. RV PARKING PAD - CONCRETE	\$5,400 – \$8,400	45 – 60%



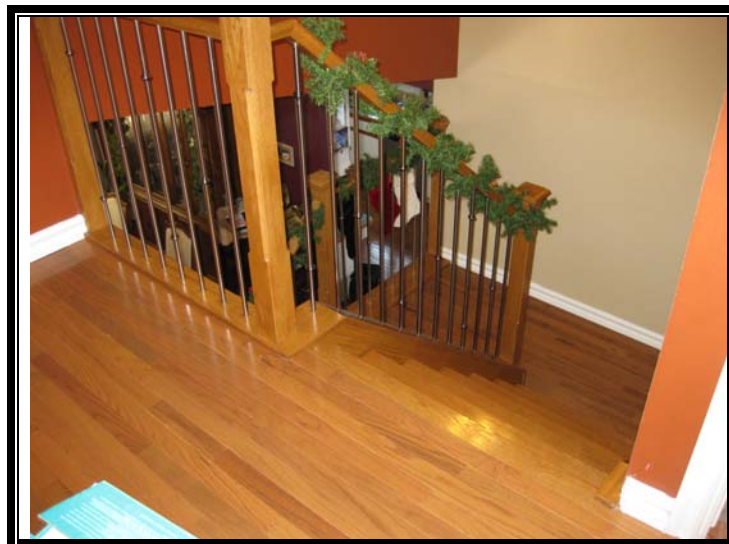
“DO”S AND “DON’T”S OF HOME RENOVATIONS

DO:

- Your homework. Get educated by discussing your projects with home-improvement specialists.
- Get referrals and check references for contractors. (www.chba.ca) Don't just take someone's word for it.
- Save money and purchase finishing materials yourself.
- Pre-book your contractor well in advance. Winter is the off-season so there may be more availability of good contractors then.
- Hire a project manager on large jobs to ensure quality workmanship and timelines are being met.
- Take advantage of natural light where possible and use timeless design patterns that make people feel good.
- Consider building a 3D scale model to better visualize an add-on or new construction.
- Protect against mold and insist on the very best vapour barrier installation like structural insulated panels (SIP's), insulated concrete forms (ICF's) or an exterior layer of rigid foam.
- Choose the very best roofing material. It will be the least costly in the long run as a large portion of the cost involved is in the labour.
- Ventilate the area behind siding, brick and stone as well as tall, vaulted ceilings to prevent condensation.
- Consider Canada's advanced technology in radiant in-floor heating systems. These either distribute hot liquid through floor frames or use high-resistance electric heating pads.

DON'T:

- Don't agree to pay by the hour plus materials. There's no guarantee of cost or work efficiency without a detailed contract and a set price. Beware of any changes that you make later on. It may require a lot of extra money and patience.
- Don't assume that a great job is being done. Check up periodically while bringing coffee for the crew.
- Don't be afraid to cancel the job if you don't feel that you can trust your contractor.
- Don't hesitate to offer your input and ideas to the contractor. Of course, you should be clear and respectful.
- Don't limit your thinking to just monetary pay-offs. By using energy-efficient materials and techniques, your home will be that much more valuable.



GOING GREEN

These days home renovations aren't just about putting green back into your wallet. More than ever, homeowners and potential buyers are looking to reduce their environmental footprints and will opt to pay more initially for long-term gain. Even during the recent slowdown of today's market, homeowners who may not be intending to sell immediately are seeking out materials and building techniques designed to be eco-friendly and minimize their impact on the environment.

Here are the 5 top ways to "Go Green" while doing home renovations as suggested by various professionals we've consulted.

1. Use energy efficient fixtures and appliances and be sure that they are 'Energy Star' rated. Install things such as dual/low flush toilets and high performance showerheads. On-demand hot water tanks are extremely efficient taking only seconds to heat water as needed but cost about \$4500. Homeowners must also keep in mind that

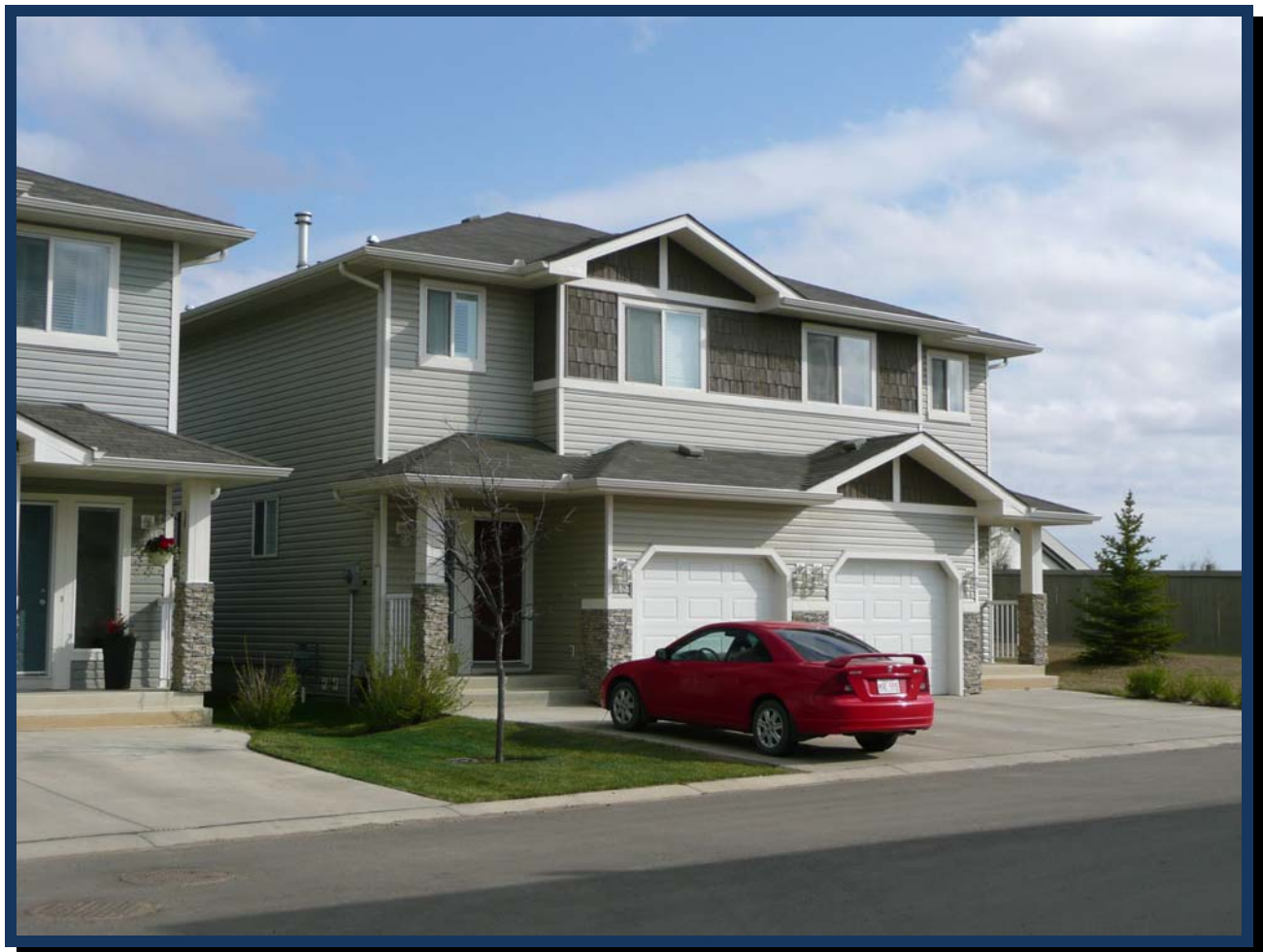
high-efficiency furnaces are only efficient if the home has proper insulation and windows.

2. Make the most of natural and solar lighting and tailor lighting for individual needs. Consider implementing solar energy heating in your designs.
3. Recycle/salvage previous building materials and use materials manufactured with recycled content. Consider construction techniques that minimize waste and debris.
4. Use water-based paints, varnishes and adhesives free of volatile organic compounds (VOCs) that will not give off toxic gases.
5. Have an energy audit done on the home to determine the best ways to make the most of your "green" renovations.



BIGGEST MISTAKES HOMEOWNERS MAKE

1. Not having a well-planned design and a reasonable time frame.
2. Not budgeting for unforeseen costs or changes to the plan. Making frequent or major changes after the renovation has begun can add huge costs to the project.
3. Not getting a complete quote in writing or having a full understanding of the quote given. Get at least three quotes before committing to one contractor.
4. Not hiring a professional for jobs that require the expertise. Poor craftsmanship and/or incomplete projects result in huge wastes of time, money and energy. This could also lead to hazardous conditions and/or an unhealthy living environment, becoming an insurance liability.
5. Not planning renovations in terms of re-sale. Although one of the major perks of owning your own home is that you are free to do what you want to it, when it comes time to put it on the market, you don't want your house to be the "white elephant" of the neighborhood. Permanently changing the function of the rooms, not keeping with the average/appropriate style of the neighborhood or going overboard and creating a house well above the average listing price of other homes in the area will make it difficult to sell.



IMPORTANT CONTACTS

REAL ESTATE AGENT

REAL ESTATE APPRAISER

HOME INSPECTION SERVICE

GENERAL CONTRACTOR

PLUMBING

FURNACE CLEANING & REPAIR

ROOF REPAIR

ELECTRICIAN

LIFE INSURANCE BROKER

HOME/AUTO INSURANCE BROKER

LOCKSMITH



Now available:

EJ HOME INSPECTION SERVICES

Our Services:

- Pre-listing/ Pre-purchase Residential Home Inspections by Qualified Professionals
- Warranty Inspections
- Certified Mold and Indoor Air Quality Inspectors
- Ozone Specialists
- Certified by INTERNACHI (International Association of Certified Home Inspectors)
- Certified by CANACHI (Canadian Association of Certified Home Inspectors)
- We serve the greater Edmonton area, as well as rural areas

Contact Us:

Online: www.ejappraisals.com

Email: admin@ejappraisals.com

Phone: 780.486.5158

Fax 780.486.6226