

Home Remodeling Budget Guide

HOME REMODELING BUDGET GUIDE

Before you can begin your home remodeling project, you'll need to determine your budget. With all the options available to you, though, nailing down an accurate budget can be a difficult thing to do.

Fortunately, there are some standard rules and tools that can help.

Follow these five steps to get a clear picture of the budget you'll need to accomplish your home remodeling goals.

Step One: Follow The 5 To 15% Rule

The five to 15 percent rule is a widely accepted guideline within the remodeling and building industries. The rule states that your remodel project should cost no less than five percent and no more than 15 percent of the current value of your home. The national average is eight percent.

Step Two: Determine The Scope Of Your Project

Does your room need a complete gut job or just a minor facelift?

According to Remodeling magazine's latest report on 2015 national averages, a kitchen remodel can range from about \$19,000 for a minor "face-lift" to more than \$56,000 for a major remodel, depending on the value of your home.

A general rule of thumb, according to House Logic, is that major upgrades, such as a bathroom remodel or a living room addition, typically cost \$100 to \$200 per square foot.

From HGTV to the National Kitchen & Bath Association (NKBA), there are a multitude of sources online that provide breakdowns of a project budget. Below is an average of these sources:

35% Cabinetry

Because cabinets take up the largest percentage of your budget, it's best to start here. First determine the overall design you are looking for, and how you will achieve it. Keep in mind that there are tricks you can steal from the trade to get a high-end looking design on a tight budget.

20% Labor

12% Countertops

12% Appliances

8% Flooring

Armstrong has a convenient online flooring estimator you can use to determine how much your new floors will cost.

5% Lighting and Electrical

5% Faucets and Plumbing

3% Walls and Trim

100% Total

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Step Three: Add Cost Of Living Expenses

Often times it's the day-to-day costs that get overlooked, causing you to go way over budget.

If you're remodeling your kitchen, will you have to eat out? Will you have to live someplace else while the work is being done? Be sure to take these costs into consideration when planning your budget.

Step Four: Factor In The Variables

There are multiple factors that go into determining your remodeling budget.

Remodeling magazine's Cost vs. Value Report (released by region and major city each year) is a great place to start. It provides national averages for 36 common remodeling projects.

While it's fairly accurate, it's still a one-size-fits-all approach. With all the variables that can affect your budget, here are some factors to consider:

Home Value: Take into account not only what you think your home is worth, but also the value of similar updated homes in your neighborhood. Zillow is a great resource for this: simply enter your address to get an interactive map with home values and other information. Make note of similar sized homes in your area that have been purchased recently at a higher value through the information available online. If photos are provided, compare amenities, additions and remodels.

Motivation: Make a list of factors that are motivating you to remodel. Maybe you'd like a more open layout to entertain guests or you'd like to sell, but are worried that your current room won't impress potential buyers.

Needs vs. Wants: Once you've envisioned your dream room, and then gotten realistic about obtaining a premium look on a budget, you'll have a better idea of your absolute project essentials.

Future: If your goal is to spend the next 10 to 15 years enjoying your remodeled room, you might be willing to spend more than if moving is part of your five year plan.

Size: The average kitchen is approximately seven percent of a home's total square footage. If your kitchen is larger or smaller than this average, you may need to increase or decrease your budget accordingly.

Layout: If you already know you're going to want the sink moved, an island appliance added or an interior wall moved, you'll need to spend well beyond what a basic facelift would cost.

Step Five: Get A Pro's Opinion

Working with a Designer doesn't have to be costly. ProSource Showrooms offer expert kitchen and bath design services, and many times can recommend unique remodeling ideas that can save you money.

Also, be sure to get several estimates from trade professionals on materials and labor. Ask them to estimate the amount of time it will take to complete the

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remodeling project as well. Compare bids to determine which is the best fit for your timing and budget.

Step Six: Stick To It

Once you've determined your home remodel project budget, the best thing you can do is stick to it. Create a spreadsheet of your anticipated costs so that you can keep track of what you're spending.

That said, even the most carefully created budget can be thrown off by unforeseen costs. If so, follow suggested guidelines for keeping your project budget under control.