

# ***Three Tiers of Home Renovation***

## **Bottom-Tier: Prep for Renting**

First Step: Disengage from the house, emotionally and mentally.  
Why? This is when your home becomes a house for someone else.

This is the least expensive renovation scenario, because you are looking at systems for maintenance only. Major repairs should be done, and systems that do not work should be repaired or replaced. Tenants will not take care of the house as well as you do, so it only makes sense to avoid spending a lot of money on it. Renters generally have lower expectations than buyers do when it comes to things like counters and floors. Make the home look good and the systems work. Tenants are not invested in the quality of the home, so you shouldn't be, either.

ROI: The return on investing for renovating is minimal at first and is more long-term.

## **Mid-Tier: Prep for Selling**

First Step: Disengage from the house, emotionally and mentally.  
Why? This is when your home becomes a house for someone else.

This home preparation costs a little more than the bottom tier because buyers will be paying attention to fixtures and features, and they will be doing home inspections as part of the contract. Major repairs should be done, and systems that do not work should be repaired or replaced. If you plan to update the home, use builder grade materials, unless you have a wide margin and can afford to update the home using more expensive materials to sell for more money. The truth is that if you spend a lot of money updating a house, your changes may not suit the buyer's taste, and they may very well come in and redo all the work you have done. In that case, they see no real value in the money you have spent. They are invested in making the home their own; you should invest in letting go of it.

ROI: The return on investing for renovating can be very good: the goal is to do enough to appeal to the widest pool of buyers. Any expense above that is wasted.

## **Top-Tier: Prep for Living**

First Step: Fall in love with the home and make it your sanctuary.  
Why? This is when a house becomes a home.

This home renovation is the most expensive, because you are preparing to live in it and enjoy it. Make high end updates, customize the home to suit your needs and go all-out. You have invested in this, so make the most of your investment. A caveat: if you are planning to move in the next 5-7 years, stick with classic and simple styles for the home itself, and embellish with touches of your own taste and personality. When the time comes to sell, minimal work will be needed to de-personalize the home to get it ready for the market.

ROI: The return on investing for renovating is great: this is your home, your life, your happy place!