

Home Renovation Joy

Looking for a little joy this year?

Consider doing some home upgrades. It turns out that some projects can deliver joy. That's according to the *2015 Remodeling Impact Report* by the National Association of REALTORS®.

The report provides not only estimates costs and the anticipated cost recovery for each project, but it also quantifies the joy – ranked between 1 and 10 – that certain home upgrades bring to homeowners.

Kitchen and bathroom projects seem like obvious sources of happiness. They are.

For example, the addition of a new bathroom got a solid 10 on the joy score. A complete kitchen renovation yielded a joy score of 9.8, and a kitchen upgrade got a joy score of 9.4. Hardwood flooring refinishing received a joy score of 9.6, with 40 percent of homeowners in the poll say the top reason for doing the project was to upgrade worn-out surfaces, finishes, and materials, and 23 percent saying the

most important results were beauty and aesthetics.

Other less visible and seemingly mundane projects – steel doors, roofing, and insulation upgrades – also bring satisfaction in terms of energy efficiency gains, better functionality, and livability.

For instance, even though an insulation upgrade doesn't add any aesthetic dazzle, it received a joy score of 8.7 among those polled. The top reason for doing the project was to improve energy efficiency.

Real estate practitioners also ranked projects' appeal to buyers and the likely value to the home for resale.

REALTOR rank of projects' appeal to buyers (highest to lowest)

1. Kitchen Upgrade
2. Complete Kitchen Renovation
3. Bathroom Renovation
4. New Wood Flooring
5. Add New Bathroom
6. Hardwood Flooring Refinish
7. New Master Suite/Owner's Suite
8. HVAC Replacement
9. Basement Conversion to Living Area
10. Closet Renovation
11. Insulation Upgrade
12. Attic Conversion to Living Area

See the complete report at:
<http://www.realtor.org/reports/remodeling-impact>.

Cost versus Value

Another resource for weighing the value of a home renovation is the just-released “Remodeling 2016 Cost vs. Value Report.”

The annual study looks at how much of your investment you can expect to recoup on renovation projects when you sell.

You can find national data and drill down to get statistics broken down by geographic area and by midrange and upscale projects.

Topping the list of midrange projects is fiberglass attic insulation, with an estimated 116.9% of the cost recouped when it comes time to sell.

Other top midrange projects associated with sprucing up the exterior included manufactured stone veneer, (92.9% of the cost recouped), garage door replacement (91.5%), and steel entry door replacement (91.1%).

Among interior midrange projects that delivered good returns at resale included minor kitchen remodels (83.1%), basement remodels (70.4%), and bathroom remodels (65.7%).

See the complete report at:
<http://www.remodeling.hw.net/cost-vs-value/2016/trends>

Jumbo Mortgage Strategy

If you're in the market for a jumbo mortgage this year, check out this *Wall Street Journal* article

<http://www.wsj.com/articles/a-lone-spouse-on-a-home-loan-1452095613>.

Going solo – applying for a jumbo mortgage *without* your spouse – could be the way to go, especially if your co-borrower has iffy credit, high debt, or a low income.

Head Games

It seemed so encouraging. Play some computer games, exercise your brain, and fend off cognitive decline.

It turns out that Lumosity's promise of improved brain health through its brain-training exercises were overstated.

The U.S. Federal Trade Commission has nailed Lumos Labs, the company behind Lumosity, for deceptive advertising and it will pay a \$2 million fine.

The FTC (<https://www.ftc.gov/news-events/press-releases/2016/01/lumosity-pay-2-million-settle-ftc-deceptive-advertising-charges>) alleges that “they deceived consumers with unfounded claims that Lumosity games can help users perform better at work and in school, and reduce or delay cognitive impairment associated with age and other serious health conditions.”

Jessica Rich, Director of the FTC's Bureau of Consumer Protection has said "Lumosity preyed on consumers' fears about age-related cognitive decline, suggesting their games could stave off memory loss, dementia, and even Alzheimer's disease. But Lumosity simply did not have the science to back up its ads."

That said, the idea of "use it or lose it" still applies to brain health, so don't give up on keeping your mind sharp.

Look to the Alzheimer's Association http://www.alz.org/we_can_help_brain_health_maintain_your_brain.asp for

ways to maintain brain health. Among the key strategies are exercise, a healthy diet, and staying mentally active and socially engaged.

Also learn about the risk factors http://www.alz.org/alzheimers_disease_causes_risk_factors.asp and the myths http://www.alz.org/alzheimers_disease_myths_about_alzheimers.asp associated with Alzheimer's Disease.

The Richmond Team

Pacific Union International Real Estate
37 Miller Ave
Mill Valley, CA, 94941
Lic# 00709300

415.531.4091

pjrichmond@pacunion.com



NATIONAL ASSOCIATION OF REALTORS®

The Voice for Real Estate®

