

6

Ways to Find the Money Hiding in Your Kitchen



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Last year US homeowners spent nearly \$300 billion on home maintenance and improvements, and there are no signs that spending will slow down in 2015.¹ Nearly 1 in 7 homeowners say they are planning a major project in the next year, and almost one-third of those projects will be kitchen and bath renovations.²

As homeowners grapple with the decisions about their properties, they often tell us the most difficult decision is figuring out how much to budget. For the lucky few, budget is no concern because they plan to fund the project with savings and will stay in their home for many years to come. For most of us however, we consider not just available funds and credit, but also how much will future homebuyers be willing to pay for a remodeled kitchen.

For those who are weighing options now, there's good news about the potential return on kitchen remodeling. A recent study by Remodeling Magazine, a trade publication written for pro remodelers, showed that a modest kitchen remodel could bring in a strong return in home value. In their study, a \$19,000 remodel returns almost 81 percent in increased home value with only cosmetic changes made. The example project in the study did not include any significant improvements to functionality or efficiency.³

Our designers took a look at how the magazine arrived at those numbers and put together this list of six smart money moves to help you squeeze even more equity out of your new kitchen.



“Last year US homeowners spent nearly \$300 billion on home maintenance and improvements.”

¹ Emerging Trends in the Remodeling Market by the Joint Center for Housing Studies. Published January 29, 2015. [Link to report](#)

² Research Institute for Cooking and Kitchen Intelligence, RICKI, [Link to website](#)

³ 2015 Cost vs. Value Report by Remodeling Magazine. [Link to report](#)

1 Define your project

A major remodel including building an addition, moving load-bearing walls, replacing all electrical and plumbing service, is a large-scale renovation that requires a significant investment.

Experts often say that about two-thirds of that investment would be recouped at sale. If you don't need to build an addition, or won't move load-bearing walls, then you may be able to realize a much greater return on a more modest investment.

Plus, you'll want to know what tasks you have the know-how, strength and skill to tackle on your own. You may choose to bring in a contractor to handle cabinet installation, but flooring, painting and hanging a new light may be areas where you can save money by doing it yourself.

Careful planning goes a long way.



2 Set your budget and stick to it

The National Kitchen and Bath Association recommends a range of 10 – 25 percent of total home value be allocated for a kitchen remodeling project. Spend more than 25 percent and you may not get that money back when the home sells.

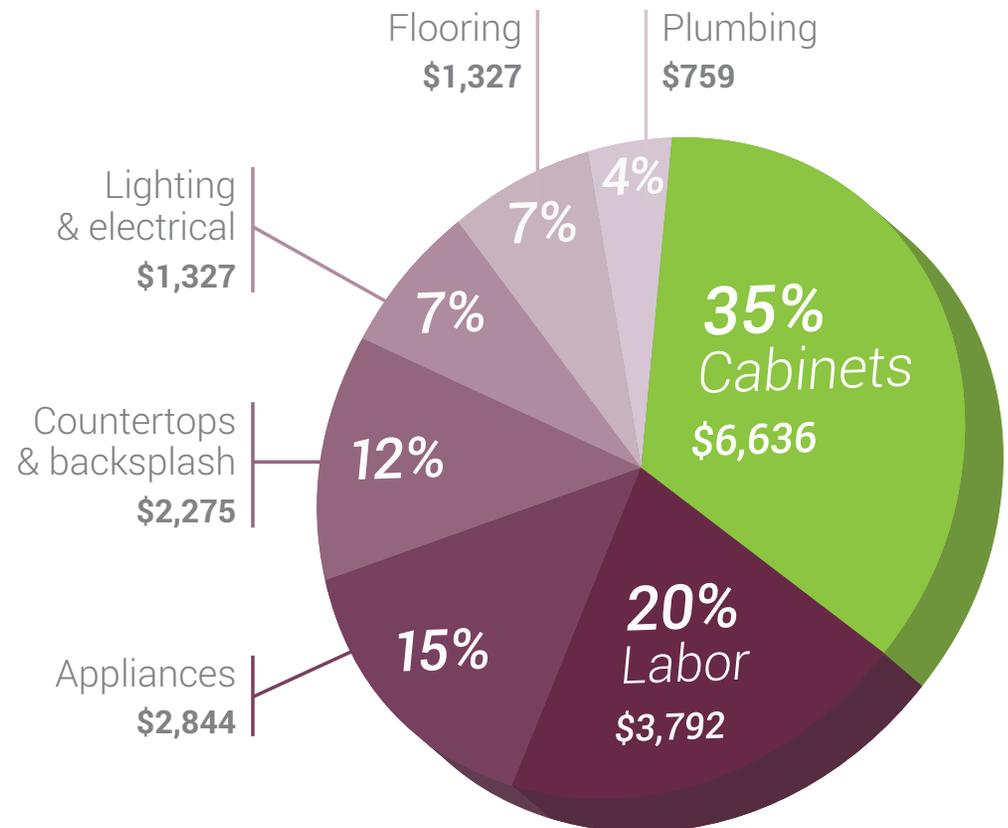
But how much is enough? According to a study by the website Houzz.com, 36% of homeowners who remodeled in the past year wished they had spent more money on their project.⁴

Over the last several years, the budget for remodeling has ballooned since even homes in modestly priced neighborhoods are showing luxury features. Still, if you want to include some of those luxury features and get the job done on a tight—but workable—budget, our designers made this budget recommendation.

BUDGET OVERVIEW

Sample Home Value	\$237,000
[US Median is \$179,000]	
Target Budget [8% of home value]	\$18,960
Estimated Kitchen Square Footage	200 sq ft.
Estimated Cabinetry requirements	20 linear feet

\$18,960 BUDGET BREAKDOWN



⁴ 2014 Houzz Kitchen Trends Study by Houzz.com. [Link to report](#)

3 Be a smart shopper

In order to stick to a tight budget, you'll have to be a little inventive with how you source materials for your remodel. The top piece of advice that all designers agreed upon was this: comparison shop locally and online to be sure you're getting the best deal. You'll be surprised at the low online prices you'll find for lighting, sinks, faucets and even cabinets and appliances.

In every market, the local Sunday newspaper advertisements are filled with sales and discounts on appliances, but those advertised sales may or may not be the best deal. Is there a local dealer in your area who offers a twice yearly warehouse sale? Consider close-outs, floor models and even scratch-and-dent-sales to save even more. With appliances, consider the potential utility savings for improved energy efficiency. Check with your local utility company to see if rebates are available for newer more energy efficient models.

By buying cabinetry factory-direct, you could save thousands of dollars. Often homeowners are tempted to cut corners with cabinetry, but our designers offer a word of caution on refacing or repainting. Customers tell us the quote they received to reface a kitchen was much higher than our factory-direct to replace the cabinets with new, all wood cabinets with strong plywood [not particleboard] construction.



[Download our free
Cabinet Buyer's Guide](#)

4 Fix problem areas

If your existing kitchen layout is crowded, or disconnected, then simply repainting and refacing the cabinetry won't get the job done. Future home buyers will see problem areas during inspection and will lower their offer by the amount they expect to spend to fix the issues. Taking short-cuts almost always results in reduced selling prices.

Expert help is available to you at no cost to fix those problem areas. Many stores and dealers offer no-cost design consultations for flooring, lighting and cabinets. The quality of the kitchen design you may get will vary dramatically, so be sure to shop around.

CliqStudios designers are specialists in tackling complex kitchen problems and have an average of *ten years* kitchen design experience. Each designer on our team has literally worked on thousands of kitchens and their experience is available to you absolutely free. You'll get 3D color renderings, scale drawings and detailed specifications. That's another great budget tip: take free help from experts when it is offered.

[Download a Sample Design Packet](#)



[Read our Refacing Guide](#)



5 Learn the art of compromise

Sticking to our budget may require some trade-offs. Skip the second sink in the island, and put in a better quality and more practical deep single bowl work sink. You may love the new touchless faucets, but could get the same style in a traditional model for half the price. You may have the impression that potential homebuyers will require gleaming granite countertops, but that would not fit in our budget plan above.

Ask your supplier about close-outs and remnants of quartz and granite material that may be available at deeply discounted prices. Or stick with a more modestly priced option such as a solid surface. Have you looked at the new 'high def' or premium laminate countertops now on the market? It's a great look and the savings would be all yours.



You can make it special without breaking the bank.

6 Select timeless styles and finishes

If you plan to stay in your home for years, then pick out what you want and enjoy it. But if you are thinking about selling, remember there's a lot of psychology behind the art of staging a home for sale.

Realtors know that when a potential home buyer can easily picture their own belongings and furnishings in a space, then they are more willing to make a competitive offer on a home. It's important the home buyer isn't so distracted by your personal photos, artwork, or color choices that they

can't picture the house as their own home.

Think about that when selecting your kitchen materials and finishes. You may love the fiery orange tiles on the backsplash, but how would it show to potential buyers? If you're not sure how others would react, ask for expert opinions from seasoned realtors and designers.



And the result?

\$18,960 is a lot of money, but it is much less than many people expect when they think of a kitchen remodel. By buying the cabinets factory-direct, and being smart and resourceful with your budget, you'll have room to include upgrades in nearly every category.

Let's take a look at what you get for the money:

- ◆ A new more functional kitchen layout
- ◆ New, all-wood cabinets with strong plywood construction, dovetailed, soft-close drawers and no particleboard
- ◆ New flooring
- ◆ New lights
- ◆ New extra deep work sink
- ◆ New faucet
- ◆ New countertops
- ◆ Fresh paint

How does that impact the home value? You'll have to ask a realtor in your market for help pricing your own home, but in our example \$237,000 home, comparative pricing showed the value after the renovation increased to \$257,476... a return of 108% on the remodel investment.



\$237,000 Starting Home Value
\$18,960 New Kitchen Investment

\$257,476 Value After Renovation

+108% Return



Call us: **888-350-1242**

Email: **designteam@cliqstudios.com**



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