

# RENOVATIONS

Refinished floors are a no-brainer, but a boldly-painted room? How to make smart decisions about home improvements.

# 101

BY SAM STEIN



One of the most worthwhile home improvement projects is redoing a bathroom, particularly with subway tiles. (Inset) Upper East Sider Marcy Stein revamped her apartment after flood damage.

**M**arcy Stein knows New York's real estate market. She serves as the director of marketing and business development for Levien & Company, a design and construction consulting firm, and has lived on the Upper East Side for a dozen years. So when her apartment was recently damaged by flooding from a neighbor's place, she jumped at the opportunity to undertake a full renovation.

Three months and \$250,000 later, Stein had freshly painted walls, a remodeled bathroom, new floors, upgraded kitchen cabinets, a newly installed sound system and rearranged partition walls. It may be one of the best investments she's ever made.

"With all the new apartments going up now, the prices are through the roof," Stein said. "People are able to increase their [property's] value, if they have the

money, vision and tolerance, by renovation."

Renovating one's apartment has become nearly essential for any New Yorker thinking of selling a home. Buyers today are frequently looking for places that require the least amount of work upon purchase. A remodeled home—done right—meets that demand, and in doing so, bolsters the price of the property.

"Today, the less renovated the apartment is, the more problematic it will be to sell," said Diane Ramirez, president of the residential real estate giant, Halstead Properties. "A lot of it has to do with the concern of the buyers over the restrictions that they'll come across once they buy an apartment."

Driving this trend is New York's increasingly pricey and competitive real estate market. According to Jonathan

Miller, president of the appraisal company Miller Samuel Inc., the median sales price of an apartment in Manhattan rose 1.2 percent from the same time last year. Meanwhile, the average apartment stayed on the market one week shorter during the first quarter of 2007 than in 2006.

"If a property is priced close to market levels it will sell very quickly," said Miller. "But if it sits on the market for an unusually long period of time, generally it will sell for less than initially priced."

## COMMON RENOVATIONS

When it comes to redoing a kitchen, a recent trend is to knock down the adjacent dining-room wall, thereby making the apartment more intimate and spacious. But if you're inclined to work on the kitchen's interior rather than its circumference, the place to start is with the

## Renovation BASICS

There is a wide range of renovations one can make to sell an apartment expeditiously and at a higher price. These include everything from minor alterations—adding a new layer of paint—to major undertakings—completely overhauling several rooms. And yet, regardless of the size of the project, there are several steps experts say must be followed.

For starters: think small before going big. Something as simple as refurbishing an apartment floor can increase the property's value by thousands of dollars.

Of equal importance: stay within reasonable design. Don't paint bookshelves bright purple. It may be personally enjoyable, but potential buyers could be dissuaded, knowing they'll have to remove the colorful mess after the purchase.

Finally: buy products that, while of a good make, are reasonably priced. "You can get good quality materials that look excellent," explained Vince Wiscovitch, chief marketing officer at MyHome, a renovation and construction firm, "so that when people look at the home, they see it's new and recently refurbished."

—Sam Stein

flooring. Upgrading from an old parquet floor to oak strips is a trendy move, as is a basic refinishing, which costs an estimated \$2.50 to \$4.50 per square foot.

"A floor refinishing is an unbelievably effective low cost renovation," said Noah Rosenblatt, publisher of the real estate website [urbandigs.com](http://urbandigs.com). "When you have a dark, scratch-free floor the whole place just looks a lot better."

There are, to be sure, more glamorous kitchen renovations. Putting in Shaker-style cabinets, which cost anywhere from \$400 to \$1,000 a linear foot, gives the apartment a broader appeal. Adding glass doors to the cabinets, at approximately \$300 per door, provides the illusion of more storage space. An under-counter commercial sink, costing \$2,000 with installation, meanwhile, goes well with a natural stone countertop.

Keith Steier, CEO of the interior remodeling company Knockout Renovation Services, estimates that these additions combined could run for \$35,000 to \$40,000. "The cost," he adds, "can be driven up by high grade appliances"—like a Viking Stove or Sub-Zero refrigerator—"and, of course, the size of the kitchen."

But is it worth it? According to Remodeling Magazine's 2006 Cost Versus Value Report, the rate of return on a

Upscale bathroom renovations provide comparable dividends. A \$48,107 remodeling—which includes new plumbing fixtures, ceramic tiles, shower controls, sink, faucet, medicine cabinets and bathtub—generates \$45,227 in return. The cost of these projects, however, can be driven up by co-op regulations, which occasionally require resi-

dents to hire architects in addition to contractors.

"It can be a tedious headache," said Rosenblatt about these restrictions. "When it comes to renovating, stick with anything that is low in cost and risk-reward [ratio]."

#### EDUCATING YOURSELF

Any renovation carries the potential for backfiring. Oftentimes, an owner can make an addition that satisfies personal

Diddy's).

In addition, Fautley teaches a class on appraising at the Real Estate Board of New York. One of the basic tenets of his lecture is to stay consistent with the design of the building. He relays a story of a woman who redid her bathroom with an expensive bright pink marble from a specific region of Italy.

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"I have nothing against pink, but not everyone loves it," he says. "You don't want to do something that's vanilla but you also don't want something that makes you say 'wow'."

Fautley offers lessons like these through a PowerPoint presentation—a proverbial cheater's guide on how to enhance one's property—the general theme of which is to be self-educated. In one slide, there is a picture of three fridges, all the same size and utility. One is General Electric, another Bosch and the third from a company called Amana.

"Which one is the most expensive?" Fautley asks before ultimately revealing that it's the well-known brand, GE (\$2,839), not the one that sounds like a pricey import (the Amana goes for \$949, the Bosch, \$1,999). With a wiry smirk, he declares, "You need to educate yourself. Go to the kitchen stores and look around."

Fautley argues that the most worthwhile projects are renovating the bathroom, preferably with a marble floor or subway tiles, or remodeling your kitchen with "custom modern" appliances.

"Do your research and don't overspend," he recommends.

Then, for the more economically able, he advises combining two apartments into one, or building an exterior room outside the home or on the roof (provided you can access it via an internal staircase). In the end, however, Fautley cautions against making additions to one's property for the sole purpose of selling it at a higher cost.

"If you renovate to appease the resale market and your own taste then you'll have a good combination," he says. "If you are renovating just for resale, you won't enjoy it."

Such a personal and economic upgrade was what Marcy Stein received when she completed her home remodeling. Stein's apartment is now worth more than \$450,000 than before the additions. She has no plans of selling, but knows that if she did, she would get a very nice return on her investment.

"You can really do a lot of great stuff with what you have by being creative," Stein says. "And, ultimately, when you do sell, people will be interested." ■



DANIEL S. BURNSTEIN

**High-grade appliances, like a Viking stove, can push up the cost of a kitchen renovation.**

major renovation of a mid-sized kitchen was 95.8 percent (every dollar you put in brought back roughly 96 cents in resale value) for single family homes in New York City. The percentage rose to 102.6 percent when the renovation was deemed minor (no structural rearrangement).

tastes, but dissuades potential buyers from seriously considering the property.

Drew Fautley sees this all the time. As the executive director of Vanderbilt Appraisal Company, he evaluates an estimated 20 properties a week, many of them, he says, the homes of celebrities (although the only name he lets slip is P.

## GO GREEN

With the real estate market constantly evolving, buyers and sellers are always on the lookout for the newest trends. The future of renovation, they will find, is in environmentally conscious home improvements.

Going green in one's apartment is no longer just for the hippie culture. New Yorkers are increasingly seeing eco-aware restoration as a way not only to add to the quality of their lives, but also the value of their apartments.

"At the moment there is a relatively small niche of buyers looking for environmentally friendly factors in the home," said David Bergman, a LEED (Leadership in Energy and Environmental Design) accredited architect. "But it's rapidly growing and won't remain a niche much longer."

Green renovation starts with updating the apartment's appliances. Installing an Energy Star-rated refrigerator and dishwasher is a start, as is putting in light fixtures that use fluorescent rather than incandescent bulbs. All of these products cost slightly more than the conventional variety, but earn money back in smaller utility bills. This, in turn, makes the apartment more appealing to potential buyers.

Another eco-friendly step to take is refurbishing the floor and kitchen counter top with bamboo wooding and IceStone glass respectively. Both these additions cost the same as traditional products while generating a decent rate of return on the property value. Moreover, they don't detract from the apartment's aesthetics.

"Eco-design used to have a crunchy look," said Bergman. "Now it's becoming mainstream."

As more people begin looking for environmentally conscious components in their living spaces, green renovation will become even more common. Already, the development world is designing properties with filtered outside air systems, recycling centers, high-performance glass windows (which allow maximum daylight and provide strong insulation), planted roofs and solar powered energy systems.

"Developers are always trying to add the newest amenity or materials to construction to have that competitive edge," said Holly Aubry, a spokesperson for the Real Estate giant, Corcoran Sunshine Group. "Increasingly they are going with green materials."

—Sam Stein