

Home Value - How To Lower It

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A look at the ways in which people lower their home's value, so we can learn from their mistakes.

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It is common to look for ways to increase your home's value when getting ready to sell. But there is another approach here as well. It is trying not to do the things that lower home value, or cost more than they return. What are these things? Let's look at a few.

Unusual Decorating Schemes

{bot_wrgoogle}We have made a disco out of our garage, complete with mirror-ball, colored lights, and flowers painted on the walls. As much as we like it, this probably lowers the value of our home. We can live with that, but if you want to maintain the resale value of your house, avoid unusual decorating schemes and other such "improvements." That television room painted in the colors of your favorite football team may be appealing to you, but it almost certainly means selling your home for less.

Reducing The Number Of Bedrooms

I know of a family that decided to make two bedrooms into one large one by knocking out a wall. Doing this may or may not affect a home's value if there are at least four bedrooms to start with. But if you make a three-bedroom home into one with two, you are going to have a lot fewer families looking at it when it is time to sell. Ask a real estate agent or two what kind of homes are most in demand before you ever reduce the number of bedrooms.

Bad Landscaping

You might have put thousands in improvements inside the house and still have reduced the selling price because of an ugly lawn. Why? Because buyers will never see the inside of your home if they are scared off by the outside. The fewer people that see the house interior, the less likely you are to find the right buyer who will pay what you want.

The appearance of the front yard (or whatever part is first visible) is the important thing. It is that first impression that people have when driving around looking at houses, which gets them to call up the agent and set up a viewing. Make sure the bushes are trimmed and the grass is green when it is time to sell.

Odd Additions

A neighbor of ours decided that he wanted a "mud room" on his house, because the front door opened directly into the living room. Perhaps there was a way to make it look good (not sure about that even), but he chose to build it himself using plywood. Soon afterwards he was selling his now much-uglier home. My guess is that it cost him \$500 to reduce the value of his home by a lot more than that.

Of course, sometimes an unusual addition can add value to a house. An extra bedroom stuck on the back of the house, for example, can certainly make a home more usable for families. But if it doesn't go well with the rest of the structure, it may add less to the eventual sale's price than it cost to build. In other words, you might spend \$10,000 to add \$5,000 to the home's value. Keep that in mind if you are planning to sell in the next few years, and are thinking about converting a back porch into a bedroom or making an office in the basement.

If you are going to live in your home for a long time, you may want to make the changes that make sense to you, regardless of whether they lower the value of the home, or cost more than they return. But you should at least keep in mind what that effect will be, so you make such decisions wisely. I once met a nice young couple who had increased the value of their home by \$10,000 with kitchen upgrades, the year before they sold it. Unfortunately, they spent \$40,000 to

do it. That \$30,000 difference means it cost them \$2,500 per month to enjoy a prettier kitchen for that year.

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