



7 Home Investments that will save you money!

Your home is one of your biggest life investments. Here are some ways you can save money by spending money on improvements that are worth it.

Investing in securities is important for long-term returns, but don't forget about your tangible assets—especially the ones important to your daily life. Investing wisely in a home, over the years, can not only increase the overall value of your home when you decide to sell, but earn and/or save you money while you're still living there. Plus, you'll get the aesthetic benefits of the upgrade for as long as you live there—compare that to stocks or bonds, which have almost no practical impact whatsoever.

Three Factors for ROI

The bottom-line metric you need to look at for home improvements is your return on investment (ROI). This represents how much money your upgrade has made or saved you, compared to how much you spent. ROI is based on three factors:

1. **Cost.** First, there's the cost of the job. You can use a remodeling calculator, like this one from Kitchen Cabinet Kings, or use an app like Thumbtack to shop around for direct quotes. Either way, try to get a few estimates before you make a decision—and remember, it's just a ballpark figure.
2. **Resale value.** Every permanent improvement you make will have a direct impact on your home's resale value. You won't be able to realize this increase until it comes time

to sell your home, but eventually, you'll stand to make most—if not all—of your money back.

3. Ongoing returns. Finally, you'll need to factor in the amount of money your upgrade saves you on a regular basis. Most of these are based on improvements to energy efficiency, which will lower your utility bills, or prevention of further repair and damage, which saves you on future costs.

Best Investments for the Money

Overall, when considering cost and types of returns, these improvements are your best bets for total ROI:

1. Window replacement. Depending on the type of windows you get and the type of windows you're replacing, this home improvement could net you an ROI of 80 percent or more. New windows instantly improve the value of your home and provide better seals and protection against temperature changes. That means you'll pay less for heating and cooling, and your home will look nicer too.

2. Upgrading insulation and siding. If your siding is in poor condition, an upgrade will practically pay for itself in terms of a home value increase. Plus, while you're residing, you'll have the opportunity to add better insulation in the walls of your home. Ultimately, that means lower utility costs and a more comfortable home—all with a better looking exterior you can enjoy for as long as you stay there.

3. Better appliances. By appliances here, we don't mean coffee makers or toasters. Instead, think about upgrading your heater, air conditioning unit, refrigerator, and other appliances that will likely stay with the home. Every year, appliances grow more energy efficient, saving you money, and if you plan on selling in the next few years, it could give you an equitable boost in home value too.

4. Kitchen and bathroom remodels. Depending on your intentions, kitchen and bathroom remodels can be ridiculously expensive. However, you don't have to go over the top or replace everything to make a substantial upgrade. In fact, low-key, budget-friendly upgrades are far more liable to net you an eventual return. Focus on a handful of improvements, rather than gutting the entire room, if you want the best ROI.

5. Replacing old wiring. Old methods of electrical wiring are flat-out unsafe. Upgrading the wiring in your home will boost your value instantly, but more importantly, it will save you money on your home insurance and prevent the likelihood of an electrical fire or similarly expensive destructive event. Think of it as a form of insurance on its own.

6. Replacing old plumbing. Old plumbing systems can also be dangerous, but for different reasons. Upgrading to a modern system will prevent the possibility of a major plumbing event, which could cost you thousands of dollars in repairs. Better plumbing

systems also mean charging more when you sell your home—whether that’s now or in another decade.

7. Landscaping. Landscaping won’t make your home more energy efficient, but it will make it more enjoyable and far more appealing. In fact, landscaping can improve the curb appeal of your home so much that it practically pays for itself. Even if you aren’t interested in the aesthetic pleasures of better landscaping, if you plan on selling your home in the next year or two, it’s worth considering as an investment. Keep in mind that not all houses are equal. The cost of replacing windows may vary depending on where you live, and your utility demand may not be as high as the average homeowner. Accordingly, the ROI of all these improvements will vary significantly, and you’ll need to do some personal research before pursuing any of them. Still, generally, these improvements will earn you more money than you initially spend—as long as you make smart decisions.

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