

Remodeling In **Ames, Iowa**

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March 2020

Get to Know Ames

- Home to Iowa State University
- Population: 67,154
- Home Ownership Rate: 40.8%

The Problem

How can I get the highest sale price for my house?

How can I increase the value in my property?

Where should I invest in my house?



What aspects/features will yield the highest return when homeowners are remodeling?



Where to Invest?

The Model

- Finishes/Quality:
 - Overall Quality
 - Kitchen Quality
 - Exterior Quality
- Space:
 - Garage Area
 - Above Grade Living Area
 - Porch and/or Deck
 - Bedrooms and Bathrooms
- Features:
 - Paved Driveway
 - Central Air
- Year Built/Remodeled
- Lot Area
- Neighborhood

The Model

- Accounts for 81% of the variance in price
- Average Est off by \$33,000
- Simple features for reliable answers

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● ~~Lot Area~~

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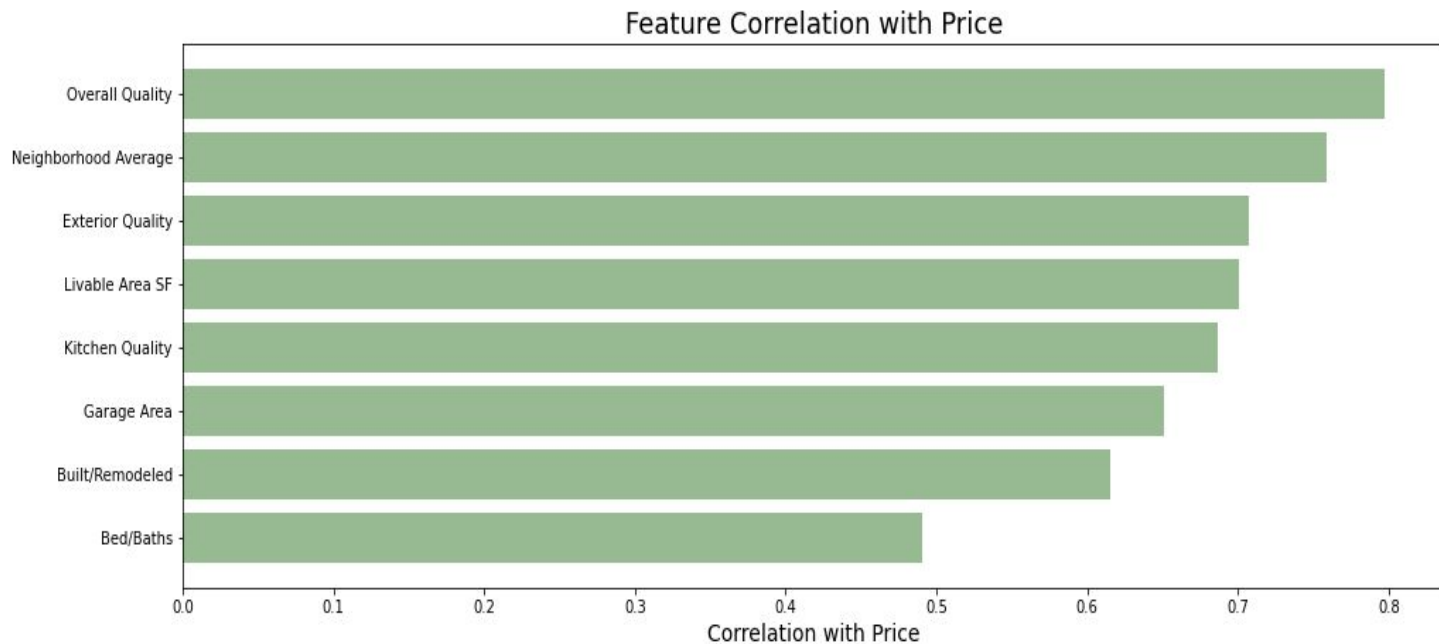
- Paved Driveway
- Central Air

- *Year Built/Remodeled*

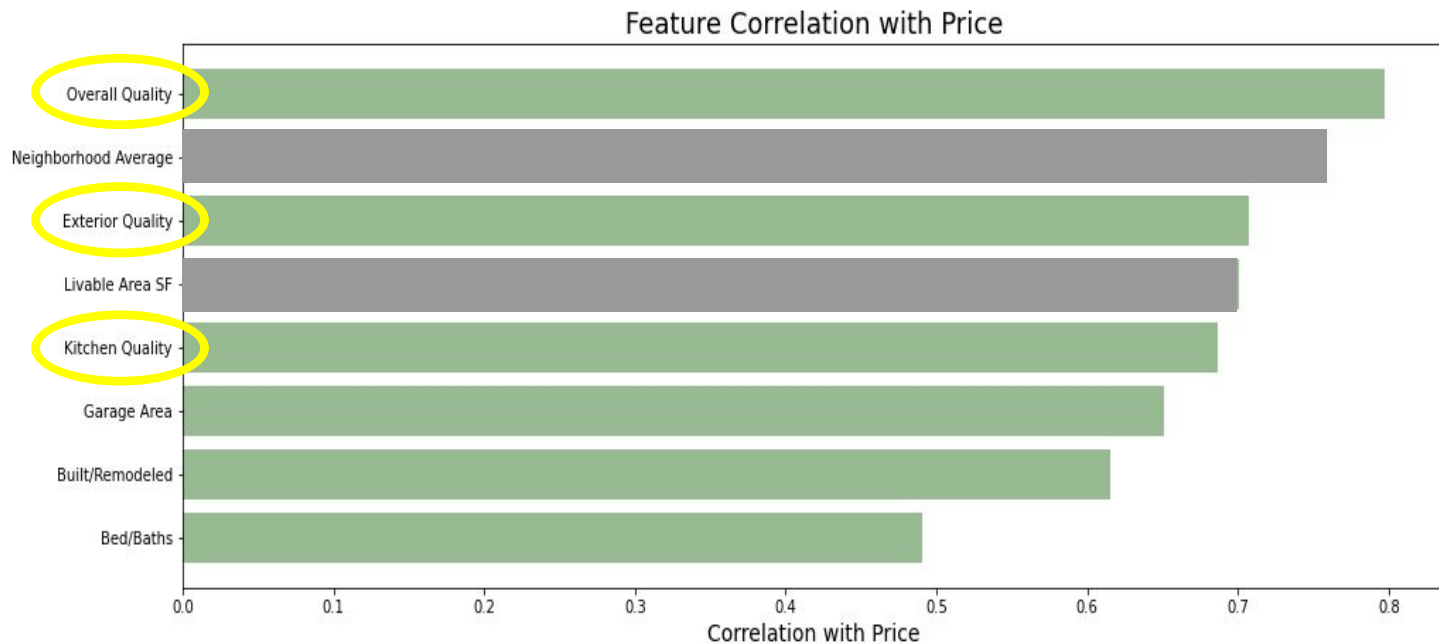
● ~~Lot Area~~

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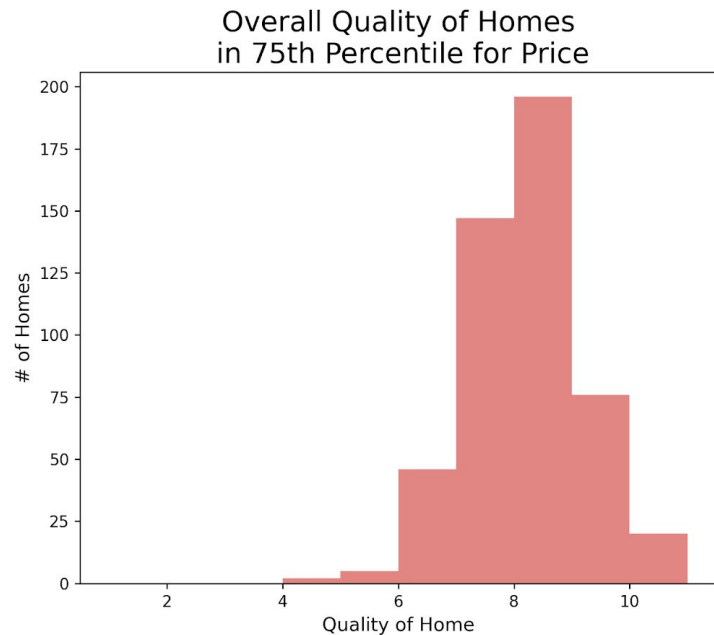
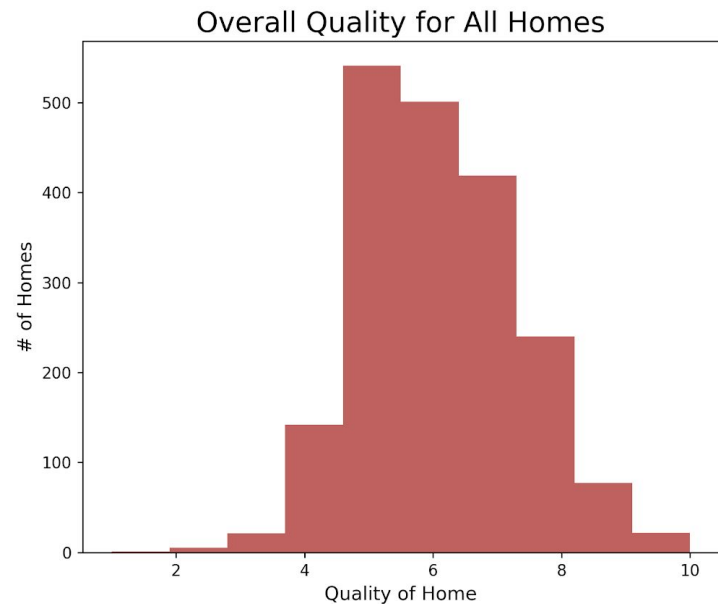
Why Quality?



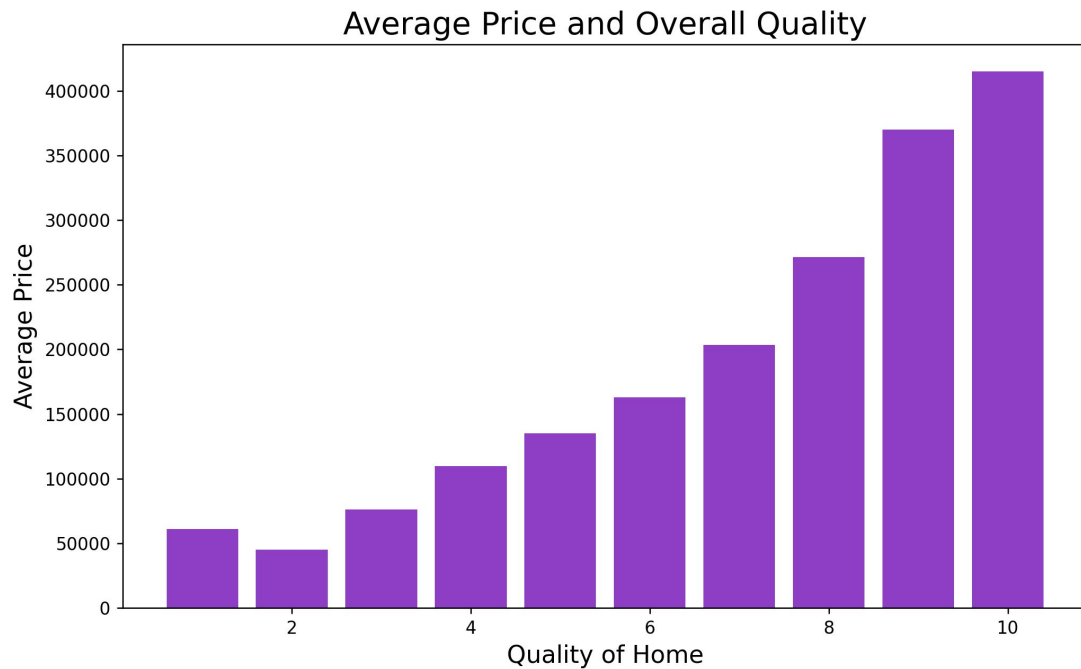
Why Quality?



Overall Quality



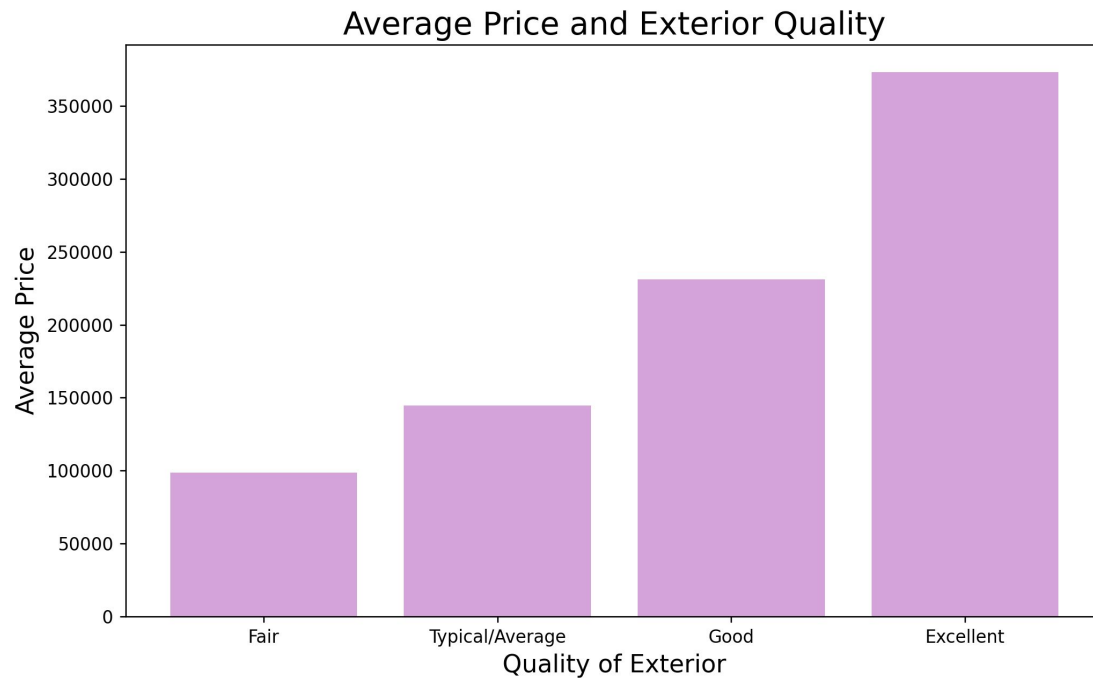
Overall Quality



Kitchen Quality



Exterior Quality





...what is quality?

Quality

- Overall Quality:

- Scale of 1-10
- Rates the overall material and finish of the house

10 Very Excellent

5 Average

1 Very Poor

- Kitchen/Exterior Quality:

- Scale of 1-5

5 Excellent

3 Typical/Average

1 Poor

Examples of “Perfect” Scores

The pictures below are from houses with highest possible values for **Overall, Kitchen and Exterior Quality**:



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Source: Zillow



Show Me the \$\$\$

Call in the Experts...

QUALITY TRANSFORMATION:

FOR DEMONSTRATION PURPOSES:

EP: S2 E10

- 1600 sq ft
- Remodeled finishes only
- \$45,000



Source: Fixer Upper (HGTV) S2 E10

Expected Return

Two houses predicted within \$4k

3107 Lincoln Way

- Overall Qual: 4
- \$108,000
- 1,510 sq ft



**\$45k Quality
Transformation**

Overall Qual: 10

Est. Price: \$191,483
~ \$38,450 return

1325 Maxwell Ave

- Overall Qual: 5
- \$119,000
- 1,556 sq ft



**\$45k Quality
Transformation**

Overall Qual: 10

Est. Price: \$189,728
~\$26,000 return

The Solution

What aspects/features will yield the highest return when homeowners are remodeling?

- **Finishes/Quality:**
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