



How to Determine a Remodeling Budget



Perhaps the most highly trafficked room in the house, kitchens have an ageless appeal. Homeowners frequently cite the kitchen to be the most important room of the house. It's no wonder then that they invest time, energy and resources into functional and beautiful kitchens. Whether you are planning new construction or a kitchen remodel, your cabinet budget will be structured about the same. According to the *National Kitchen and Bath Association*, current costs to remodel a kitchen range from \$15,000 to \$45,000, with an average price of almost \$27,000. Cost can vary based on region, design, materials, quality of appliances and budget. Careful planning can help you get the most value for your investment, simplify maintenance, maximize efficiency, functionality and beauty and reflect

your own personality.

Planning Your Budget

Consider the market value of your home to determine your remodeling budget. Studies suggest that 90-98% of kitchen remodeling costs can be recouped, but kitchen remodeling is only a good investment if the cost is relative to the house's worth. A trendy, state-of-the-art kitchen could be a dramatic selling point in a growing community or a prime location, but probably not a good investment in a modest neighborhood. Keep it below 15%. Generally speaking, a kitchen-remodeling budget should not exceed 15% of your home's value. Of this budget, at least one half of the cost should be designated for cabinetry. Another 15% can be expected for appliances, flooring and other goods like lighting, plumbing fixtures, etc. The remaining 35% includes the costs of labor, design, contracting services, permit fees, etc. Using the guideline suggested above, here is a sample rough budget for a kitchen remodel on a home worth \$100,000:

Cabinets and countertops (50% of total budget) \$ 7,500
Appliances, flooring and other goods (15% of total budget) \$ 2,250
Labor, design, permits, etc. (35% of total budget) \$ 5,250
Total Budget \$15,000

For a kitchen remodel on a home worth \$250,000:

Cabinets and countertops (50% of total budget) \$18,750

Appliances, flooring and other goods (15% of total budget) \$ 5,625

Labor, design, permits, etc. (35% of total budget) \$13,125

Total Budget \$37,500

Working With Your Budget

Be honest about your cabinet budget. Design professionals and contractors will be happy to work within your reasonable guidelines if they understand limitations from the onset. Better communication in planning results in lower stress for everyone. Plan ahead. The best way to avoid overspending your budget is to be specific in your planning.

- Consult a design professional. While they do charge for their services, their experience and insight can more than compensate for costly errors due to inexperience or misinformation. They may notice details you might forget, or anticipate expensive structural changes that you might overlook.
- Make a list of all of the features you have in your existing kitchen. Are these enough? Are there any features you would like to eliminate in your remodel?
- Will there be any "surprise" costs to bring the structure up to local codes to accommodate your new kitchen?
- Create a list of additional features you'd like to add. Make a "top ten" list of the features you most would like in your new kitchen. Be willing to compromise on less important items in order to invest in the more important features. Be alert for surprise costs. Some remodeling projects exceed budget constraints early simply because there are structural issues to be addressed that aren't initially apparent.
- Older homes may require extra electrical or structural upgrades to accommodate the remodeling project and bring the structure up to local codes. Homes newer than 20 years are less likely to need major work of this nature.
- Moving major features like plumbing adds to the cost quickly. Stick to your budget. It doesn't take very many unplanned expenditures to totally overrun your budget.
- Know what you have available to spend in each area, and then be diligent in observing limitations.
- Even with careful observance, you can expect a budget overrun of about 12% due to unforeseen costs and unbudgeted expenditures. Know what you need vs. what you want. Key to keeping within budget guidelines is to begin with the features you need in your new kitchen. One needs appropriate plumbing, safe conditions, adequate lighting, adequate storage and basic refrigeration and cooking capabilities. One wants state-of-the-art appliances, decorator detailing and expansive, elaborate fixtures.
- Begin your plan with your basic needs.
- Upgrade the most prominent and hardest working features (like cabinets and countertops) for durability.
- Add the extras as your preference and budget allows. Be informed. The more you know, the better able you will be to make wise decisions.
- Many cabinetry manufacturers offer more than one line to accommodate a wide range of budgets. However, only a small handful, such as StarMark Cabinetry, offer the ability to "migrate" between lines. This offers two advantages.

- Your kitchen design can be started using the higher-priced line (Custom), which offers more options and "looks". If the quote comes in over your budget, then select cabinets can be chosen to come from the lower-priced line (Collection).
- Or, vice versa, you can begin with the lower priced line, and select a few cabinets that contain the features you want from the higher priced line.
- Visit appliance stores and home centers to understand the costs of appliances and materials.
- Ask for referrals for contractors, and find out if they are insured and bonded. Check references carefully. When it comes to talent and workmanship, you generally get what you pay for.
- Ask for a detailed written estimate, and if things change mid-project, sign a change order.
- Ask for a written work completion schedule.
- Be consistent, prepared and available during the project. Work can stay on schedule when decisions can be made promptly.
- Members of the National Kitchen and Bath Association are recognized specialists in their area.

Quality v. quantity.

Products are available in a wide range of options.

- Many homeowners prefer to begin with the minimum quantity needed, then upgrade the quality. While your space may allow for eight cabinet units, perhaps you only need six. Then your budget will allow you to upgrade species or special features.
- Solid surface countertops and Formica countertops can be upgraded to granite years down the road. However, it's difficult to upgrade cabinetry. If you have to choose, put your budget into the cabinetry.
- Try using more expensive design options as a focal point, such as one outstanding Personal Design Choice in an otherwise basic kitchen design, or a more expensive solid countertop option as a focal point for the island, with coordinating laminate as the remaining countertops.
- Select decorative tiles as an accent rather than as the main field of tile.
- Less expensive lighting fixtures or door and drawer pulls can be upgraded at a later date.
- Compromise. If you chose to upgrade your range, you might consider selecting a more basic sink and refrigerator. Allow yourself plenty of time to make selections. Making selections early, rather than under time constraints, allows for comparison shopping and careful consideration of preferred features.
- Resist purchasing on impulse.
- See the product or samples of quality in person before purchasing, rather than relying on photos, catalogs or internet information.

Payment Expectations: Your Cabinetry Supplier

- Many designers require a design retainer. This assures you that your project will get the designer's full attention

- Expect to pay as much as 100% of the cabinetry costs when you place your cabinetry order. Keep an accurate record of the agreed upon payment schedule and the payments made.

Payment Expectations: Your Contractor

- Ask your contractor to provide a written schedule of when payments are expected.
- Expect to pay as much as 50% to your contractor at the signing of the contract. An additional 40% could be required upon delivery or installation of the cabinets. The remaining 10% should only be paid at the completion of the job. Make sure "completion" is defined.
- Keep an accurate record of payments made.

Cost Cutting Suggestions

While cutting costs in some areas can be helpful, weigh your options carefully.

- Do some of the work yourself, but be realistic in what you can accomplish.

Removal of old cabinets or flooring

Trash / site clean-up

Painting or wallpapering

- Be very careful not to damage walls or ceilings, and don't start anything you can't finish. Some tasks enthusiastically begun by a homeowner turn into costly corrections and lost time for professionals.
- Leave the installation of cabinets, plumbing and appliances to the professionals. Do-it-yourself installations can void manufacturer warranties or violate local codes.
- Consider reusing existing elements if practical, such as appliances or sinks.
- Revive existing wood flooring or furniture with refinishing or painting.
- New decorative panels may be available for dishwashers.
- Decorate creatively. Instead of relying on an interior designer for finishing touches, do it yourself.
- Inexpensive prints, posters or family photos framed can make an attractive display.
- Shop garage sales, flea markets and antique stores for accessories that appeal to your personal sense of style.