

Two Rooms that Rule at Resale time

The interior walls are neutral. The clutter is a distant memory. A shower door has been replaced and even the design of the bedspread has been factored in. The Green family's Chicago home also got a professional inspection and appraisal to limit any surprises down the road, said Dan Green. Now it is ready for sale.

"We're paving the road to make the closing process much smoother," Green said. He has even created a blog partly as a marketing tool for his Lincoln Park neighborhood home.

For some sellers, a little extra work can mean not only a difference in how smoothly the sale goes or how much they can ask for their home but also if they get to the closing table at all in an uncertain market.

"Talk too Realtors and they will tell you anything you do cosmetically to increase curb appeal is going to help the resale value," said Sal Alfano, editor of Remodeling magazine.

In addition, many home buyers stretch economically to get into a home, said David Lupberger, home-improvement expert for ServiceMagic.com, an online company that connects homeowners with screened home-service professionals. If a home has a number of projects that will need to be addressed in the near future, a buyer might decide to pass it over.

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"The last thing you want is a list of projects that has to be taken care of," Lupberger said.

Here's the bright spot: Many improvements that have an impact on selling a home aren't very expensive at all, said Jim Gillespie, president and CEO of Colwell Banker. And some tasks, such as giving rooms a fresh coat of paint, quickly pay off.

Those planning on adding a "for sale" sign to the front lawn this spring might want to consider these five areas while creating their to-do list.

1. First impressions count

It's wise to make a good impression from the moment a potential buyer pulls up to the house, experts say. First glimpses of the home will include the home's exterior, the shrubbery, the gutters and the front door.

Peeling trim could be a kiss of death. Paint the exterior of the home in an odd color and you could lose their attention before they come inside. Don't underestimate the importance of good lawn care, either.

"A lawn that looks good on the outside gives the impression that someone cares about that home," said Trey Rogers, professor of turfgrass management at Michigan State University and author of "Lawn Geek," a book of tips on how to maintain a lawn.

His advice is "keep it green and keep it cut." Mow the lawn about three inches high at least twice a week when a home is on the market; two inches if the home is in a Southern state. The more it is mowed, the denser it will become. And get on a fertilization program, starting at the beginning of the season, he said.

Bypass store-bought sod and instead borrow some grass from an inconspicuous place elsewhere on the lawn if there are small spots that need to be filled in, Rogers said. The grasses will match better if they come from the same lawn.

Early birds selling at the tail end of winter should keep the sidewalks shoveled if there is snow on the ground.

2. Neutralize and declutter

When it comes to preparing a home's interior, any real-estate professional or stager worth their paycheck will advise a client to make a move to more neutral colors in a home.

"People can't visualize beyond what they see," Gillespie said. Neutral colors, including beige and ivory, can also have an added advantage of making a room appear larger – an effect that Dan Green noticed right away when he repainted his bedroom walls.

Removing a home's clutter is also extremely important in getting potential buyers to imagine their family living in the home, Gillespie added.

Beyond that, do some basic spring cleaning. Shampoo the carpets, rebuff hardwood floors and oil wood cabinetry, Lupberger said.

3. Consider replacement projects

Sellers might also consider having a home inspection done prior to listing the home as a way to detect any overdue replacement projects, Gillespie said. A seller has the option of either fixing the problem or giving the buyer a discount to account for the needed repairs, but Gillespie is an advocate for making the necessary repairs before selling.

Home buyers recognize the value of a house that doesn't need major repairs, Alfano said.

"The house is probably not going to move, or you're not going to get all the value out of it, if the new buyer knows they're going to have to replace the roof sometime soon," he said.

In fact, according to the 2006 "Cost vs. Value" report from "Remodeling" magazine, a roof replacement for a midrange home had an average cost of \$14,276, and returned \$10,553, or 73% at resale. A vinyl siding replacement had an average cost of \$9,134, and returned \$7,963, or 87% at resale, according to the report.

A wood window replacement in a midrange home had a national average cost of \$11,040, and \$9,416, or 85%, was recouped at resale. A vinyl window replacement had an average cost of \$10,160 and returned \$8,500, or 83% at resale.

4. Kitchens and bathrooms rule

It's no secret that buyers tend to be awed by updated kitchens and bathrooms.

"If the last time it was remodeled was in 1980, that's going to be points against versus another house that was upgraded even five years ago with sort of a modern look," Alfano said. "It's hard to go wrong with a kitchen or bath remodel unless you get a little too edgy with the design or the materials you use."

That said, a seller with less than a couple years to spend in a house probably isn't going to do a complete remodel of either room. Sellers would decide where these rooms need the most improvement, and then zero in on how much they want to spend, Lupberger said.

If kitchen cabinets are structurally fine but their exteriors are outdated, it might be worth it to reface them, Lupberger said. If counters are old, maybe replacing them will add new life to the room. In the bathroom, there are companies that will come in and resurface chipped and damaged bathtubs, he said.

5. Warranty coverage and documentation

Sellers can provide some extra peace of mind to buyers by purchasing a home warranty on their home that will cover such things as heating and plumbing should the buyer run into problems after closing. The coverage is getting a bit more popular nowadays, Gillespie said. Warranties can be bought from companies including American Home Shield and AON.

"Little things like that ... you need that today to set the property apart with all the competition out there," Gillespie said.

Gillespie also recommends displaying the age of the water heater and furnace; if either one is on the other side, have it inspected for proof that it works correctly.

And if replacement projects have been done in the past few years, dig out the documentation to prove it, Alfano said. Also, explain if any of the improvements have produced a cost savings in terms of energy usage.

“You never really could (miss), but it wasn’t on the tip of everybody’s tongue. Now, it’s in the news all the time,” Alfano said. Amy Hoak is a MarketWatch reporter based in Chicago.