

To build or renovate – that is the question

Upgrade your space or start from scratch? Consider these factors

Should I stay or go? Many homeowners ask this question when wondering whether to renovate the space they're in or start fresh in a new home.

Mark Cooper, president of Shakespeare Homes & Renovations Inc., says there are many factors to consider.

"When thinking of making home additions or upgrades to accommodate changing family dynamics or make more space, many people will stay or leave based on their neighbourhood," he says. "It's a big factor – do you love where you live, are there schools nearby, easy access to work ... or can you absolutely not stand the people next door?"

While your relationship with neighbours carries some weight, the big issues are location and, of course, cost. But the price of upgrades can be hard to predict. "Adding living space is far less expensive than adding, say, a new kitchen," Cooper says. "It depends on what's being added, the cost of tying the new construction into the old and unforeseen costs that can happen along the way."

Getting an estimate before you commit to renovation can give you a sense of how much you'll be spending.

"A good contractor will want the estimate to be a joint venture," Cooper says. "You'll collaborate to assign realistic prices to the work that's going to be done and create budgets for fixtures, cabinets, flooring."

The experience of the contractor will affect the accuracy of the estimate as well. "Find someone who knows demolition and reconstruction costs or is savvy to kitchen renos or doing additions and can accurately predict how much various



trades will charge for the upfront work," Cooper says. "They should also be able to build a contingency plan into the estimate concerning the costs of all the 'what-ifs.'"

Don't forget to factor in rebates offered by government for home renovations, such as the federal home renovation tax credit. These incentives can really benefit small-scale upgrades.

Another economic event that could influence your decision to renovate or relocate is the harmonized sales tax (HST) proposed by the B.C. government. "Right now, homeowners aren't paying PST on labour, like carpenters and trades, for home renovation work," Cooper explained. "If the HST kicks in, around this time next year that's not going to be the case. So it makes sense to get upgrades done now or you could be paying another seven per cent on labour."

Since their operating costs will also be affected by HST, Cooper says contractors will ultimately have to charge more to make the same income if the tax proposal goes through.

A final element Cooper adds to the mix is eco-friendliness. "These days, everyone is trying to think green," he says.

"There's nothing greener than working with what you already have, doing a reno to upgrade it to what you want using sensible materials. Ripping a house down and putting it in a landfill so you can start from scratch – that's horrible if you're thinking of the earth."

HOME RENO TAX CREDIT

What qualifies, what doesn't?

Eligible

1. Most major renovations.
2. New carpet or hardwood floors.
3. Building an addition, deck, fence or retaining wall.
4. A new furnace or water heater.
5. Painting a house or apartment.
6. Resurfacing a driveway.
7. Laying new sod.

Ineligible

1. Furniture and appliances (fridge, stove, couch).
2. Purchase of tools.
3. Carpet cleaning.
4. Maintenance contracts (furnace cleaning, snow removal, lawn care, pool cleaning).

Complete list: www.cra-arc.gc.ca/tx/ndvdl/sgmnts/hmwnt/hrtc/lgbty-eng.html.

Photo: Shakespeare Homes & Renovations Inc.