

Even in Tough Housing Market, Decks Add to Home Equity

Midrange decks continue to beat the national average for return on remodeling investment

A dollar spent on remodeling projects generally added less to home values last year than it did the year before, according to the “Cost vs. Value Report 2009-10” from *Remodeling* (a sister magazine to *PDB*). Nationally in 2009, a homeowner who sold his or her home could expect to recoup an average of 63.8 percent of the cost of recent remodeling projects, a drop of 3.5 percentage points from 2008’s cost-value ratio — which was itself 2.7 points lower than 2007’s. Costs were up slightly, but much of the decline came from the value side — not particularly surprising, given weak housing and credit markets and high unemployment. Decks were not completely exempt from the ill tidings, though there were a few bright spots: Less-expensive projects still offered a better than average return, and certain decking projects in a few regions of the country actually increased in resale value.

The report (free at costvsvalue.com) examines the costs of 33 representative remodeling projects (calculated by HomeTech Information Systems, a maker of estimating software for the construction industry) and the amount those projects contribute to a home’s resale value (calculated from estimates provided by more than 4,000 members of the National Association of Realtors). The three

deck projects in this year’s report are the same as were used in last year’s (see *Decking News*, January/February 2009 and January/February 2008; free at deckmagazine.com). Two are “midrange” decks — one decked with pressure-treated wood and the other with composite decking — and the third is classified as “upscale.”

Except for the decking material, the specs for the two midrange decks are identical: 16 by 20 feet in size with a three-step stair to grade and a pressure-treated substructure supported by 4x4 posts on concrete piers. Features include a built-in bench, a planter, and a railing system, all of which match the decking. The upscale deck is a more elaborate version of the midrange composite deck: One step down from a corner of the 16-by-20 structure is a second, six-sided platform, 10 feet in diameter, with an additional

Upscale Composite Decks

Region	Homeowner Cost	Value at Sale	Percent Recouped
National	\$37,745	\$22,934	60.8%
New England	\$38,608	\$23,081	59.8%
Middle Atlantic	\$39,270	\$22,584	57.5%
South Atlantic	\$35,932	\$22,350	62.2%
East North Central	\$38,280	\$19,959	52.1%
West North Central	\$37,622	\$21,540	57.3%
East South Central	\$35,517	\$21,854	61.5%
West South Central	\$35,426	\$21,829	61.6%
Mountain	\$37,203	\$22,703	61.0%
Pacific	\$41,428	\$29,687	71.7%

Midrange Decks, Average Cost and Resale Value

Region	Pressure-Treated Wood			Composite		
	Homeowner Cost	Value at Sale	Percent Recouped	Homeowner Cost	Value at Sale	Percent Recouped
National	\$10,634	\$8,573	80.6%	\$15,373	\$10,904	70.9%
New England	\$11,207	\$9,426	84.1%	\$15,724	\$11,236	71.5%
Middle Atlantic	\$11,260	\$7,917	70.3%	\$15,890	\$10,404	65.5%
South Atlantic	\$9,505	\$7,589	79.8%	\$14,598	\$10,389	71.2%
East North Central	\$10,675	\$7,669	71.8%	\$15,619	\$9,686	62.0%
West North Central	\$10,502	\$8,687	82.7%	\$15,312	\$11,169	72.9%
East South Central	\$9,075	\$7,547	83.2%	\$14,474	\$10,523	72.7%
West South Central	\$9,773	\$7,924	81.1%	\$14,463	\$10,011	69.2%
Mountain	\$10,608	\$8,395	79.1%	\$15,145	\$10,620	70.1%
Pacific	\$12,838	\$11,744	91.5%	\$16,956	\$13,922	82.1%

set of stairs; the perimeter joists and the 4x4 posts are trimmed to match the decking; and the railing system includes decorative balusters, post caps, and lighting.

Compared with other remodeling projects, building a deck continues to be a relatively good investment in home equity (see tables, page 12). Nationally, the cost-value ratio for a pressure-treated-wood deck (80.6%), is topped by only three other projects: an inexpensive steel entry door replacement (128.9%), fiber-cement siding replacement (83.6%), and an attic bedroom remodel (83.1%). The cost-value ratio for a midrange composite deck (70.9%) is lower than that for the less-expensive pressure-treated version but is still above the overall cost-value ratio for remodeling projects (63.8%). Like many other upscale projects in the study, the upscale deck had a lower cost-value ratio (60.8%) than its midrange counterparts did.

The national cost-value ratio for each of the three deck projects decreased in 2009 from the year before: For midrange pressure-treated-wood decks, it was down 1.2 percentage points; for midrange composite decks, 2.8 points; and for upscale decks, 2.4 points.

Changes in return on investment varied sharply, however, depending on not only the type and cost of the project, but also the area of the country. In New England, for example, cost-value ratios were actually higher in 2009 than in 2008

Key to Regions

New England: CT, MA, ME, NH, RI, VT
 Middle Atlantic: NJ, NY, PA
 South Atlantic: DE, DC, FL, GA, MD, NC, SC, VA, WV
 East North Central: IN, IL, MI, OH, WI
 West North Central: IA, KS, MN, MO, NE, ND, SD
 East South Central: AL, KY, MS, TN
 West South Central: AR, LA, OK, TX
 Mountain: AZ, CO, ID, NM, MT, UT, NV, WY
 Pacific: AK, CA, HI, OR, WA

for all three deck projects. There were a few other positive signposts scattered in the report. In the East North Central region, the cost-value ratio increased for pressure-treated decks; in the West North Central region, ratios improved for both midrange decks; and in the East South Central region, the ratio for the midrange composite deck ticked up one point from the year before.

For more information on the “Cost vs. Value Report” and to download data on the cost and value of remodeling projects for 80 individual cities, go to costvsvalue.com. — *Laurie Elden*

A number of decking manufacturers and distributors have announced new distribution agreements — here's a rundown:

- Boise Cascade will be distributing Fiberon Horizon (composite decking with PermaTech) and Fiberon OutdoorFlooring (PVC decking) in Maryland, Delaware, Virginia, West Virginia, and Pennsylvania.
- CertainTeed is also distributing Fiberon's products but under its own brand names: EverNew 20 (Fiberon composite decking), EverNew PT (composite decking with PermaTech), and EverNew LT (cellular PVC decking); Fiberon's composite railing will be marketed under the Spectrum brand.
- Holbrook Lumber is distributing Green Bay Decking's GeoDeck composite decking in the Northeast.
- Wolf is distributing CEVN cellular PVC decking and accessories in New York, Connecticut, Rhode Island, Maine, New Hampshire, and Vermont.
- In Canada, CanWel is distributing TimberTech composite decking.

EPA Proposes Expanding Lead-Paint Regulations

On October 28, 2009, the EPA announced several proposals to amend its Renovation, Repair, and Painting Program (RRP), which, come April, will impose training, certification, work-practice, and recordkeeping requirements on for-pay remodeling activities that disturb lead-based paint (see “Lead-Paint Certification Deadline Approaches,” *Decking News*, July/August 2009; free at deckmagazine.com). A couple of the changes — eliminating the provision that allows exemption from the RRP under certain circumstances and adding a requirement that contractors give copies of their compliance records to building occupants — are the product of an agreement the EPA made with environmental and

children's health advocacy groups on August 24, 2009.

In the current version of the RRP (epa.gov/lead), an “opt-out” provision allows contractors to be exempt from RRP requirements by getting written certification from the building's owner-occupant that no pregnant women or children under the age of 6 live in the home and that the home isn't a child-occupied facility (such as a daycare). Environmental and children's health groups objected to this, arguing that for one, if the RRP's precautionary measures aren't applied, exterior renovations could contaminate neighboring properties that are occupied by young children or pregnant women; and for another, young

children and pregnant women who visit or move into a recently renovated building could be exposed to unhealthy levels of lead. Also, the EPA argued in its proposal that people who are older than five years old and not pregnant can be ill-affected by lead exposure, too, and expanding the RRP would help protect them.

Although the EPA favors eliminating the opt-out provision, it collected comments through November 27, 2009, on a number of compromises. One of these would keep the opt-out as is for interior renovations but would require compliance with the RRP for exterior renovations; another would keep the opt-out but would require testing for lead levels after completion of exempted work and mandate disclosure of those results to potential buyers of the home; and a third would

keep the opt-out but ban the activities most likely to create lead contamination, like open-flame burning of lead paint, sanding of lead paint without HEPA exhaust controls, and using a heat gun above 1,100°F.

According to the EPA, removing the opt-out provision “could increase the number of renovators that need to be certified by 50%,” but it expressed confidence that it would have sufficient resources in place for the extra demand for training. One of the agency’s efforts to this end has been to create online training so remodelers can “attend” class when and where it’s convenient and go to scheduled classes at a specific physical location only for the hands-on portion of training and for the test. The agency is, however, considering waiting six months or a year after April 22 to

eliminate the opt-out provision.

Another change proposed by the EPA would require contractors to give copies of their compliance records to a building’s owner — or if that person doesn’t reside in the building, then to the occupants. According to the EPA, this would provide residents with valuable information that is not included in the “Renovate Right” pamphlet, as well as “improve their ability to assist the EPA in monitoring compliance with the RRP rule.” Contractors would need to use the EPA’s “Sample Renovation Recordkeeping Checklist” or a form of their own that includes all the information found on the EPA form.

The EPA is currently reviewing comments on the proposed changes and plans to issue its final decision prior to the RRP’s scheduled implementation on April 22. — *L.E.*
