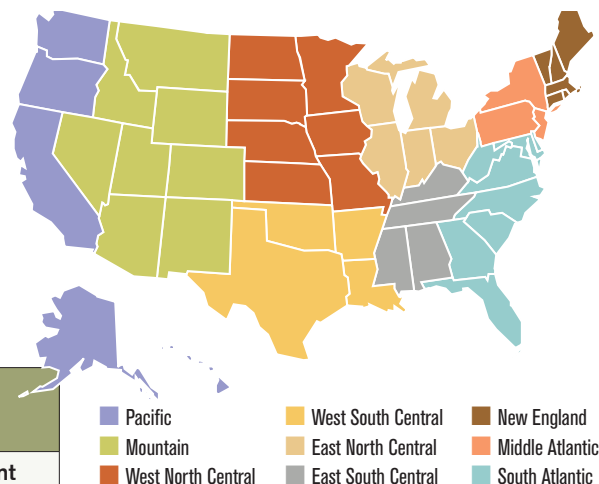


Deck Values Slide, Says Remodeling Report

For the fifth year in a row, the national average resale value of a deck has fallen, according to data from Hanley Wood's annual "Remodeling Cost vs. Value Report." (Hanley Wood publishes *Professional Deck Builder*.)

The five-year decline isn't due to decks falling out of favor, but rather is unfortunately consistent with a downward trend in the values of remodeling projects in general. These have been negatively affected by the weak housing market; nationally, home prices were back down



Pressure-Treated Wood Deck
Average Cost and Resale Value (2011)

Region	Homeowner Cost	Value at Sale	Percent Recouped
Pacific	\$12,938	\$10,596	81.9%
South Atlantic	\$9,493	\$7,315	77.1%
New England	\$10,460	\$7,644	73.1%
West South Central	\$9,496	\$6,778	71.4%
National	\$10,350	\$7,259	70.1%
Mountain	\$10,224	\$6,713	65.7%
Middle Atlantic	\$10,490	\$6,763	64.5%
East South Central	\$8,908	\$5,670	63.7%
East North Central	\$10,793	\$6,655	61.7%
West North Central	\$9,774	\$5,814	59.5%

Midrange Composite Deck
Average Cost and Resale Value (2011)

Region	Homeowner Cost	Value at Sale	Percent Recouped
Pacific	\$17,358	\$13,045	75.2%
South Atlantic	\$14,893	\$10,108	67.9%
West South Central	\$14,706	\$9,460	64.3%
National	\$15,579	\$9,780	62.8%
New England	\$15,729	\$9,856	62.7%
Middle Atlantic	\$15,900	\$9,393	59.1%
Mountain	\$15,332	\$9,059	59.1%
East North Central	\$15,902	\$8,922	56.1%
East South Central	\$14,731	\$8,167	55.4%
West North Central	\$15,386	\$8,498	55.2%

to 2003 levels in the third quarter of 2011 (when much of the data for this year's report was being collected), as reported by S&P/Case-Shiller Home Price Indices.

The structure of the 2011-2012 edition of the remodeling report is like last year's. It looks at the same 35 representative remodeling projects, ranging from the fairly inexpensive replacement of an entry door with a new steel one to the addition of master suite that costs more than \$200,000. No new projects were added this year.

Data was gathered in 80 metropolitan areas in nine regions of the country. It was then compiled to estimate how much a given project would cost a homeowner and how much it would add to a home's resale value, in each of the regions and cities. In addition, the report provides a cost-value ratio — a measure of a homeowner's return on investment in remodeling — for each project.

Three decks and a sunroom. Among the projects in the study are three decks, at different price points, and a sunroom. Two of the decks measure 16 feet by 20 feet and feature a railing, planter, and bench that match the decking; the less expensive of the two is decked with pressure-treated wood, and the other has composite decking and matching railing. The third deck is an upscale version of the composite deck, with a number of added features: a second, 10-foot-by-10-foot level; decorative balusters, post

caps, and lighting; wrapped posts; and trimmed-out perimeter joists. All three decks have a stair with three steps to grade.

The sunroom, the priciest of these four structures, is 200 square feet with exposed post-and-beam framing and vinyl- or aluminum-clad windows with low-E, laminated, or tempered glazing and screens. It has 10 venting skylights, a ceiling fan, moveable shades, and a quarry tile floor.

Cost and value. Last year was tough on remodeling values — the average resale value of a remodeling project dropped 6 percent nationally from the year before. The declines in the values of two of the decks and the sunroom are close to that average: The value of the midrange composite deck is down 5.4 percent; the upscale deck, down 6.8 percent; and the sun-

room, down 6.6 percent. The value of the pressure-treated deck dropped the most — 9.1 percent — of the four, but its cost dropped the most, too.

Overall, homeowners' remodeling costs came down slightly (1.9 percent) in 2011, but not enough to significantly offset the decrease in values. That was also true for the midrange composite deck (down just 0.3 percent), the upscale deck (down 1.4 percent), and the sunroom (down 1.2 percent). The cost of the pressure-treated deck dropped by 5.7 percent.

That values decreased more than costs means the cost-value ratio, or return on investment, also decreased from the year before. The average cost-value ratio for remodeling in the latest report is 57.7 percent, 2.3 points lower than it was the year before, and a full 29 points lower than its peak in 2005. (That's not a perfect comparison, however, as the current mix of projects is different from that in the 2005 edition.)

Likewise, the cost-value ratio is down 2.7 points for the pressure-treated deck, 3.4 points for the midrange composite deck, 3.1 points for the upscale composite deck, and 2.7 points for the sunroom.

Of all the projects in the study, fiber-cement siding replacement has the best return on investment, at 78 percent. The wood deck has the seventh highest return (70.1 percent), whereas the sunroom has the second lowest (45.9 percent), besting only a home office (42.9 percent).

Remodeling is local. The cost-value ratios for remodeling also reflect regional differences in home prices and housing market health. For decks, as well as for other remodeling projects, cost-value ratios in the Pacific and South Atlantic regions are consistently above the national average, whereas in the East North Central and West North Central regions, they're below the national average.

And within a single region, there can also be quite a bit of variation in the return on remodeling investment. For example, in the Pacific region, the cost-value ratio for a pressure-treated-wood deck is 97.1 percent in San Diego, 79.9 percent in Seattle, and 65.1 percent in Sacramento, a 32-point difference between highest and lowest. In the New England region, the ratio ranges from 61.5 percent in Worcester, Mass., to 86.4 percent in Springfield, Mass., just 50 miles away.

Data for each of the nine regions and 80 metropolitan areas and detailed descriptions of all the projects in the study can be downloaded free at costsvsvalue.com. — Laurie Elden ♦

Upscale Composite Deck
Average Cost and Resale Value (2011)

Region	Homeowner Cost	Value at Sale	Percent Recouped
Pacific	\$41,910	\$27,432	65.5%
West South Central	\$35,634	\$21,471	60.3%
South Atlantic	\$36,258	\$20,971	57.8%
National	\$37,829	\$20,637	54.6%
New England	\$38,237	\$20,071	52.5%
Mountain	\$37,272	\$19,575	52.5%
Middle Atlantic	\$38,872	\$19,530	50.2%
East South Central	\$35,688	\$17,885	50.1%
East North Central	\$38,521	\$18,822	48.9%
West North Central	\$37,410	\$17,280	46.2%

Sunroom Addition
Average Cost and Resale Value (2011)

Region	Homeowner Cost	Value at Sale	Percent Recouped
South Atlantic	\$69,613	\$35,475	51.0%
Pacific	\$85,177	\$43,184	50.7%
West South Central	\$67,845	\$33,712	49.7%
East South Central	\$69,906	\$32,921	47.1%
Middle Atlantic	\$77,136	\$35,662	46.2%
National	\$74,310	\$34,133	45.9%
New England	\$75,649	\$33,118	43.8%
East North Central	\$76,428	\$33,145	43.4%
West North Central	\$74,119	\$28,814	38.9%
Mountain	\$71,883	\$26,970	37.5%