

## CAPITAL IMPROVEMENTS

Certain improvements you make to your home at your expense which add significant value to the house, that add useful life to the home, and which are capital in nature may qualify as a Capital Improvement; therefore, may add a dollar amount credit to your home. An Appraiser determines the amount of a Capital Improvement Credit, not One Roof.

The dollar amount of a Capital Improvement Credit is determined at time of resale. At resale, an independent Appraiser will place a financial value on your home based on market conditions, comparative analysis of other homes in your neighborhood, and capital improvements you have made. In rare cases, One Roof will agree to a Capital Improvement Credit at time of the improvement.

As with any major renovation to your Community Land Trust home, One Roof requires prior approval in order to ensure the proposed work does not significantly impact the future affordability of the property. Fill out the *Home Improvement Request* form on our website to start the process.

Examples of Typical Capital Improvements:

- Kitchen remodel
- Bathroom remodel
- Build-out or conversion of a basement/attic to living space
- Garage
- Deck/porch
- Central air or other energy efficiency upgrades

Examples of proposed improvements not likely to be approved:

- Major addition or alteration that would impact affordability
- Alterations to the structure that would reduce the number of bedrooms
- Swimming pool, hot tub permanent installation

Be aware that the direct cost of an improvement does NOT equal a Capital Improvement Credit nor a return on investment. A qualified Capital Improvement Credit is a dollar amount credit based on the significance it adds to the property at time of resale. Also, expenditures for maintenance, such as roof replacement, and the updating or replacement flooring, decorative upgrades or of appliances such as furnaces, water heaters, and kitchen appliances, are not Qualified Capital Improvements. We hope you do improvements to your home for your enjoyment; not based on whether or not it will qualify as a Capital Improvement.

Potential value of typical Capital Improvements:

- \$5,000-\$7,000 Kitchen remodel
- \$5,000-\$7,000 Bathroom remodel
- \$30 per square foot for Build-out or conversion of attic to living space to comparable finishing quality as main level
- \$10-\$25 per square foot for Build-out or conversion of basement to living space to comparable finishing quality as main level
- \$10,000-\$12,000 for 2 car Garage
- \$2,500-\$4,000 Deck/porch
- \$1,000-\$1,500 Central air

These potential values are provided here to help guide you in your decision about whether you want to invest the amount of money into an improvement thinking you will receive a larger credit for it at resale. These are not promised or guaranteed credit amounts. Age of the improvement, quality of the improvement, and the market all influence what the credit could be at time of appraisal.