

5 Tax Refund Home Projects to Increase Value

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By Todd Henon, Broker, TN, GA, AL



Whether thinking of putting your home on the market or not, improving your home's functionality or curb appeal is a great way to use all or part of your tax refund. Tennesseans receive an [average of nearly \\$3,000](#) each spring after taxes are filed, and that money is more than enough to accomplish or at least put a dent in one of the following upgrades—which, according to [data from the National Association of Realtors](#), are the best bangs for your buck in terms of return on investment.

There's a big difference in terms of appeal and value when it comes to the real estate market, but the following projects offer a boost in both:

Entry door replacement

With an average cost of about \$1,000 or a little over, depending on size, type and style, a new door costs comparatively little and doesn't take a lot of time to put into place. The National Association of Realtors reports the ROI for entry door replacement at more than 100 percent!

Don't want to replace your front door altogether? Consider a [new coat of paint](#), new hardware and/or adding your address number. You can accomplish one or all these upgrades for less than \$200.

Faux stone veneer

Like your brick or siding, manufactured stone is a part of your home's façade that will be the first thing your guests (or potential buyers) notice. Manufactured stone can be installed around your whole home, just around the bottom or in a section (such as around columns on the front porch or your

mailbox's base), so the price varies wildly. But the average ROI is 92.2 percent nationally. Faux stone is cheaper and much lighter than real stone and provides an elegant or edgy look, depending on your selection.

Installation is fairly quick and simple and, depending on the scope of your project, may be shockingly inexpensive.

Garage door replacements

Like your entry door, garage doors are one of the first things folks notice about your home, and there are numerous ways to spruce them up.

Replacing garage doors produces an ROI that ranges from 82 to 88 percent, depending on the cost and look of your upgrade. If a replacement is out of your budget or unnecessary, consider painting your garage doors—you can do this to match your entry door or in a contrasting color.

Siding replacement

OK, so your tax refund probably isn't going to cover the cost of replacing your siding in full, but it's still a great option if you're looking for a dramatic change. The color options for siding have expanded in recent years, and so have the [designs and patterns](#). From scalloped edges to a shingled look, siding choices are basically endless.

[Fiber cement](#) is worth checking out. According to most in the housing industry, it's as durable as any product on the market. It looks like wood or masonry, so it's a great choice for homeowners who want to achieve an antique look or keep with the feel of their historical neighborhood.

Insulation

Historically speaking, the ROI when adding additional insulation to your home may be one of the wisest options you have—and the functional aspect of it is hard to beat! Again, your tax refund is unlikely to pay to replace all your insulation, but the money you'll save over time in energy

costs will more than make up for what you put into the replacement.

Regardless of which route you choose, all the aforementioned items will provide a strong return on your hard-earned dollars. Be thoughtful, be wise and enjoy.

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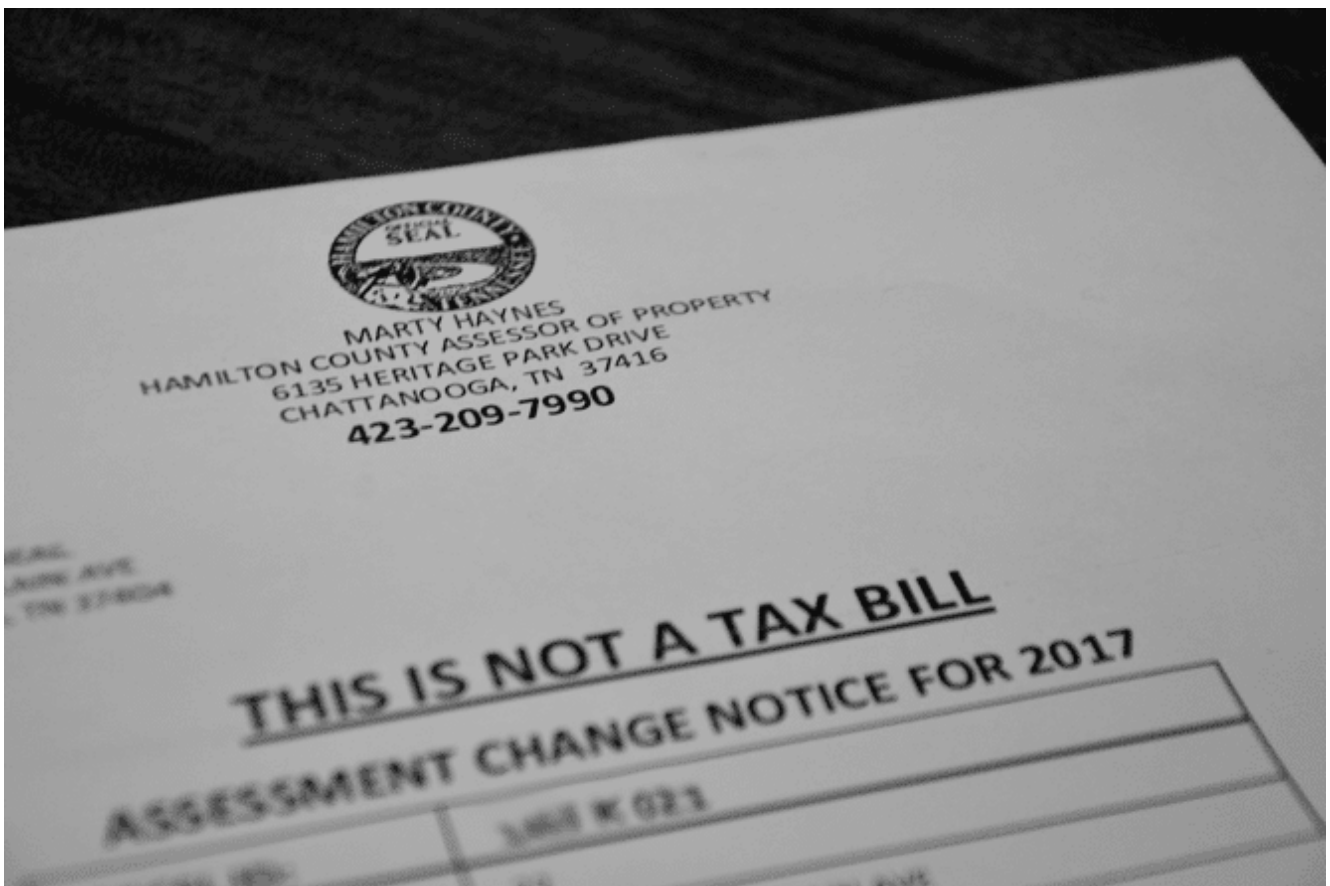
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Demystifying your property tax assessment



This post originally appeared on Nooga.com

By: [Todd Henon](#)

If you haven't already, you will one day soon open your mailbox to find your property appraisal and assessment from Hamilton County Assessor of Property Marty Haynes. Like many people, you may wonder what the heck it means.

The assessor is not the "tax man"; the appraiser's office is the government agency that tracks ownership and sales events,

and assigns or “appraises” the value of your property. (This is not the same appraisal done in the context of a sale or refinance event.)

Your reaction to this piece of mail may vary from excitement that your property’s value is higher than it was a few years ago to dismay that your property tax amounts may be going up to “I’m going to just trash this since it’s marked ‘not a bill.’”

Firstly, it is indeed not a bill. Your property tax bill arrives in your mailbox in October, with a due date of Feb. 28 of the following year. Your property appraisal and assessment notice is like an “FYI” communicating to you the result of a four-year cycle where all properties in Hamilton County are reappraised. It is a resetting—a recalibration, if you will—of what your property is worth according to the assessor of property’s office.

Secondly, the estimate is not necessarily what your property’s *retail* value is (though it could be close). It is not uncommon for the true retail value and the property assessor’s appraised value to be different. The assessor’s estimate is not done in a vacuum. They estimate value based on comparable sales in your ZIP code, neighborhood and general geographic area. The assessor’s office is very good at its job, but certainly not perfect. If you have questions around your property’s appraised value, it may be wise to pick the phone up and call the assessor’s office. You will find them helpful and willing to answer your questions. Additionally, consult a qualified Realtor to weigh in and provide his or her opinion of current market value.

Although it may often be our inclination to resist a rise in taxes, in this scenario, a rise in appraised value and the assessment amount is generally a good thing. It indicates your property values may very well be increasing.

In summary, whatever the new number on your assessment is, don't panic. If the appraised value is increasing, be grateful. It could bode well for your resale value. If the value is decreasing, enjoy your tax savings and check in with a knowledgeable real estate agent for more detail on current street value and ways to maximize your property investment.

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Todd Henon featured guest on “Buyers Market”

In case you missed it on Monday night, below is the audio from “Buyers Market” on Talk! Radio where Todd was the featured guest. For insights, advice, and perspective on your local real estate market, give it a listen.

6 Chattanooga neighborhoods to watch

(Photo: Todd Henon Properties)

Wanna be on the leading edge of what's trending in the Chattanooga real estate community, what's next on the coin of the realm, the tip of the spear?

Technology corridors (thank you, Zach Wamp), VWs (not your mom's VW bug or Vanagon), an Innovation District, the country's fastest internet (thank you to Harold DePriest and Joe Ferguson) and a host of other things have turned Chattanooga into now what is just a plain ol' cool place to live!

Along with the positive reputation and growth come real estate questions: What and where is the next X on the map for those who have a real estate interest? Here are six areas to watch and be aware of as our community continues its dynamic growth and enjoys its positive national reputation (all due respect to Walter Cronkite, circa 1969).

Southside and wonderful Main Street

Wow, if you can get it ... It's getting pricier by the minute. It doesn't take long to find single-family homes selling for over \$175 per square foot. Will it continue its growth? I suspect so. It certainly hasn't shown any signs of turning down lately. What seem to be the biggest challenges right now for homebuyers in the 37408 ZIP are low inventory and price points moving north.

37404

Amazing. Highland Park's wonderful, neighborly, front porch culture is leading the charge in downtown growth. Still available are some stunning properties that speak of Chattanooga's historic past while embracing its proud new identity!

Broad Street

Gotta love Calvary Chapel. Ethan Collier and his vision, bravery and the product he is building—well done. With the down-river expansion and completion of the Riverwalk, I can't help but think and be excited about growth in the Broad Street area and its beautiful older sister community of St. Elmo. These areas are well-deserving and have been patiently waiting on their turn ... it's time!

Red Bank

What a longtime favorite. Red Bank is a workhorse, a community that has worked hard and is becoming a ZIP code of desirability. With its proximity to the North Shore, charming streetscapes, nostalgic homes and reasonable pricing, it's no small wonder that the inventory is low and the future bright. Check it out.

Ooltewah

As a friend of mine used to say, "Turn your hat around backward and hang on ... We are gonna go fast"—growth, growth and more growth. It takes vision, great planning and progressive minds to pull off this hat trick. What more can you say aside from a-ma-zing? Great schools, great employment base, great subdivisions, interstate access and scoot over.

Brainerd

The dark horse, the sleeper, the big dog on the porch ... Brainerd! Yes, it's becoming "midtown." We are getting ready to watch something pretty special in the land of the levy. City, county and community leaders, those with vision, hope and love, have kicked this can on down the road, and they are putting words into actions. It's coming and it's going to be something special. Go grassroots!

And there are more...from Signal Mountain, Lookout Mountain and Lookout Valley to Hixson, Soddy-Daisy, East Ridge and Collegedale, there are hotspots galore and plenty of options for those with inquisitive real estate minds. Reach out to a talented Realtor and run them through their paces. You will be pleased with the opportunities our wonderful city and region have to offer those wanting to be a part of the real estate community.

Unique Properties: A look at some (more) gems in the Chattanooga real estate market (with photos)

Chattanooga is one-of-a-kind in many ways: its stunning mountain scenery, rich history and endless outdoor opportunities so near to its downtown Riverfront.

The Scenic City's real estate opportunities also reflect the originality of this gorgeous city. Take a look at some of Chattanooga's unique properties that are currently on the market:

Estate escape

A 2,000-foot-long meandering driveway, 50-plus acres, a dream garage, spring-fed pond, barn, swimming pool, equestrian fencing, indoor sports court—this beautiful home boasts remarkable privacy, 10-foot ceilings, character-rich moldings,

built-in bookshelves, solid wood doors and endless hardwood floors, along with dozens of other noteworthy details and amenities. The property has meticulously kept pastures and fencing, a rolling hardwood ridge, and is bordered by the year-round watershed known as Sugar Creek. This stunning property is located approximately 20 minutes from Hamilton Place Mall.

Downtown and historical

This Duncan Avenue home, recently renovated, on one of the most desirable streets in the historical Highland Park area, is sure to please. The four-bedroom, two-bath home is a winner from start to finish. Gorgeous refinished hardwood floors, fully updated and remodeled bathrooms and kitchen, 9-foot ceilings, large sun-filled living and dining rooms, and—most importantly—a front porch that encourages and embraces the special lifestyle of the Highland Park District's renaissance make this a special place in the heart of it all.

Waterfront wonder

This property holds potential at every corner, from creating a family tract to be passed down through generations to an incredible development opportunity with valuable waterfront and multiple lake access points. Two homes on a breathtaking 96 acres are included in this sale, which features no neighbors and an abundance of privacy! These 96 acres sit at the confluence of Chickamauga Lake, the Tennessee River and Possum Creek, with more than 1,000 feet of water frontage and a topography that is gently rolling with a mixture of scenic pastures and rolling woodland. This one will take your breath.

North Chattanooga jewel

New construction is somewhat unique and challenging to find in the North Chattanooga area, but this new home may be the exception to that rule. It's on a quiet street in one of the city's most desirable neighborhoods. It has three bedrooms,

three and a half baths, hardwood floors, granite countertops, 9-foot ceilings, stainless steel appliances and a winter view. Always a rare find in this part of town is the two-car garage. This is a new construction home zoned for Normal Park Museum Magnet School... enough said.

Investment properties: What you need to know before you buy



Flipping a house is a labor of love that will cost you lots of time and money. (Photo: TheShady88, Flickr)

The idea of investment properties has been big in recent years. The Great Recession of 2008 in many ways created a pivotal moment in time for investors, or would-be investors, to take advantage of an abundance of lower-priced properties and highly motivated sellers. TV shows such as “Flip This House” and “Flip or Flop” have made the process look easy and appealing.

There seem to be several types of investors in the real estate market. One type would be those who are road-worn, well-versed and who have earned their stripes from years of hard learning. These guys and gals are hardcore. They know their numbers, material costs and subcontractor costs like the backs of their hands, and it works for them ... most of the time. Another type are the “Johnny-come-latelys” who have become “experts,” thanks to TV shows. Time will tell, and as my grandfather used to say, if “the cream will make it to the top.” (If you don’t

know what that means, you are one of the Johnny-come-latelys.) This business of flipping houses has been around a long time, and it is not for the faint of heart or for those who “have a great idea.”

This process is not cheap nor is it easy, despite what success stories and television shows would have you believe. That’s not to say purchasing investment properties isn’t for you; it’s just imperative to know there’s more to it than pulling together some money, buying a property, painting it, selling it for a king’s ransom and retiring on some sunny isle.

Here are some things to know before you sign on any dotted lines.

You need a formula.

The wisest investors I know have developed formulas that work for them. They’ve learned from their mistakes, and they now have a formula, a special sauce, a secret recipe. Their individual formulas will take into consideration the property price, labor and renovation costs, overhead, transaction costs, holding time, and—then and only then—profit. Profit will be, as the veterans will tell you, what’s left over. You see, the future selling price of the property is already determined; it will be defined by what the market will bear and no more. Know your numbers, know your numbers, know your numbers.

Be pessimistic.

In most aspects of life, you need to “think positive,” but that may not serve you well in this arena of investment properties. Without question, it will cost you more than you initially think, and it will certainly take you longer than you first thought and you’ll say, “Jeez, that’s not the way it looked on television.” So don’t be optimistic going in that everything will go according to plan. It never does in the construction world and it’s not going to be different with your project ... Be a pessimist and be prepared; it will pay

off.

Employ others.

Whether you have one investment property or 20, you need the advice of others: a great bookkeeper, a great attorney (oh, yes, you do need one ... either now or later!), a great team of subcontractors (mediocre will ultimately cost you), a great real estate professional (you will be grateful for their involvement). Build yourself a great team of advisers and reap the benefits of their experience. If you plan on keeping the property in your portfolio, consider a property management company. Tenants don't pay rent and sinks leak, and that may not be part of the investment property process you want to deal with, so get someone on your side who will. They will be worth their weight in gold bullion. You and your insurance agent need to get very close, as they will help protect all your assets as you build your kingdom. "The way of a fool is right in his own eyes, but a **wise** man is he who listens to counsel" ... hmmm. Build a great team by employing others.

Do your research.

It's obvious that you need to know the neighborhood and marketplace when you're considering an investment property, but what you need to know doesn't stop there. You should have at least a basic understanding of construction costs: plumbing, electrical, drywall, insulation, painting, landscaping, roofing, lighting, all that and more. If all that is unfamiliar to you, you aren't ready to jump into the deep end. Investigate pricing with your subcontractors; develop a mentoring relationship with someone who has been there and done that. If you can't walk through a potential home and understand what it will cost to replace the knob-and-tube wiring or change out the galvanized plumbing, you still have some homework to do.

It takes more than money.

Being an investor can be rewarding, but it can be painfully expensive when it goes wrong. Cash flow is king, so have some

financial margin built into your business plan. Be flexible. Don't hesitate to pass on a project if you are not comfortable with all the numbers. Be patient. It's a process: Plan on answering phone calls on the weekends and plan on deals falling apart. The learning curve is deep, but patience will serve you well. Jump in, hang on and forge ahead!

Buyer bloopers: 4 of the biggest mistakes homebuyers make

On the list of major life decisions and stressors, buying a home is right up there alongside of choosing a college major, getting married or deciding to have children. If you make a poor decision, you can reverse it—but it's expensive, time-consuming and more than a little stressful. The good news is that many buyer blunders are easily avoidable with a little research on the front end of the process.

Here are some of the biggest mistakes I see buyers make.

More tips

The Consumer Reports video embedded above offers more mistakes for buyers to avoid.

Settling

Don't pick a house that's just "good enough." Keep looking. Many times, buyers are driven by the discomfort of their current living arrangements. Maybe it's you, your spouse, two kids and four dogs in a two-bedroom apartment; maybe you've moved back home and are living in your mom's basement—but

don't let your eagerness to leave one unpleasant situation land you in another one. At some point, your home will hit the market. The homebuying process requires patience, and looking is the cheapest part of the process. It literally doesn't cost you a dime to look at everything on the market, and a *seasoned and wise* real estate agent will encourage you to do so and skillfully guide you through the process. (If the agent doesn't, replace them with a better one.)

Going it alone

Smart people hire smart people. Don't go at it alone. *It will not cost a buyer to engage and hire a Realtor to work on their behalf.* Yes, HGTV makes everyone an "expert" ... but seriously, hire someone who is in the trenches every day, and let them do what they are good at. The right Realtor can save you a tremendous amount of time, money and frustration with their knowledge of the local market, price points, trends and conditions or circumstances around the various properties that are available in the inventory.

Relying on family and friends

Your uncle Joe may have been a contractor in the late '80s, your dad may have built the deck on your family home, your best friend's fiancé may work at TVA ... but those facts do not a home inspector make. You need to hire a professional home inspector who is seasoned, knowledgeable and has a comprehensive approach to the inspection processes. Find the best available inspector(s) through your real estate agent, not through the yellow pages or a random internet search. Remember that the best agents will know multiple home inspectors with solid reputations to help you make sure your future home is in good condition before you move your family and your prized possessions into it.

Overusing social media, technology

Don't overshare. Make no mistake: Sellers are investigating every buyer who makes an offer on their property. The more you or your family posts online, the more negotiating power and

leverage your Realtor loses. “Pipe down, Turbo”; this is the time to be thoughtful and strategic. You can share later. Another mistake buyers make is contacting the seller via social media. This is a bad move that compromises your Realtor’s ability to navigate you toward the best deal. It can be critical to your transaction—legally and financially—to let a professional Realtor serve as intermediary between you and the seller. Don’t try to talk to the seller without a buffer. Sadly, I’ve seen this complicate and kill otherwise-good deals. An additional technology-related item to now be aware of is that the sellers, and many times do, watch or listen to you via camera as you tour their home. Be careful with your comments, both positive and negative. The last thing a buyer wants a seller to know is that they “love this home.”

Buying a home is one of the most exciting times of a person’s life, but it can also be overwhelming and frustrating. Don’t let this intersection of positive and negative emotions lure you into making a bad, expensive, impulsive decision. The right home for your budget and needs is out there, just waiting for you to make memories in it.

Todd Henon Properties is a top Chattanooga-based real estate team serving Tennessee, Georgia and Alabama since 2000. Specializing in homes, land, farms and estates, Todd’s seasoned neighborhood and acreage specialists are known for their expertise in the sale and purchase of traditional and unique properties. Todd’s credentials as a general contractor and visionary land consultant give his clients a daily edge. A lifelong Chattanooga and avid outdoorsman, no one knows the market better or loves the region more than Todd and his innovative team of respected agents. Headquartered at Keller Williams Realty–Greater Downtown Chattanooga (each office is independently owned and operated), the Todd Henon Properties’ team invites you to search for your next home or investment move at ToddHenon.com.