

REAL ESTATE

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The Real Estate and Home Guide sections in the Sunday editions are produced by Sentinel Media Services, a content provider, specifically for The Chronicle.

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SOUND OFF

What improvements and updates add the most value to a home?



A: When it comes to updating your home, it's important to know which will give you the biggest return on investment (ROI). Here are eight of the highest ROI improvements you can make that buyers love:

- **Kitchen Renovation:** Focus on modern appliances and finishes to make it stand out to potential buyers.
- **Bathroom Remodel:** Update with contemporary fixtures and designs to enhance appeal and functionality.
- **Curb Appeal:** Fresh paint, landscaping, and a well-maintained lawn create a positive first impression.
- **Energy Efficiency:** Invest in solar panels, LED lighting, and improved insulation to reduce utility costs and attract eco-conscious buyers.
- **Additional Living Space:** Convert basements, attics, or garages into usable living areas, increasing the home's square footage.
- **Flooring Upgrades:** Replace outdated flooring with durable and visually appealing materials, such as hardwood or engineered wood.
- **Open Floor Plan:** Remove non-load-bearing walls to create an open, flowing layout that aligns with modern living preferences.

By focusing on key areas that appeal to potential buyers and align with modern preferences, you can enhance your home's value and make it more attractive in the competitive real estate market.

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A: In any housing market, it's essential to make home improvements that you will enjoy during your ownership and benefit from financially at sale. Home livability today, especially in the work from home era, increasingly depends on ample space for work, self-care, and utility. Adding an extra half-bath or a laundry closet can add convenience and utility without adding to the home's original footprint, a costly endeavor.

If your property allows for it, consider adding an ADU (Accessory Dwelling Unit). This versatile space can serve as a home office, guest quarters, or a play area. ADUs could significantly increase the value of your home and might support an income stream for you and future owners.

Or consider legally finishing a basement or converting an attic into a usable room to add square footage and value.

Update appliances, bathroom vanities and hardware, and kitchen cabinets and countertops to reflect tasteful design trends. Finally, making outdoor spaces comfortable and usable — and fun — always adds value to your experience while living there as well as to the potential buyer. Consider an investment in high-quality artificial turf, concrete or paver patio areas, beautiful, low-maintenance plantings, and perimeter drainage to make your outdoor space as appealing as your home.

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A: A great kitchen that is well-designed, functional, and attractive is one of the best improvements a homeowner can make. Buyers know that a kitchen remodel is costly and inconvenient to live through, so they value a kitchen that is done. They will pay more for a home that has a recently remodeled kitchen so keep that in mind when thinking about the return on your investment.

Another wise home improvement is remodeled bathrooms, especially the primary bathroom. Clean, modern bathrooms, with generous stall showers, soaking tubs and designer faucets and hardware have a great return on investment.

If you don't have the funds to remodel your kitchen or bathrooms, I suggest new paint and contemporary lighting. Relative to other improvements, paint and lighting are low cost and have a solid return on investment. Paint can completely change the look of a house. It can make a house look more modern and fresher so it appeals to a wider range of buyers.

Lighting is another improvement that brings value to a home. Changing out old, recessed cans in the ceilings to flat, one-piece warm LED lights can make a huge difference in a home. There are so many choices of lighting and almost all can now be purchased on-line. If you need help, consult a professional.

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Average long-term mortgage rate inches back up to 6.81%

By Matt Ott
AP BUSINESS WRITER

The average long-term U.S. mortgage rate ticked back up this week, remaining a barrier for Americans trying to upgrade or buy their first home.

The average rate on the benchmark 30-year home loan rose to 6.81% this week from 6.78% last week, which was the lowest level in a month, mortgage buyer Freddie Mac said Thursday. One year ago, the average rate was 5.3%.

High rates can add hundreds of dollars a month in costs for borrowers, limiting how much they can afford in a market already unaffordable to many Americans.

High inflation has driven the Federal Reserve to jack up interest rates since early last year. Beginning with its first hike in March

2022, the central bank has lifted its benchmark interest rate to between 5.1% and 5.3%, its highest level in 22 years.

Inflation has retreated since last summer, which has many on Wall Street hoping that the Federal Reserve's quarter-point interest rate hike on Wednesday will be the last of this cycle.

Mortgage rates don't necessarily mirror the Fed's rate increases, but tend to track the yield on the 10-year Treasury note. Investors' expectations for future inflation, global demand for U.S. Treasuries and what the Fed does with interest rates can influence rates on home loans.

The average rate on a 30-year mortgage remains more than double what it was two years ago, when ultra-low rates spurred a wave of home sales and refinancing.