

# Five Home Improvements to Increase Your Equity

By [Joe Cline](#)

The equity in your home is the difference between the price you owe on the home and how much your home is worth. You increase your equity by paying down your mortgage and also through the natural inflation of home prices. You can also increase your equity by completing home improvement projects that will raise the perceived value of your home. By focusing your home improvement projects that will make your house worth more on the market, you can take charge of your equity.

Having equity in your home is one of the major benefits of being a homeowner. Even though your mortgage payment might be close to what others are paying for a rental home, they cannot use the equity in their home. If your home is worth more than what you owe on it, you can borrow against that amount to consolidate your bills or to make additional home improvements. Owning a home is like having a special savings account. It can really pay off in the long run.

If you're choosing between several home improvement projects, focus on these first so you can build equity. Even if you're not planning on selling your home, the equity is based on what people would be willing to pay for it in its current state so you must always consider what buyers would want.

## Kitchen

A complete kitchen remodel or even a project to refinish the cabinets can really increase the value of your home. In fact, real estate appraisers say that you get the best return for money spent in this area of the home. Kitchen remodels can be intimidating, so buyers appreciate it if you've taken the time and spent the money to update the kitchen.

## Bathrooms

Bathrooms are right behind kitchens when it comes to finding home improvements to boost equity. Much for the same reason as kitchens, bathrooms boost equity because buyers are willing to pay more for an updated bathroom.

## Flooring

Flooring can have a major impact on the look of a home and its equity as well. Worn carpet or chipped tile are unsightly and dissuade people from buying. By replacing the floors, you can raise the value of your home by several thousand dollars. If your budget is small, consider only redoing the main living spaces.

## Landscaping

Never underestimate curb appeal and backyard design when it comes to building equity. Well manicured lawns, nice planted flowers and shaped trees can all increase the value of your home in the eyes of appraisers and potential buyers.

## Crown molding

This small home improvement is easy to do yourself and it can help out with your equity. Crown moldings around the walls of all major living spaces can make your home look more refined and architectural.

These five projects will raise the asking price of your home and your equity. Taking time to incorporate them into your home can pay off in the long run, so pick one and run with it!

Joe Cline writes articles for Westlake Hills real estate. Other articles written by the author related to Austin Homes and Austin Texas real estate can be found on the net.

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