

BACKGROUND INFORMATION
Spring 2004
Use at Will

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Finishing the Basement The Numbers Behind the Project

When homeowners want to carve out more living space without adding on to the house, the first place they look is the basement. The following information, drawn from a variety of sources, provides a context for this popular home remodeling/finishing project.

- More than 40 percent of U.S. homes have basements, while another 46 percent are built on concrete slabs. (U.S. Census)
- Finishing the basement is a cost-effective way to add living space to a home, as compared with building a new house or adding to the footprint of the existing home. That's because the mechanical systems, foundation and outside walls are already in place and no re-landscaping is required. Finishing a basement has an average cost of \$45 per sq. ft. versus \$90 or more per sq. ft. for new construction. (*Remodeling Magazine* and NAHB Housing 2004 Facts & Figures)
- *Remodeling Magazine's* 2004 Cost vs. Value Report put the national average cost of remodeling a basement at \$47,888.
- Such a project is expected to add \$36,460 to the selling price of the home, for a return of 76 percent, according to *Remodeling Magazine*.
- One out of every 10 purchasers of a new home finishes the basement, typically within five years of purchase. That equates to about 100,000 new homebuyers a year who finish their basements. (Harvard Joint Center for Housing Studies.)
- Consumers are spending about \$1 billion annually to install floor coverings in their finished basements. (U.S. Census data.)
- In the vast majority of cases, the finished floor -- carpet, vinyl, laminate or engineered hardwood -- is being installed right on top of the cold concrete, because most people don't want to deal with the time, the expense and the hassle of installing a traditional subfloor over the concrete and are unaware of the alternatives.

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