

## Should you invest in a new addition to your home?

Categories : [Real estate investment](#), [Rebate Blog](#), [Renovations](#)

In the Canadian housing market, it was typical to buy a starter home, then once they were raising a family, they would move into a larger property.

But with the rising cost of real estate in Canada with the average cost of a home selling for \$388,553 in January 2014, according to the Canadian Real Estate Association, and the costs involved of selling and buying another property, homeowners might want to consider adding a new addition to their property.

Before homeowners go ahead and hire a contractor, there are some aspects that should be considered.

New additions are different than renovations since these projects are more costly, with longer timelines and more resources will be needed to complete the project. If something goes wrong, it could be a costlier mistake, which is why it's important to do the project right. With that being said, if it's done right, it could contribute a huge increase to the value of your home - both for your personal enjoyment and financial standing.

Before drawing up any plans, start by contacting a real estate agent in your neighbourhood, [according to Canadian Real Estate Wealth magazine](#). With their experience, they can inform you about what new addition might be in demand, along with the other features that your neighbours have, which you may be missing, the president of ReVision Home Custom Renovations Inc. told *Canadian Real Estate Wealth* magazine. Their knowledge could also help you determine how much money you should budget for the addition, based on the amount your neighbours' home values increased.

If you're undertaking a renovation that doubles the size of the house or that changes up to 90 per cent of your home's interior, [you may also eligible for an HST housing rebate, among other government programs](#). The amount you receive back from the CRA varies based on the province you live in, but there [other ways to claim an HST housing rebate besides adding a new addition](#). [Both investors and homeowners can claim an HST rebate](#), but it's important to be truthful and accurate on your application or the [CRA may try to take back its rebate, along with interest, which puts your debt up to about \\$30,000](#). But it's important to keep in mind that the changes you make need to drastic to be eligible, which means adding a porch or knocking down a wall won't cut it.

Your future plans for the property is another important aspect to consider. If the home is your dream property with the perfect location and you hope to pass it down to the next generation, the amount of work you do will differ compared to if you only plan a short-term stay. Make sure that the

work you decide to do to your home is worth it to you in the long-run.

[Rebate4U](#) can help you figure out whether the additions to your property make you eligible for an HST New housing rebate. Our priority is to provide our clients with the most professional and quality service in obtaining rebates for their new and renovated homes. We are proud to offer our clients the most personal and attentive service, and we make sure that all of our clients are 100% satisfied.