

IT COSTS **HOW** MUCH?



Sticker Shock:

noun: INFORMAL • NORTH AMERICAN
shock or dismay experienced by the potential buyers of a particular product on discovering its high or increased price.



A nice couple with a dream of a sparkling new kitchen enter our Bonita Springs kitchen and bath showroom. We chat, examine, research, and begin the design process. Creative ideas are developed into concepts, which become drawings required to get the work done, and finally a beautiful photo-real 3D image is presented which clearly shows in full color the change of the ugly duckling into an elegant swan. The time comes, and I am a person with the lofty responsibility of unveiling the project costs. And then, sometimes . . . **STICKER SHOCK**. Why does this happen? Clearly, sticker shock is a phenomenon that occurs to those who have been out of the market for some time.

At 17 years old, I bought my first house for \$17,500. It wasn't much, but it was mine and it started me on a life long habit of upgrading. As such, I stayed in touch with current trends and the prices associated with them. Conversely, my grandmother and

grandfather built a house themselves out of cement blocks made from sand collected from Estero Island. It is a good sized two story in downtown Fort Myers where my grandmother lived until it became too much to manage, so about 50 years. The contrast of our two different home owner experiences informs how each of us would react to today's kitchen remodeling costs and whether we would experience the dreaded sticker shock. Frankly, with the prices that are presented today, Grandma would have said her kitchen is just fine the way it is. Even with resources, she would not be able to justify spending the kind of money spent daily on kitchens in SW Florida. Full disclosure: Grandma was the smart, tough, but very practical matriarch of our family. So how do we avoid the eye-brow and blood pressure raising effects of being presented with the price of your new kitchen dream? >>



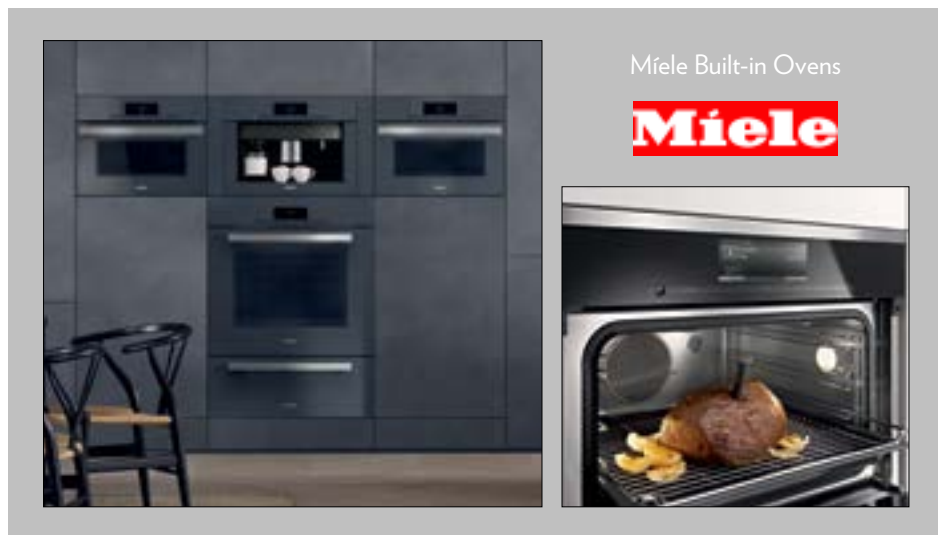
“ Consumers know where to shop when it comes to clothing, cars, food; targeting the right quality and price for themselves. The same should be true of kitchens. ”

1 Embrace the word “budget”.

Understanding how a budget should be developed takes the fear factor out of even just talking about it. Gone will be the awkward dance between prospective client and hopeful kitchen supplier regarding the potential costs. When dishwashers can be had for as little as \$275 (Hotpoint) and as much as \$3799 (Miele’s ultra-luxury top-of-the-line), ranges from \$379 (GE, LG) to \$48,000 (La Cornue, the iconic French brand), and cabinets can range from cheap Chinese KD (“knock-down”) which are site assembled cabinets with a short life span to high-end bespoke offerings from really stellar Canadian, American, and European companies, one can see it’s impossible just to respond to “how much will it cost?”. No, there is a better way to determine what is the right amount to be armed with when having the budget discussion. First, get a market appraisal of your property. If you recently purchased your house, you’ll have one from the closing effort. If not, the costs associated with an appraisal are minimal, usually about \$450. Armed with this information, it’s time to do some math. First, decide how long you plan to stay in the house. If it’s under 3 years, take the appraisal at face value. Then compare the investment you already made, which is usually the purchase price, to the appraisal. There’s your sweet spot. Exceed that only if you do not really care about resale. However, if you plan to stay in your home “for the foreseeable future”, which is a common response when the question of “how long?” is posed, then it’s helpful to check the rate of appreciation of properties, along with a wealth of information at websites such as Trulia.com. Armed with this valuable information, you should be able to set a budget that will allow you to remodel your kitchen with “eyes wide open”. >>



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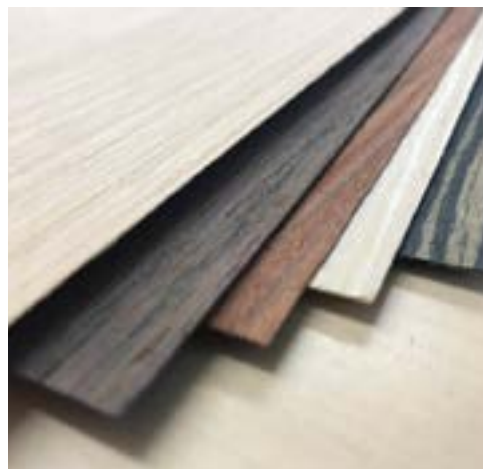


2 **Head to the right showroom.** Consumers know where to shop when it comes to clothing, cars, food; targeting the right quality and price for themselves. The same should be true of kitchens. Although some kitchen showrooms will offer a range of prices, most have settled into a specialty of quality level and price. K2 Kitchens, for example, would be considered in our area as offering upper-middle to high-end cabinetry, appliances, counters, and associated products in which we specialize because we have the right designers and installers to support this level. Some big box retailers offer low to lower-middle ranges of product, with others offering everything in between. You know yourself: your taste level, your willingness to invest in your real estate, your tolerance for no design assistance to nationally award-winning design.



3 **Do not listen to what others say they spent!** Over the 30 years I've been designing, selling, and installing beautiful kitchens, I've heard some fantastic stories about what "a guy I know from the club got his kitchen for". Regardless the reason, I can tell you it is not going to be accurate. Are they adding together all the costs? Do they not want others to know they spent so much? As stories are told, the numbers and the issues will change. It's just human nature. Simply beware of determining your budget on what the Jones' say they invested. You'll likely be disappointed.

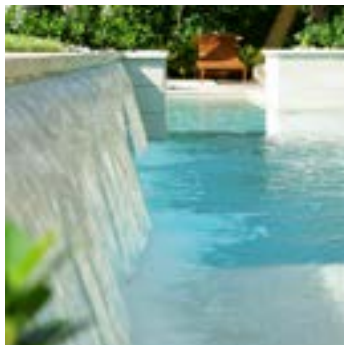
4 **Be flexible.** Lately, I've been having a lot of fun showing high-end consumers the price difference between natural or engineered cabinet finishes with completely factory-produced finishes. They are often astonished at how great the "faux bois", or synthetic wood products look compared to the real deal. As a provider, I love the consistency of the finishes and the ability to replace parts down the road without the fear of a mis-match. It's a leap for the most discerning customers, but the numbers are enticing. Still those who want the best-of-the-best choose our natural and exotic natural wood finishes. This is just one idea, and if it appeals to you, let your kitchen designer know you are ready for new ideas.





5 All the extras add up! If setting a budget is part of your kitchen design criteria, it is important to note the beautiful walnut interior of the cabinets that are on display will add thousands of dollars. The pull-out pantry cabinet wall instead of the same cabinets with adjustable shelves will add thousands. You simply must have the built-in coffee system? Thousands. One of those amazing new steam ovens. You guessed it, thousands! It is very easy to add up in extras what some would have hoped to pay for the entire kitchen. It's important to get exactly what you want, particularly as you've likely worked hard for the wealth you've spent so much of your life building. Just don't forget to push the + sign on the calculator each time you say, "and how about we add . . .".

6 Understand the cost of construction. Your kitchen design may involve construction work that will require a general contractor to be part of the team and permitting through the local authority. Demolition costs are very seldom considered when consumers are planning a project, but the fees for removal and disposal have sky-rocketed as we become more environmentally concerned. Best tip: if you plan a renovation of your kitchen or bathrooms, start asking now who would like to have your appliances, cabinets, counters, and fixtures. There is no resale market in our area for these things and most charities such as Habitat for Humanity receive donations of new products, not used. But you can help the people who help you such as lawn maintenance workers, housekeepers, and others. They remove, you save the costs of demolition and disposal. **IMPORTANT:** All disconnects of plumbing and electrically wired fixtures must be conducted by licensed tradespeople.



7 Finally, just relax. Sticker shock is not the end of the world. It happens all the time, doesn't it? The hotel room I so loved in Montreal where I travel frequently was a cool \$200. I felt the world was right. Then it jumped to \$399. Just like that! Sticker shock! We are not always prepared for what things will cost, and certainly not in these days of global economies and trade disputes. But don't let it rattle you because it's your wallet – and only you control it. ■