

Buyers Want Remodeled Homes

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By Myra Arnold

Sellers are encouraged to showcase home renovations as buyers are increasingly seeking turnkey homes. Buyers are willing to pay more for remodeled homes.

NEW YORK — Even as home prices keep going up and properties become less affordable, homebuyers are willing to pay more to own a remodeled home, according to Zillow.

Nationwide, buyers pay roughly \$13,200 more than expected — about 4% of the median price — for renovated homes, researchers at Zillow found.

In the company's analysis last year, buyers were willing to pay less than 1% more.

"Buyers looking for a turnkey home should be prepared for increased competition from other buyers," Amanda Pendleton, Zillow's home trends expert, said in a statement. "For sellers, if you have made renovations, flaunt them in your listing description."

Zillow analyzed 359 key words in the listings of more than 2 million homes that hit the market in 2024. Of those key words, the term remodeled more than any other spurred buyers to pay more.

Listings on Zillow with this key word are more often saved and shared. Almost 30% of Zillow's listings for homes for sale are described as renovated, which the company attributes to a pandemic-era boom in renovations.

Before the pandemic, the company found that home listings that included such terms as fixer, TLC, needs work or good bones saw more demand and were more likely to sell.

Now, across the country, a home listing that uses the term fixer-upper sells for about 7% less than expected — the largest discount in three years, according to Zillow. And home listings with the terms needs work or TLC sell for about 8% less.

"Fixer-uppers can be appealing to a first-time buyer trying to get their foot in the door of homeownership because they offer a lower initial price of entry," Pendleton said. "However, buyers who are already stretching their budget to afford a home in today's market may not be willing or able to spend more on renovations or repairs."

That's especially true as renovation and borrowing costs have increased.

Stacey Middleton, an agent with Berkshire Hathaway HomeServices Fox & Roach, Realtors based in Newtown Square, Pennsylvania, said that in Philadelphia and Delaware County, homebuyers don't want fixer-uppers. They say they're too much work.

"The fixer-upper is really suffering," she said. "Even when it's in a great location, a great property, a great opportunity. Their answer really is no."

Buyers want a home that has everything on their list.

"They're looking for the most perfect house, but it's not out there," Middleton said.

She's also seeing fully rehabilitated properties sitting on the market, and their sellers are cutting prices. It's another sign that affordability remains a major issue for buyers.

Those who are able to pay a higher price for renovated homes can spread out that cost over the life of their mortgages instead of paying upfront to renovate.

"The best fit for a fixer-upper," Pendleton said, "is a buyer with extra savings who wants to put their own stamp on their home and plans to be there for the long term."

Rehabilitation loans also can help buyers who decide to purchase fixer-uppers. The U.S. Department of Housing and Urban Development, for example, offers mortgages through its 203(k) program that allow homebuyers to finance both their purchase and home renovations.

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