

Developing a reasonable kitchen remodeling budget

It can be challenging to determine the amount you should reasonably be spending on your kitchen remodel. Here's one way to establish a basic budget.

Once you've had a chance to review the information in this document, use our budget calculator to refine your own budget.

Step 1: Use your home's value to determine a reasonable budget

Step 2: Understand generally how your budget should be allocated

Step 3: Understand the breakdown between the costs of goods and the costs of labor.

Step 4: Use our calculator to establish a detailed breakdown

Step 1: Using your home's value to determine a reasonable budget

The 5 to 15% Rule

The 5 to 15% rule is a guideline that is widely accepted within the remodeling and building industries and can help you get a sense of what is reasonable to spend given the value of your home.

The 5-15% rule states that the entire kitchen project should cost no less than 5% and no more than 15% of the current value of your home. The national average is 8%.

The basis of the rule is that if you spend less than 5%, there is a good chance you may be devaluing your home. If you spend more than 15%, there is a good chance you are overspending, and will not recoup your investment at a reasonable rate.

Things to consider in determining the percentage that works for you

Your evaluation of how much you spend should take into account the prominence of your kitchen within your home (the more prominent it is, the more impact it has on the value of your home), how much time you and your family spend in the kitchen and of course, how much you can afford. Up to a point, the higher quality home you live in, the higher a potential buyer's expectation will be regarding the condition of the kitchen and the bigger the impact it will play in the appeal of the home.

Here is how the rule works out at three different home value levels:

| Home value: \$ 350,000 | | |
|------------------------|------------------|--------|
| % of Value | Project Estimate | |
| 5% | \$ | 17,500 |
| 8% | \$ | 28,000 |
| 15% | \$ | 52,500 |

| Home value: \$ 500,000 | | |
|------------------------|------------------|--------|
| % of Value | Project Estimate | |
| 5% | \$ | 25,000 |
| 8% | \$ | 40,000 |
| 15% | \$ | 75,000 |

| Home value: \$ 750,000 | | |
|------------------------|------------------|---------|
| % of Value | Project Estimate | |
| 5% | \$ | 37,500 |
| 8% | \$ | 60,000 |
| 15% | \$ | 112,500 |

Step 2: Determining how your budget should be allocated

National Standards

The National Kitchen Bath Association conducted a recent survey in which they found that on average, homeowners using professional services (this is not a DIY budget) allocated their budget as follows:

| | |
|-------------------------|-----|
| Cabinetry | 48% |
| Countertops | 18% |
| Appliances | 15% |
| Fixtures | 6% |
| Lighting and electrical | 5% |
| Flooring | 5% |
| Walls and Trim | 3% |

Viola Park's slightly refined guidelines

The chart above is based on US national statistics, and how much you spend must, of course, be based on your own means and priorities. Based on the experience of our parent company, Henrybuilt, we expect Viola Park clients to have a slightly different breakdown, on average, due primarily to the combination of a desire for higher grade appliances, the availability of high quality countertop options through Viola Park, and a slight variation for fixtures and plumbing (plumbing can vary dramatically depending on your situation. These numbers assume plumbing will be at or near current locations.)

Here is a breakdown with the countertop and appliance lines adjusted for these factors. Compared to national standards, cabinetry is unchanged, countertops and fixtures are slightly reduced and appliances are increased:

| | |
|-------------------------|-----|
| Cabinetry | 48% |
| Countertops | 15% |
| Appliances | 19% |
| Fixtures | 5% |
| Lighting and electrical | 5% |
| Flooring | 5% |
| Walls and Trim | 3% |

Example Case: A \$500,000 home using 8% of the value for a budget:

| | | |
|-------------------------|-----------|------------------|
| Home value: | \$ | 500,000 |
| 8% budget | | 40,000.00 |
| Cabinetry | 48% | 19,200.00 |
| Countertops | 15% | \$ 6,000 |
| Appliances | 19% | \$ 7,600 |
| Fixtures | 5% | \$ 2,000 |
| Lighting and electrical | 5% | \$ 2,000 |
| Flooring | 5% | \$ 2,000 |
| Walls and Trim | 3% | \$ 1,200 |

Sample Scenarios

| | | |
|----------------------------|-----|-------------------|
| Home value: | | \$ 350,000 |
| 5% budget 17,500.00 | | |
| Cabinetry | 48% | 8,400.00 |
| Countertops | 15% | \$ 2,625 |
| Appliances | 19% | \$ 3,325 |
| Fixtures | 5% | \$ 875 |
| Lighting & Electrical | 5% | \$ 875 |
| Flooring | 5% | \$ 875 |
| Walls and Trim | 3% | \$ 525 |

| | | |
|----------------------------|-----|-------------------|
| Home value: | | \$ 350,000 |
| 8% budget 28,000.00 | | |
| Cabinetry | 48% | 13,440.00 |
| Countertops | 15% | \$ 4,200 |
| Appliances | 19% | \$ 5,320 |
| Fixtures | 5% | \$ 1,400 |
| Lighting & Electrical | 5% | \$ 1,400 |
| Flooring | 5% | \$ 1,400 |
| Walls and Trim | 3% | \$ 840 |

| | | |
|-----------------------------|-----|-------------------|
| Home value: | | \$ 350,000 |
| 15% budget 52,500.00 | | |
| Cabinetry | 48% | 25,200.00 |
| Countertops | 15% | \$ 7,875 |
| Appliances | 19% | \$ 9,975 |
| Fixtures | 5% | \$ 2,625 |
| Lighting & Electrical | 5% | \$ 2,625 |
| Flooring | 5% | \$ 2,625 |
| Walls and Trim | 3% | \$ 1,575 |

| | | |
|----------------------------|-----|-------------------|
| Home value: | | \$ 500,000 |
| 5% budget 25,000.00 | | |
| Cabinetry | 48% | 12,000.00 |
| Countertops | 15% | \$ 3,750 |
| Appliances | 19% | \$ 4,750 |
| Fixtures | 5% | \$ 1,250 |
| Lighting & Electrical | 5% | \$ 1,250 |
| Flooring | 5% | \$ 1,250 |
| Walls and Trim | 3% | \$ 750 |

| | | |
|----------------------------|-----|-------------------|
| Home value: | | \$ 500,000 |
| 8% budget 40,000.00 | | |
| Cabinetry | 48% | 19,200.00 |
| Countertops | 15% | \$ 6,000 |
| Appliances | 19% | \$ 7,600 |
| Fixtures | 5% | \$ 2,000 |
| Lighting & Electrical | 5% | \$ 2,000 |
| Flooring | 5% | \$ 2,000 |
| Walls and Trim | 3% | \$ 1,200 |

| | | |
|-----------------------------|-----|-------------------|
| Home value: | | \$ 500,000 |
| 15% budget 75,000.00 | | |
| Cabinetry | 48% | 36,000.00 |
| Countertops | 15% | \$ 11,250 |
| Appliances | 19% | \$ 14,250 |
| Fixtures | 5% | \$ 3,750 |
| Lighting & Electrical | 5% | \$ 3,750 |
| Flooring | 5% | \$ 3,750 |
| Walls and Trim | 3% | \$ 2,250 |

| | | |
|----------------------------|-----|-------------------|
| Home value: | | \$ 750,000 |
| 5% budget 37,500.00 | | |
| Cabinetry | 48% | 18,000.00 |
| Countertops | 15% | \$ 5,625 |
| Appliances | 19% | \$ 7,125 |
| Fixtures | 5% | \$ 1,875 |
| Lighting & Electrical | 5% | \$ 1,875 |
| Flooring | 5% | \$ 1,875 |
| Walls and Trim | 3% | \$ 1,125 |

| | | |
|----------------------------|-----|-------------------|
| Home value: | | \$ 750,000 |
| 8% budget 60,000.00 | | |
| Cabinetry | 48% | 28,800.00 |
| Countertops | 15% | \$ 9,000 |
| Appliances | 19% | \$ 11,400 |
| Fixtures | 5% | \$ 3,000 |
| Lighting & Electrical | 5% | \$ 3,000 |
| Flooring | 5% | \$ 3,000 |
| Walls and Trim | 3% | \$ 1,800 |

| | | |
|------------------------------|-----|-------------------|
| Home value: | | \$ 750,000 |
| 15% budget 112,500.00 | | |
| Cabinetry | 48% | 54,000.00 |
| Countertops | 15% | \$ 16,875 |
| Appliances | 19% | \$ 21,375 |
| Fixtures | 5% | \$ 5,625 |
| Lighting & Electrical | 5% | \$ 5,625 |
| Flooring | 5% | \$ 5,625 |
| Walls and Trim | 3% | \$ 3,375 |

Step 3: Understanding the costs of goods vs. labor

Of course, it is important to understand what a reasonable breakdown is for the costs of goods vs the costs of labor so that you can manage your project and carve out anything you plan to do yourself.

Below is a table that breaks these costs out, again according to a combination of national averages (via NKBA statistics) and the experience of our parent company, Henrybuilt, based on experience with hundreds of kitchens throughout the country, but concentrated on the coasts.

Allocation percentages

The percentage for labor allocations are unique to each line item, and will vary with your choices and situation. 18% is a general industry average for cabinetry installation costs, but may vary according to your situation.

Budget Calculator

Once you have reviewed this sample budget, download our budget calculator to input your own information and refine your budget.

Home value: \$ 500,000

| | | | Goods and Labor Breakdown | | | |
|-------------------------|-------------|---------------------|---------------------------|-------------|-----------------|--|
| % of home value | % of total | total budget | costs of goods | % for labor | costs of labor | notes |
| 8% | budget | \$ 40,000.00 | | | | |
| Cabinetry | 48% | 19,200.00 | 15,744.00 | 18% | 3,456.00 | Labor allocation is for removal and installation of new cabinetry. |
| Countertops | 15% | \$ 6,000 | 4,920.00 | 18% | 1,080.00 | Varies with volume and type of countertop as well as complexity of layout. |
| Appliances | 19% | \$ 7,600 | 7,068.00 | 7% | 532.00 | Will vary with the specific appliances you select, and their features. |
| Fixtures | 5% | \$ 2,000 | 1,640.00 | 18% | 360.00 | Assumes 1 sink and faucet being replaced and located at or close to original location. |
| Lighting and electrical | 5% | \$ 2,000 | 1,400.00 | 30% | 600.00 | This number varies widely depending on the scope of work and cost of fixtures. |
| Flooring | 5% | \$ 2,000 | 1,200.00 | 40% | 800.00 | This number varies widely depending on the cost and type of material selected. |
| Walls and Trim | 3% | \$ 1,200 | 600.00 | 50% | 600.00 | This number varies according the nature of the project. |
| | 100% | 40,000.00 | 32,572.00 | | 7,428.00 | |

Additional costs you may need to budget for depending on your situation:

| | |
|-------------------------------|--|
| Demolition | If you are removing walls, or difficult-to-remove flooring, for example, additional costs may be incurred. |
| Backplash | If you are tiling a backplash, for example, these costs may need to be added. |
| Work in adjacent areas | If flooring or other work extends into other areas, this needs to be considered |
| General Contracting | Depending on your situation, these fees may be covered by the above budget, or additional |
| Additional Appliances | Additional ovens, cooktops, refrigerators, built-in coffee makers etc. |
| Additional construction costs | If you are moving walls, for example, you will need to consider those additional costs. |