

RENOVATION ROI IN 2026: WHAT PROJECTS ACTUALLY ADD VALUE TO YOUR HOME



The big idea: Renovation costs have finally stabilized after years of volatility, and buyers in 2026 are more value-driven than ever. They're prioritizing functionality, energy efficiency, and multi-generational living — and that's reshaping which renovations deliver the best return on investment.

Top Renovations With the Highest Return On Investment (ROI) in the GTA (2026)

1. Secondary Suites & Basement Apartments (Up to 100%+ ROI)

With multiplex zoning expanding across the GTA, creating a legal secondary suite is one of the most profitable renovations.

Why it pays:

- Generates rental income
- Appeals to investors and multi-generational families
- Increases property value due to added flexibility
- Aligns with Missing Middle housing trends

Best for: Detached and semi-detached homes in established neighbourhoods.

2. Kitchen Refresh or Remodel (60–80% ROI)

Buyers still see the kitchen as the heart of the home — but in 2026, smart, modest upgrades outperform luxury overhauls.

High-ROI upgrades:

- New countertops (quartz is king)
- Updated cabinet doors or refacing
- Modern hardware
- Energy-efficient appliances
- Better lighting

Avoid: Over-customization or ultra-high-end finishes that don't match the neighbourhood.

3. Energy-Efficiency Upgrades (50–75% ROI + long-term savings)

This category is exploding in popularity.

High-impact upgrades:

- Heat pumps
- High-efficiency windows
- Improved insulation
- Smart thermostats
- EV-ready garage wiring

Buyers love lower utility bills, and these upgrades often qualify for rebates.

4. Bathroom Remodel (55–70% ROI)

A clean, modern bathroom is a major selling point.

High-ROI improvements:

- New tile
- Walk-in shower
- Updated vanity
- Better ventilation
- Water-efficient fixtures

5. Exterior Improvements (50–70% ROI)

Curb appeal still matters — especially in suburban GTA communities.

Top performers:

- New front door
- Updated siding
- Landscaping refresh
- **Driveway resurfacing**
- **Modern exterior lighting**

6. Flooring Upgrades (50–65% ROI)

Replacing old flooring with durable, modern materials (engineered hardwood, luxury vinyl plank) instantly updates a home.

7. Open-Concept Adjustments (Varies)

Buyers still love open layouts, but 2026 trends favour **flexible spaces** — not fully open plans.

High-ROI approach:

- Remove non-structural walls
- Add sliding doors or partitions for hybrid spaces
- Create defined zones for work, play, and living

Renovations With Lower ROI (But High Lifestyle Value)

These don't always pay back dollar-for-dollar but can improve quality of life:

- Pools (low ROI but high enjoyment)
- High-end landscaping
- Luxury built-ins
- Specialty rooms (home gyms, theatres)

These are best for homeowners planning to stay long-term.

What GTA Buyers Want in 2026

Based on current trends, buyers are prioritizing:

- Move-in-ready homes
- Energy efficiency
- Functional layouts
- Secondary suites
- Modern kitchens and bathrooms
- Low-maintenance materials

This means renovations that improve function, efficiency, and flexibility deliver the strongest returns.

How Homeowners Can Maximize ROI

- Match the renovation to the neighbourhood. Don't over-improve.
- Focus on kitchens, bathrooms, and income-generating spaces.
- Choose timeless finishes over trendy ones.
- Get proper permits — unpermitted work hurts resale value.
- Keep energy efficiency in mind — buyers are increasingly cost-conscious.

Please note these numbers are based on statistics gathered from various sources including CREA, TRREB, and the AIC. The numbers will vary depending on area, condition of home, and other important factors. Please consult with a registered real estate agent for more information.

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