



When to tear down, when to add and remodel, and when to sell the existing house

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So, you are thinking about spending substantial money to add and remodel your present house. But should you? Or would it be better to tear down the house and start over? What guidelines are there to make a decision?

You bought the house because it had a great view or you really loved the location for whatever reason. But the house is too small for your family. Or the house is too small for the value of the land. Or you bought the house already built, but it looks dated and it's not quite your taste.

What is the first issue which needs to be analyzed?

The first is the 50% rule as it applies to houses in flood-prone areas such as South Florida. The 50% rule is a Federal law, which says that if you design a "substantial" remodeling or addition for a house, then the ground floor of the house must meet the base flood elevation (as determined by FEMA) + 1 foot. A substantial remodeling is defined as an addition and/or remodeling which costs 50% or more than the cost of the existing house, not the cost of the property with the land, but just the value of the actual structure.

Since many houses in South Florida, particularly around Miami Beach, Key Biscayne, and other coastal Florida areas, were originally built prior to the regulation of base floor elevations, many of the ground floors of the houses in these areas are below the base flood elevation. And if there is a second story, there is no way to raise the second floor.

For example, the base flood elevation for Hibiscus Island, part of Miami Beach, is 10'-0" NGVD. Many houses on this island were originally built many years ago at approximately 6'-0" NGVD. So, if a two-story house has to be brought up to the base flood elevation, the house would have to be destroyed. The floor cannot be raised 5'-0" and the second floor kept where it is. In a one-story house, it means that, in essence, a 2nd-story would have to be added at the new base flood elevation + 1 foot and the original floor abandoned.

To conclude this issue then, if the addition you intend to build or the remodeling you intend to undertake is more than 50% of the cost of the original house, then often times, it would be best to tear down the existing house and build a completely new house. On the other hand, if the cost of the present house is high, and the addition or remodeling can be built for less than 50% of the cost of the original house, then this addition and/or remodeling is possible. Check with the building code prior to buying a house in a flood zone. These regulations change periodically. The applicable section of the Florida Building Code 2020 is R322.2.1.

What is the second issue which needs to be analyzed?

Is the house on septic tank or sewer line? Is it on city water or well water? Unless you have a very large lot, the combination of well water with septic tank is very detrimental to a workable addition. In Miami-Dade County a new septic tank must be 100' away from any well, whether it be yours, your neighbor's, or a public well. Any addition of any consequence to a house which has been there for 20 years will almost always require a new septic tank. If your existing house is near the water wells of your neighbors, you must make sure that the new septic tank is at the required distance from those existing water wells. If your existing house is on well water and a new water line has been recently located in the street in front of your house or very close by, any substantial addition will require that you hook up to the water line. The same would be true with a sewer line. Either of these could add substantial costs to the addition depending on the distance from the house to the connection and whether the connection is in the middle of a public street. If these conditions end up costing so much that it becomes a disproportional part of the budget, then it may be better to leave this house alone, maybe even sell it, and then build a new house where the conditions are better for building.

What is the third issue which needs to be analyzed?

The third issue is less technical, but nonetheless, just as important, probably, the most important. Is the existing plan something which can be easily added to or remodeled? Does the present plan work? Once you locate the new addition, will the existing roofs still work with the new space? Homeowners often think they can add to any side of the house without any consideration for the roofs. The ideal situation would be for the existing plan to be such as to be added to easily, and in addition, in a way which would still allow the roofs to drain rainwater away from the center of the house and the exterior walls.

Before consideration of an addition, the floor plan should be analyzed for wasted space. Often old house have spaces which can be adapted for new uses. This option will almost always be less costly than any addition to the house.

Consideration of these three issues will go a long way to giving you clues on whether to tear down and start over, sell the house, or to add to the house or remodel.