

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.