

HomeWise

Free Educational Resources for Homebuyers

Bathroom Remodel Financing Booklet

Plan, price, and finance a bathroom remodel without surprises.

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Bathroom Remodel Financing in Florida

A mid-range bathroom remodel in Florida typically runs \$12,000 to \$35,000, with luxury renovations climbing well past \$50,000 (source: Remodeling Magazine Cost vs. Value, South Atlantic region). Most homeowners don't have that sitting in cash. This guide explains the five most common ways Floridians pay for a bathroom remodel, the math behind each, and what to ask before you sign anything.

The five common funding methods

Each path has trade-offs. None is universally best -- your equity, credit score, project scope, and tolerance for risk all matter. The five most common methods are:

- Cash-out refinance -- replace your current mortgage with a larger one and take the difference in cash.
- Home equity line of credit (HELOC) -- a revolving credit line secured by your home.
- Home equity loan (HELOAN) -- a fixed-rate lump-sum loan secured by your home.
- Unsecured personal loan -- a fixed-term loan from a bank, credit union, or online lender, no collateral.
- Cash from savings -- no interest, no debt, no closing costs.

How each method works -- side by side

Here's a plain comparison of the four loan-based options, using illustrative national average ranges for early 2026. Actual terms vary by lender, credit profile, equity, and the property:

Illustrative ranges only -- not an offer or quote. Verify current terms with a licensed lender and check rate trends at Freddie Mac PMMS and the Consumer Financial Protection Bureau.

The math: a \$20,000 bathroom remodel

To make the trade-offs concrete, here's what a \$20,000 remodel financed four different ways could look like. Numbers are rounded illustrative estimates for education only -- your actual payment depends on your credit, equity, and lender:

- HELOC at 9% variable, interest-only draw: ~\$150/month during draw, but your rate can rise. Total interest depends entirely on how long you carry the balance.
- Home equity loan at 8.5% fixed, 10-year term: ~\$248/month, ~\$9,750 total interest.
- Personal loan at 12% fixed, 5-year term: ~\$445/month, ~\$6,700 total interest.
- Cash-out refinance at 7.25% fixed, 30-year term: ~\$136/month for the \$20k portion, ~\$29,200 total interest -- but you've extended that \$20k over 30 years, often the most expensive way long-term.

The lowest monthly payment is not the cheapest loan. A 30-year cash-out can more than double your total interest cost compared to a 5-year personal loan, even at a higher rate. Always compare total cost, not just the monthly payment.

Florida-specific considerations

Three things make Florida different from a generic remodel-financing guide and are worth weighing before you choose a method:

- Homeowners insurance pressure. Florida premiums have risen sharply since 2020. Lenders escrow insurance, so adding to your mortgage (cash-out or HELOAN) can push your monthly payment higher than the loan math alone suggests. See the Florida Office of Insurance Regulation.
- Homestead exemption and tax basis. Cash-out refinancing on a primary homestead does not reset your Save Our Homes assessment cap, but new permitted construction can add to assessed value. Check with the county property appraiser.
- My Safe Florida Home grants. If your remodel includes hardening (impact windows, roof connections), you may qualify for state matching grants. Check program status at mysafehome.com before signing a financing contract -- grant money can reduce how much you actually need to borrow.

Questions to ask before you sign

- What is the APR, not just the interest rate? (APR includes fees.)
- Is the rate fixed or variable? If variable, what's the index and cap?
- What are the total closing costs and origination fees?
- Is there a prepayment penalty?
- What's the total interest paid over the full term?

Want the complete guide?

This is a free 3-page preview. The complete Bathroom Remodel Financing Booklet runs about 10 pages with the full details. To get the full version, just add your phone number when you download it on our website -- homewise-edu.com. Your phone number is used only for sending you updated emails and/or support information.