FINANCE&COMMERCE

Some investors bet on historic home renovations

Brian Johnson//June 19, 2026//

The Blueprint

St. Paul investor Mary Haugh invested more than $1 million to restore a 1916 home at 1990 James Ave. The renovation transformed a water-damaged property into a modern four-bedroom home while preserving its historic character.

Remodeling experts say demand is growing for renovations that adapt vintage homes to modern family needs.

Contractors cite building code complexities, aging infrastructure and rising costs as major challenges in historic home restoration projects.

When Mary Haugh acquired a historic home in St. Paul with plans to renovate and re-sell the property, she did so with eyes wide open – knowing from experience that older properties present challenges as well as opportunities for investors.

More often than not in century-old houses, the plumbing, wiring, boilers, furnaces and other systems need major updates or replacement, says Haugh, founder of St. Paul-based The Second Stripe, which specializes in revitalizing vintage homes.

"Functionally, it's really hard to buy an old house, knowing that I might have a $15,000 disaster come up," said Haugh, who spent more than 30 years in marketing and branding before starting her own company in 2022.

But even she was surprised at the amount of work – and money – that would be required to improve her 1916-vintage property at 1990 James Ave. in St. Paul, which was recently listed for sale after an extensive makeover.

Prior to the renovation, water damage from a leaky roof "had destroyed everything, which we didn't know when we bought it," Haugh said. "We had to take out everything. We planned on putting new stuff in, but it has essentially been rebuilt while it's standing."

The rebuild created a new home within the bones of a 110-year-old, 4,879-square-foot structure, combining the charm of a vintage property with the functionality of a modern single-family dwelling.

1990 James Avenue

COURTESY OF THE SECOND STRIPE

The project didn't come cheaply. Haugh says she invested more than $1 million in the project, but she hopes to recoup that money and then some with the sale of the home. The listing price of the four-bedroom, 3.5-bathroom property is $1.595 million.

Old homes abound in Minneapolis and St. Paul, presenting opportunities for investors like Haugh, who founded The Second Stripe after winning a battle with cancer. She has already done a handful of projects in the Twin Cities.

As noted on the company's website, the median age of a home in St. Paul and Minneapolis is right around 70, and more than half are "nearing their 100-year mark." And as prices of new homes rise, historic home rebuilds are becoming more attractive.

New Spaces, a Burnsville-based remodeling company, is familiar with that trend. The company has renovated a variety of vintage homes in the Twin Cities, including a 1940s Cape Cod, a 1930s-Tudor, a two-story classic dating to 1906, and a 1920s Colonial.

The Colonial project was "all about the homeowner's goal of creating a new primary suite and remodeling the existing hall/guest bathroom," New Spaces says in a project narrative.

"In the primary bedroom, we designed built-in cabinetry for storage, which also adds character to the space. It was challenging to work around the radiators and existing windows, but the overall design layout turned out beautifully."

Historic homes can be artfully reconfigured to meet modern needs, such as adding powder rooms and flexible spaces, says Bjorn Freudenthal, homeowner advisor for New Spaces, who added that clients are "feverishly trying to find a way" to make period homes compatible with the needs of a modern, growing family.

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But such projects can also be tricky. For example, the building codes, materials and techniques were different back in the day, and "you end up with a lot of reconfiguration," Freudenthal said.

One complication is that code interpretations vary. In some cases, depending on how the code is interpreted in a particular city or jurisdiction, projects can become "cost-prohibitive," Freudenthal said.

"We have to be able to somehow find a level-headed approach of how we do that. Otherwise, people are going to lose interest in trying to do things because of the cost, because of how complex and difficult it is," he said.

Shawn Nelson, president of New Spaces, said, "We do run into the issue of 'what authority does the city have versus what authority is in the building code and the state law?' It gets a little messy.

"And I think one of the really important things for people to do when they're looking at a major transformation is making sure they're working with someone who is used to getting those questions answered on the front end."

Investors take different approaches to dealing with aging housing stock. Some opt to tear down old homes and replace them with new dwellings, while others are satisfied with cosmetic improvements, such as a fresh coat of paint or new carpeting.

To a great extent, the economics of the tear-down-rebuild approach make sense. Haugh notes that it might cost hundreds of thousands of dollars to renovate an aging home, which could be knocked down for a mere $15,000.

"Then somebody builds a brand new one, and they've got a pretty substantial profit margin," she said, adding that her margins "are pretty thin."

Even so, Haugh has a different business model. She takes a top-to-bottom approach to renovation and seeks out buyers with an appreciation for vintage homes. The end product is appealing and the homes aren't cheap, but she doesn't like the word "luxury."

"Some people have said, 'Oh, well, you're in a luxury house.' I'm like, 'No, we're not. These are hard-working houses that we put really, really sturdy material in that we hope lasts 50 years," she says.