

ULTIMATE

REAL ESTATE SUCCESS
COACHING PROGRAM

VIRTUAL BOOTCAMP

10. RENOVATION & STYLING



SESSION TEN

How To Renovate For Profit

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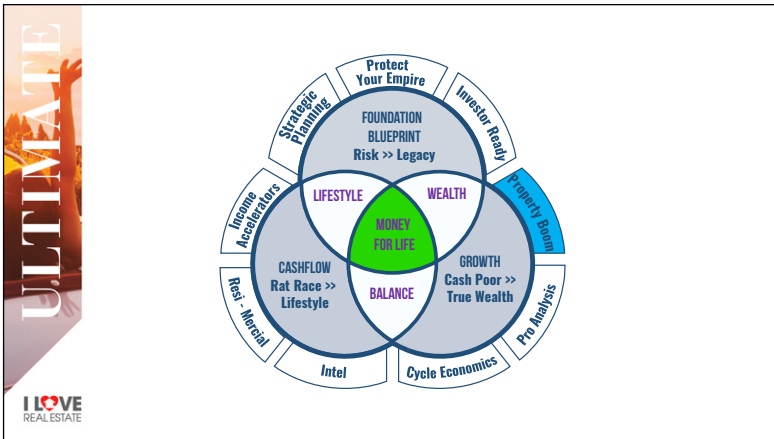
RENOVATIONS AND STYLING



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**Are you looking for Cosmetic,
Code Assessable or Structural?**


?

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Rule of Thumb – Short Cuts

Purchase Costs	6%
Selling Costs	3%
Cosmetic Reno	9%
Code Assessable	16%
Structural Reno	31%



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Rule of Thumb – SALE Short Cuts

Renovation Type	Minimum Sale Price
Cosmetic Renovation	x 1.35 of Purchase Price
Code Assessable	x 1.5 of Purchase Price
Structural Renovation	x 1.8 of Purchase Price

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Rule of Thumb – SALE Short Cuts

Sale Price % of PP	Buy Price	Purchase Cost	Reno % of PP	Total	Holding Costs
Cosmetic 135%	100%	6%	9%	115%	?
Code Assessable 150%	100%	6%	16%	124%	?
Structural 180%	100%	6%	31%	137%	?

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Are you renovating to Hold or Sell?



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If Holding..

Ideal objective:

- Increased value at end of renovation
- Get your money back, what property cost you (deposit + renovation)
- Rent for positive cash flow

This is the benchmark - If more, that's a bonus!




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If Holding..

- Renovation increases value = Equity
- Will renovation increase the rent?
- What is the local rental market like?
- Reduce capital gains tax (investment property)



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Pest Inspections

- Look for areas that allow pest entry
- Open areas in fascias and soffits that allow vermin, birds and marsupials to get in and nest.
- Any concrete or timber that touches soil can be an easy ingress for termites.
- Cracks and joins in concrete are also an area for termites especially with moisture.
- Pest Inspection - have an out clause



Termites

- Termites are good when you are purchasing property!
- If you encounter termites when renovating there are two things you can do:
 1. Leave them alone and bait them
 2. Continue renovating but this comes with risk! You need to find the NEST!



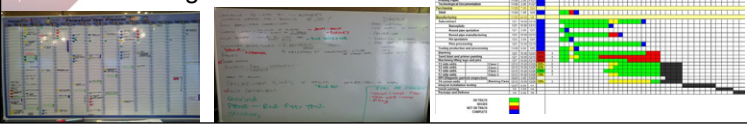
Dial Before You Dig

- Save yourself the hassle
- Easy to use and remember



Provide timelines

- If you have never been in a trade and you project manage you are at a distinct advantage!
- Use **Ultimate Real Estate Feaso** for timelines
- Give it to the tradies so they know when they need to be there
- Time over runs costs money – stick to a time management calendar



The Last 10% of a renovation

- Takes 50% of the time and 40% of the cost!
- You will be frustrated but stick with it.
- The results are satisfying!



Adjusting Finishes!

Remember that the finishing of a property is needed for the area.

There is no need for glass splash backs in mining towns!

1. Basic
2. Standard
3. Luxury



3 Types of Finishes

- **Basic** – Intended mainly for practical and price efficient renovating for mining towns.
- These usually include shower cubicles, cheap basins and baths made of fibre glass and standard laminate cupboards.



3 Types of Finishes

- **Standard** – Used in low end to middle renovations and rental tenancies
- Usually includes standard ceramic tiles, ceramic basins, steel baths, downlights, roll top laminate benchtops and inbuilt wardrobes.



3 Types of Finishes

- **Luxury** – High end finishes that are required for luxury homes and executive rental properties.
- These finishes include stone tops, solid doors, walk in robes, glass splash backs, stone tiles and high gloss timber floors.



The Team

- Be comfortable with your tradies and treat them as you expect to be treated
- Tell them you are looking to learn not to check their work
- Buy them or cook them lunch
- Once you have found your team KEEP THEM!



The Builder

- Builders can run the entire Project for you.
 - They are usually a tradesperson that upgraded their qualification.
1. Carpenter
 2. Concreter or
 3. Bricklayer
- They can project manage all your trades or work in with you depending on project size.
 - They can also give feedback on building inspections.



The Chippy

- Generally the builder is a carpenter.
A carpenter can:
- Build timber frames
 - Kitchens
 - Built in Robes
 - Install handles and fixtures
 - Minor wall sheeting
 - Doors, windows, etc
 - And many other tasks




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The Landscaper

Landscapers can do many varied jobs including

- Retaining Walls (Brick and timber)
- Paving and compacted pathways
- Garden Beds
- Turf
- Sub Soil drainage
- Minor timber works



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The Interior Designer

Interior Designers can provide great insight, suggestions and on-trend ideas

- If you are not particularly “stylish”, they are great value – not very expensive
- Answer the most asked question - “What Colour?”
- Can provide assistance with staging




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Renovation ideas

There are lots of ways you can make a difference to a property through renovation

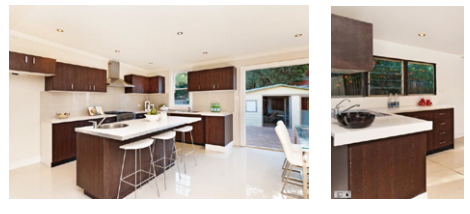
- Not all changes will make you money
- Focus on the items that will make a difference to the selling price
- Don’t do things that don’t need to be done
- Don’t get emotionally attached



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Kitchens

- Kitchens should be practical with lots of bench space
- Include an Island bench with breakfast bar if possible
- Second hand kitchens can save you lots of money



Kitchens

- Flat Pack from Chinese importer.
- Stainless steel appliances
- Caesar stone tops



Lighting

- Downlights
- Hanging pendants
- Batten holders
- Outdoor sensor lights



Internal electrical

- Change switches and power points- They are cheap and make a big difference.
- In high end renos pay the extra to have chrome or glass finishes



Renovation ideas

- Small things can make a big difference...

Paint
Mirrors
Cabinet handles
Fittings
and Styling!

Less than \$400



Landscaping - Retaining Walls

- Sleepers are cheap. Create flat areas that give extra parking or lawn.
- On some sites the backyard is best done first



Roof finishes

- Darker roofs blend into the background
- If budget allows put a new roof on or have it cleaned and painted.



Ask agent for Local Knowledge

Copy someone else's Success



Photography and the MONEY Shot



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Student Reno/ Subdivision



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