

How much value will a Car Park add to your property?

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Car parking is an interesting element when selling or renting a property.

Times of looking for a property only through the paper have changed, majority of people these days start their search online and love the flexibility of being able to set up alerts and notifications so that they get told when a property that meets their search criteria becomes available in the market place.

Purchasers can first narrow down the number of potential properties that they are interested in through use of criteria such as: location, price, property type, number of bedrooms, number of bathrooms, land size, car parking, etc.

They will then look at the results that have been returned by the search engine they are using and narrow it down further. They will do so according to the first impression they get from the photo, heading or first sentence. They will only open some of the listings to actually read the description in full and see all the photos.

So my question is this... If you are going to put in parking into your investment property, which is going to give the best returns? Does having a garage add much more value than a carport? And what about a sail shade? Or just a driveway with an uncovered parking space? Are potential buyers or tenants even going to care too much about what type of parking it is, as long as it has some?

Majority will argue that a garage will bring in the highest returns (how much it adds to the value of the property compared to how much it cost to put in), especially if the garage is needed for more reasons than just parking the car. It is often perceived as a space with multiple uses. There is the potential to use the garage as an additional storage space or as a handyman's workroom. It also provides additional security for the occupier's vehicles and other belongings. For some people it can also be an additional living space, like a rumpus room where they might have a pool table, bar, etc

On the other hand building a garage also costs the most and involves getting plans approved by the council which can introduce additional delays for the project. All in all a new double garage costs somewhere around \$40K these days inclusive of all costs. And it tends to add somewhere between \$50K-\$70K to the bottom line of a property investing deal, depending on the location of the home. So is it really worth it? If you have that much

extra in the budget for your renovation, then it probably is. But not everyone does.

A carport does cost less to construct and still provides undercover parking for cars, however it also requires getting a permit from the council which may cause delays and introduce additional costs. So what does that leave us with?

The sail shade. In some councils having a cover which is not 100% solid which is under 3 meters in height may not require council approval. They still protect your vehicle from UV rays and the higher quality ones can be fairly weather resilient. They can also look very modern in appearance and are quite often used in new developments and display homes. You can get them for around \$1500 to \$3400 (3m x 6m) including poles & fittings. Surprisingly they tend to increase the bottom line of a renovation deal more than a standard carport. They tend to increase the value of the home by about \$5000-\$15000.

Interestingly having uncovered parking doesn't add as much value to the renovation deal as you'd think. Although most people would be happy that a property has some parking they won't value it as much as any of the other options. There are exceptions as always and central business districts of most big cities fall into that category where any parking at all is considered a blessing.

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