



BY JANE EYLES-BENNETT

Renovating to sell

Renovating to sell a property is an entirely different ball game than renovating to rent out to tenants or live in yourself. **Jane Eyles-Bennett** gives some advice on how to get the most value out of the least amount of money

Renovating a property to sell is in a different league than renovating to rent out or live in yourself. So it's important to know the differences if you are an investor hoping to make a profit for your efforts.

As a general rule, I tend to recommend spending a little more money on the exterior of a property you're planning to sell since the instant appeal factor is so much more important.

You want potential purchasers to get out of their car and into the house, so getting the outside right is essential. There's no point having a gorgeous kitchen and bathroom if the exterior doesn't make the grade and entice people inside the property to see those features.

Another important thing to do is to work out who your target market is.

Look at the area the property is located in and make sure your property fits with the needs and wants of the sorts of people who live there.

For example, retirees, young families, students, young professionals. If it doesn't currently suit your target market – whether that be the tenants of your buyer or the buyer themselves – then do whatever you can within your budget to create that.

For instance, a retired couple will see value in a low-care garden that

they can nurture and add to. They will probably want a decent amount of storage to keep their lifetime of treasures in and perhaps a shed for gardening gear and hobbies.

Young families will see real value in a fenced off yard for children to play in, so consider creating a secure yard area if that is possible. They'll also want a bath for bathing the children and perhaps a suitable play area near the lounge or kitchen.

will see that downtime during holiday periods will be minimised – tenants will be reluctant to give up the property for fear of not finding anything as good when they come back from their break.

Keep in mind the area you are working in. Try to blend your property into the surroundings to a certain degree, while still creating something unique. Consider the surrounding houses and the suburb you're in. Creating the best house on the worst street is not usually

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Young professionals will value low-maintenance properties, so at least simplify fussy, high-maintenance garden areas. They'll no doubt want all the mod cons too – so in the kitchen, make sure there is space for a dishwasher and microwave, and probably a coffee machine!

Students will value study spaces in their bedrooms and locks on their doors, so buyers of investment properties for student accommodation will look for these types of things. Create a property that is especially user-friendly and your buyer

something a property investor would consider wise.

So spend a bit of time thinking about where you are and who your potential buyers are. Then consider what things those buyers place value on before you begin your renovation.

Also do some research on what else is on offer. Look on the internet and visit as many open homes as you can in your suburb and those surrounding it to see what your competition is.

You may find there are 10 other properties similar to yours – and this is when you really have to think about what your point of difference is going to be.



TIP

Make your property attractive to your target market

Why will someone buy your house and not the one down the road?

Partially the reason will be price, but like in business, price is lower down the list when it comes to the reasons people buy. If it suits their needs, they are likely to spend more money and buy more quickly.

Do your research first. You should be able to justify absolutely everything you do and every decision you make during your renovating project.

Don't make it up as you go along and don't just do something because it will look nice. Aesthetics are very important, but you must aim for a perfect balance between good looks, practicality, reasonable cost and availability of products.

Another thing to think about when renovating a property to sell is how to keep the costs low enough so your final product offers excellent value to potential buyers.

Whether you are doing a cosmetic facelift or a full-blown structural renovation, you can get away with a much lower spend if it's a property you're planning to sell straight away.

Depending on the location and type of property, consider installing lesser-quality products and surfaces that are substantially cheaper than their alternative. Since you don't need to worry about the wearability factor to ensure your rental property or own home lasts the test of time, these lower-grade alter-

natives are the perfect solution to ensuring a higher profit margin.

There are loads of inexpensive, good looking products available from places like China – and although that may make some people cringe, it's a fact of life that if you want to really profit from upgrading your property, you need to have a tight hold on your purse strings and spend less money.

These products are perhaps not what you would use on your own home or on a long-term hold where you're after a high wear, long-lasting, low-maintenance property – but they are perfectly suitable for renovating prior to selling.

The sorts of products to look out for are laminates for bench-tops and cabinetry doors, lighting, tiles and other types of flooring. Buy from shops that unashamedly promote themselves as selling low-cost products – otherwise you will find yourself wasting your time and being convinced by shop assistants why one product is better than the next.

They may not be the best quality in terms of longevity, but you will find that most are aesthetically pretty competitive with the higher quality competition. Consider using these lesser grade products only if you are selling the property within six months.

The outcome you want in a renovate to sell scenario is low cost, good looks. Period.

Only replace or renovate the components within the property that really need it.

Minimising the quantity of work you are doing to the property, since you are retaining a number of the existing components, will save you big dollars and reap you great rewards in the long run if you get it right.

However, smart choices are particularly important when you are working with existing surfaces and styles, so if you aren't 100% confident in your ability, ask a trained designer or someone with a good eye for design for their opinion.

This is particularly important when renovating using cheaper products as you need to be much more cunning. Though you may pay for the advice it's much better to part with a small amount of money up front to get the renovation right before spending thousands or tens of thousands of dollars on painters, plumbers, electricians and so on, doing it wrong.

You've heard the expression you've got to spend money to make money – and by getting good advice from a trained professional you will minimise the risk of not making any money from your project.

So go out there and do what you need to do to sell your property in a jiffy. ▲

Jane Eyles-Bennett is the director of HotSpace Consultants.

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