



The Saturday Age
Saturday 28/07/2018

Page: 11
Section: Domain
Region: Melbourne, AU
Circulation: 241029
Type: Capital City Daily
Size: 678.00 sq.cms.



slice
CUT STRAIGHT TO YOUR NEWS

press clip



ADVICE

By DANIEL BUTKOVICH

How to avoid a budget blowout

A beautiful, renovated house that creates an emotional connection with buyers can help you secure the best price on auction day.

On the other hand, a half-finished renovation put on hold because of a lack of funds will be depressing to live in, and will hurt a home's chance of selling for top dollar.

Inadequate planning is the primary reason renovations are halted halfway through, and it's especially problematic for home owners who need to sell but don't have the funds to finish the project.

According to professional renovator Naomi Findlay, blowing the budget is almost inevitable for first-time renovators, who have limited experience in costing a project and may overlook the importance of accurate budgeting.

"One of the biggest things is lack of understanding of all the elements that need to be included," Findlay says. "What's popularised is our amazing sources of inspiration. The business end isn't."

Prioritise planning

Starting a renovation without a plan will lead home owners to spend more than anticipated, says Marcus Smith, of Refresh Renovations.

"They don't have a defined scope of works before they start," Smith says. "They tend to touch each area as they go, and it creates a lot of inefficiency with trades."

Renovators often estimate costs too broadly, or focus on the big ticket items while overlooking the minute details and functional aspects of a renovation, such as plumbing and wiring. "The major things people underestimate are all the things they can't see," Smith says. "They're more focused on how it looks."

Findlay suggests breaking down the costs of every aspect of a renovation, room-by-room and item-by-item, and has created an app, Rapid Reno Mate, to assist with the process.

"It's about having a structure that you use when you're pricing up, so you have a guideline to follow to know exactly the sorts of things you need to include."

Scrimp and splurge

A common reno risk is overcapitalisation – spending more on a renovation than the new changes will add in value. However, analysing comparable properties can minimise this risk, Findlay says.

"I'll look at recent sales and current values of properties that will have a



The Saturday Age Saturday 28/07/2018

Page: 11
Section: Domain
Region: Melbourne, AU
Circulation: 241029
Type: Capital City Daily
Size: 678.00 sq.cms.



slice
CUT STRAIGHT TO YOUR NEWS

press clip

similar level of finish to what I'm producing in a similar area," she says. "You need to actually research what the market value will be in the end, even if you're not selling."

Certain changes add more value than others, and knowing where to focus is challenging. However, Findlay says three key features had the biggest impact.

"I love splurging on one really impactful element in my bathroom and that will generally be a feature tile," she says.

"A good quality benchtop and splashback, I find they're some of the big heroes in kitchens. My go-to is engineered stone. And I really do like there to be an investment in outdoor

living – that's such an essential element in our lifestyle."

Renovators can save by buying items from wholesalers or seeking suppliers who offer discounts for limited quantities or end of run products, Smith says. However, he says homeowners should invest in the features of a property that will remain for the longest, including appliances, cabinets and benchtops.

"Make sure you're buying quality when you put them in. It's those things that will make a renovation stand out."

Set aside a contingency

Unexpected costs are an unavoidable part of the renovation process and should be planned for in the budget, according to Alisa Fraser and sister Lysandra, winners of *The Block: Sky High* in 2013.

"Hidden damage such as bad wiring, rotting wood and termites,

only uncovered once a reno is under way can be a headache," Alisa says.

"Permit fees for things like adding a swimming pool, extra room or garage can be costly."

Similarly, understanding what tradespeople will invoice for before works commence avoids expensive surprises.

"Make sure you thoroughly read the fine print in any builder's contract so you're aware of extra costs for things like tools and materials."

To prevent a renovation from grinding to a halt, set aside at least 10 per cent of the total budget to cover unexpected costs. It might mean putting off a renovation to save for a little bit longer, but creating your dream home without hiccups is worth the wait. 

Daniel Butkovich is *Domain's* National Advice Editor.

Get the right tips and tricks at domain.com.au/advice

"One of the biggest things is lack of understanding of all the elements that need to be included." - NAOMI FINDLAY



The Saturday Age
Saturday 28/07/2018

Page: 11
Section: Domain
Region: Melbourne, AU
Circulation: 241029
Type: Capital City Daily
Size: 678.00 sq.cms.



slice
CUT STRAIGHT TO YOUR NEWS

press clip



ISTOCK