

The Smart Guide to...

deciding to renovate

Renovating can be a satisfying and enjoyable experience, but it can also present many challenges along the way. Remember that you should always engage appropriate specialists such as architects and licensed builders, and obtain your own independent advice.

Should I do it myself or engage a builder?

- Consider the extent of work that you want done. A coat of paint is quite different to structural improvements.
- Do you have the expertise or skills, and the time to do the job properly?
- Be aware that builders and contractors generally purchase supplies cheaper than you can.
- Consider whether you could reduce building costs by doing the 'finishing' yourself, such as painting or garden landscaping.

Finding and selecting a builder

- Ask for recommendations from family, friends and neighbours.
- Most industry associations offer a service to assist you in finding a contractor in your area. Try:
 - Housing Industry Association (www.hia.com.au) or
 - Master Builders Association (www.masterbuilders.com.au)
- Make sure the builder is licensed to do the work you require.
- Ask for references from the intended builder. Can you inspect their previous work?
- Always get at least three quotes, but remember cheapest is not necessarily best.
- Put a contract in place, even if it is for relatively minor works. The important thing is to have a written agreement that outlines the works required and costs involved. If for any reason something is brought into question you have this contract to fall back on.

Set a budget and beware the hidden costs

- Be clear on whether a builder is quoting a 'lump sum' price or not. A lump sum means they agree to complete the works for the fixed price quoted.
- Make sure your budget includes any council approval, design and legal costs

Get any finance approved before you start

- Make sure you let your lender know your plans – carrying out structural changes to a property under a standard loan may constitute a default under some loan contracts.
- We can help you arrange finance for your renovations and guide you through the loan process



Renovating to sell?

- Be careful not to over-capitalise with your renovations, making it difficult to recoup the money you spend.
- Remember the improvements you make are to attract a buyer. This means you should stick to work that will satisfy the tastes of most people. You may like purple painted walls but will most buyers?

Some ideas to help you save money

- When sourcing goods (e.g. electrical goods, whitegoods, manchester and linen, bathroom fittings etc.) look at factory or seconds shops – often these carry perfectly working goods with only slight damage to appearance, or even just the packaging.
- Direct selling to the public by some manufacturers also occurs, allowing you to buy at less than normal retail price. Bedding, floor covering and sofa manufacturers commonly offer goods in this way.
- Explore the larger garage sales and community markets – often surplus or disused building materials, or unique and unusual items are available.
- Consider installing solar heating if possible with your planned changes – this can significantly reduce your heating costs.
- The actual building features of any renovation can also save you money. If you are planning structural changes you may be able to save on your house heating and cooling costs by simply:
 - maximising the use of north east facing areas – which capture sun in winter, shade and breeze in summer
 - maximising open layout of spaces so air moves freely and cools the house in summer naturally
 - installing water and energy efficient appliances

Please use this information as a guide only - it is not advice. You should seek professional advice when buying a property or taking out a loan and always refer to your loan contract for full terms and conditions.