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# property

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## SMART RENOVATIONS

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- Best renos to pump up value

## REFINANCING TRICKS

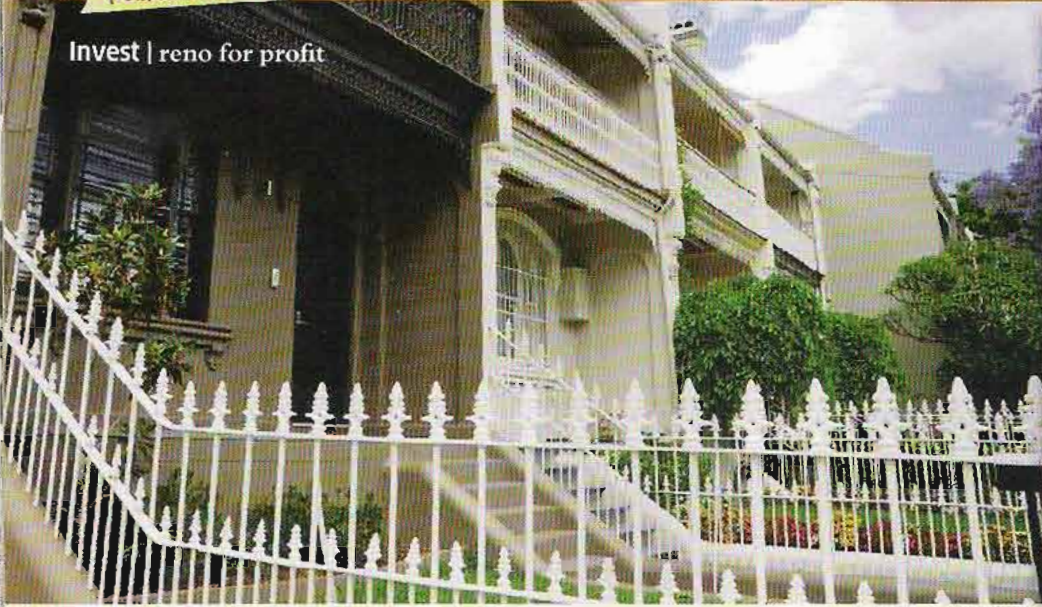
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■ **Matraville**

- Affordable
- Close to the beach
- Close to the CBD

"You don't get any cheaper than Matraville in the eastern suburbs of Sydney," Kusher says.

In Sydney's famed eastern suburbs, where house prices routinely climb into the millions, finding a decent piece of property with a six-figure price tag can be a challenging task.

In Matraville, however, you'll find "fairly modest housing with strong upside potential," Kusher says.

"It's generally standard residential blocks with 1970s and 1980s style houses, and a lot of them appear to be due for renovation," he says.

"Rendering would make a big difference and would lift the value of many homes in this area."



■ **Guildford**

- Large blocks of land
- Reasonably close to amenities

Located 25km west of Sydney's CBD and a few kilometres south of Parramatta, Guildford offers plenty of opportunity for those wishing to take on a full house renovation.

"Houses in this area have plenty of scope for extension," Kusher says.

"The large blocks of land are good for those who want to extend, so there's lots of opportunity to add value inside and outside. Also, you're pretty well located, and the prices are very competitive."

■ **Lidcombe**

- Well located
- Close to amenities

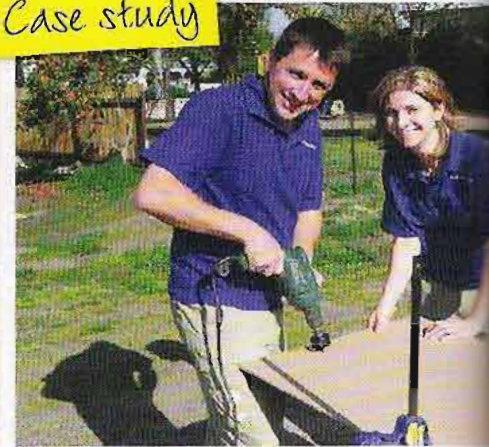
This western Sydney suburb, known locally as 'Liddy', boasts its own train station and a blend of residential, commercial, retail and industrial pockets.

Investment opportunities abound in this multicultural suburb due to its close proximity to Sydney Olympic Park, the 640-hectare precinct that was the home of the Sydney 2000 Olympics.

Kusher says that most houses in Lidcombe, which is situated around 17km west of the city, have strong scope for renovation.

"It's pretty cheap considering the location, as it's so close to the Sydney Olympic Park working node," he adds.

Case study



**Dean & Elise Parker**

**PROPERTY STATISTICS**

- Property: 3 x one-bedroom units on one title
- Bought: November 2008
- Price: \$240,000
- Previous rental appraisal: \$105, \$110, \$110, total: \$325 per week
- Renovation cost: \$67,500
- Acquisition and holding costs: \$17,500
- Value after renovation: \$385,000
- Profit margin: \$60,000
- Current rent: \$145 each unit, total: \$435 per week

Calling Dean and Elise Parker 'expert renovators' is a bit of an understatement: as they approach their 50th real estate renovation in just five years, it's evident that the Melbourne-based couple know how to squeeze every last cent out of a property makeover.

Five years ago, the Parkers were everyday Australians working in everyday jobs. After attending a few property wealth seminars they decided to give the property game a crack, and today they're experienced investors who have bought and sold more than 100 properties, and upgraded and refurbished more than three dozen homes.

Elise believes that buying run-down properties and increasing their value through renovation is "a fantastic way to increase your property portfolio with very little cash".

So, in November 2008, the couple purchased a block of three apartments in regional Victoria for \$240,000, with



plans to buy, renovate and hold. "The objective was to increase our 'buy and hold' investment portfolio by purchasing investment properties with very little or no cash in the deal," Elise says.

"We decided to renovate so we could increase both the rent and the property value, and reduce any maintenance issues once they became rental properties."

As soon as the property settled, the pair got to work installing new kitchens and bathrooms in each apartment, along with fresh paint, new window furnishings, new tiles and polished wooden floorboards.

"We also created courtyards in all three units, and in the two end units we added French doors that open out onto the large courtyard area," Elise says.

To finish things off, they rendered the front wall and painted the exterior of the complex.

"We wanted to create a new, modern and clean feel throughout, which we achieved by removing old curtains and putting up white timber Venetians, pulling up old carpet and polishing floors, and replacing the tired old dirty shower screens with clear glass," Elise says.

"The focus was on clean lines and making the apartments low maintenance in and out, so we went with basic landscaping and garden beds."

By the time the renovation was complete, the couple had boosted the value of the complex by more than \$140,000. Each apartment is currently rented for a healthy \$145 per week, which more than covers the mortgage repayments and maintenance expenses.

The Parkers are currently working through another 11 renovations, and they have no intention of slowing down any time soon.

"Our day jobs, working in IT, are well behind us, and we now have control over our destiny, which is the thing we both really wanted," Elise says.

## Renovation tips

1. Always do a full renovation costing before buying the property, including all buying, holding and selling costs.
2. Renovate for your end target market, not yourself.
3. Know your final selling price before you buy.
4. Understand the renovation basics – it's all about the numbers, permits, legalities, and what you need to organise before you start.
5. Learn from someone who has successfully done it before, and ideally who is still doing it.