
Renovation Webinar

Dean Parker & Troy Harris (Active Property Network)

What adds more in perceived value and actual value?

Troy Harris: What are the main aspects you look for when buying a renovation that allows you to add more perceived value than value hence more profit?

Dean Parker: Well, I think the key there is it's things that you can, like, to give a really basic overview, it's things that you can see. So things that you can't see like plumbing, electrical, stumping and things that you maybe can see but you don't really notice too much like guttering, fencing, those sort of things.

In our product, we've got a checklist and we sort of categorize them into either *low return items* or *no return items* is what we call them. So in a nutshell, the things that you can't see, don't really add any value. So when you're looking for a property, the more things that you can't see that you've got to fix, the less...or the money you've got to spend and the less value you're actually adding.

So if all of those sort of things are okay yet the house looks just terrible and the more visual things like painting or the front door with broken glass or the carpet that's just absolutely filthy and things like that that are cheap to fix and you give a real wow factor when you replaced them. They're the sort of things that obviously are going to add more perceived value than actual value because they're the things that are in the forefront of people's minds when they go through for that initial inspection.

Especially things, obviously, from the street, I think, make a big difference. The street appeal, if you can't get people inside the house, it's a bit of a worry. We always try and make a habit of changing the front door so that when you get there, the lock's very easy to open. There's nothing worse than standing at an inspection and waiting for the real estate agent to try and figure out how to actually unlock the front door because the lock just won't quite open.

So there's those sort of things that, I guess, the experience that you want to give people when they first get to the property, those visual things that are things that add more value than the things that obviously you can't see.