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## Renovation Webinar

### Dean Parker & Troy Harris (Active Property Network)

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#### Latest Renovation – Drummond Street North

**Troy Harris:** Okay. I've got a question I'm just dying to ask. Tell us about your current project. Am I right, you're about to make \$200,000 from one renovation?

**Dean Parker:** It is still going at the moment. It's pretty much complete. This is one that we purchased around the middle of what, probably hasn't even been three months now. I think it was June or July. And it's a block of eight units that we're renovating so we were able to buy the whole block. We purchases...I think it advertised for a \$1,000,050, this block of eight units and we were able to buy on a very short settlement and subject to getting early access just to do the renovations on the outside. The guy that owned them needed to get cash out to do another project that he wanted to get into so yeah, I would offer him, I guess, a short settlement and we're not even going to guess yet on price.

But I guess the nuts and bolts of it is that we during our due diligence process, the valuation that I got in for the completion valuation was \$1.3 million so the basic numbers of the sale that we paid \$950,000 for is we're not going to spend \$100,000 on the renovation on the outside. And at the moment, we've already sold two of them for \$10,000 more than what the valuation was so we're looking at probably well, in between \$200,000 and \$250,000 profit depending on how the other ones go on the market. But it's pretty good because it's only external renovations and there's really only been probably about ten trades that I've got to deal with.

We've left all the tenants in the property during the renovations and it's just been a real good project. So it's very exciting and it's taking place. It really was. It's in a quite a significant...well, it's in, not a wealthy but one of the main streets in Ballarat here and it's...we've been able to completely change it from the street so not only is it going to be a profitable deal but it's actually...it's nice to know that the actual area is being or that property in particular is being vastly improved and makes the whole area look a whole lot better. So it's win-win for everything including my own satisfaction. So it's been good.

**Troy Harris:** I bet you could wish you could find another couple of those.

**Dean Parker:** That's right. I mean, even with the original purchase price they were offering, like, I would have proceeded at that price. But yeah, it's...I guess the thing about, the main thing about this project in particular, it's just been a good one for a leverage point of view. By doing eight at a time means we're essentially renovating eight units at once in a way that I don't have to eight phone calls for every single thing. So it's, from that point of view, it's a bit of a leverage thing.

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And I guess we've probably learned that a little bit from developing and knowing that if you build one property out the back of their house, you go through the same process as you do as if you build five or six or thirteen. So you might as well build more on the land if you can, within reason obviously, for the same amount of work. So I guess it's a similar sort of thing here. The more properties you can renovate at the same time, leverage ...it makes more sense.