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Common Mistakes Made

Steve McKnight: All right, well, let's get to some of the juicy things we're going to talk about today and let's start off with what are some of the common mistakes that people make when renovating?

Dean Parker: I think there's four or five real main ones that people do or that we've seen happen over the years. And I think jumping, just jumping straight in at the buy stage without...I mean, we've got an eight-step process that we follow and the buy stage is actually step five in the process. So there's four critical things or steps that you need to do like educating yourself and preparing yourself to deal and becoming an area specialist and actually knowing what your target market's going to want. And there's a whole heap of things that we do, cost it out completely before we actually jump in. So I think a lot of people probably just get a little bit excited about the fact that renovations can be profitable and they jump in too early. And I think that's definitely a massive no-no.

And that leads on to then some effects of then going over budget on your reno costs, not knowing your end-selling price before you buy, not identifying your target market properly. And when you do identify that then that paints a clearer picture on what items you should change in the reno and what you shouldn't and where you're going to get the most benefit from.

So essentially, it's probably just about educating yourself first. I guess that's the main thing. Just jumping in too early without knowing exactly what needs to happen and making sure that you will make money out of it and that's...I guess that's what it's all about; it's all about making money.

- 1) Jump in at the Buy Stage and miss the first four critical steps
- 2) Going over budget on the renovation costs
- 3) Not knowing the end selling price
- 4) Not knowing the end target market – who are you selling to?