
Renovation Webinar

Dean Parker & Steve McKnight (Property Investing.com)

Creating Time and the Renovation Process

Steve McKnight: Dean, for people listening to this, many of them will have jobs and they'll be busy. How do you go...I mean, it's a bit easy for you who do this full time effectively. How do you go managing your first few reno's when you've got a job and liaising with people and getting contractors around there if you can't be there yourself?

Dean Parker: Well, you need to be able to create some time somehow. And this is one thing I can remember you telling me very early on that at the end of the day you've either got time or money and we didn't really have either at the start. But to get started you need to be able to create some time somehow.

So we...I negotiated some time off work. So even if it's two hours a week or whatever you can do just to turn around and say all right, well, I'm going to dedicate this to the project a week or whatever it is, I think it's pretty important probably, especially during the week as well that you've got some time that you can coordinate with your trades and not being interfered with that you can dedicate to your renovating. I think that's definitely okay.

Steve McKnight: Well, coming back to these points that I've written down that you are talking about, it sounds like a lot of people make a mistake by buying something and then hoping that it all works out when really buying isn't the first or the second or the third thing you do; it's the fourth or the fifth or the sixth thing you do.

Dean Parker: Yeah, that's right.

Steve McKnight: So what is it again that you should be doing before you buy a property to make sure that you don't end up with a dud?

Dean Parker: Okay, so the five steps...or the four steps before you actually buy that we talk about in our system are step one is essentially just educating yourself. So that's understanding how renovations work and the numbers behind it, getting what the purpose is of valuation, how to identify your target market, all those sort of things. It's the actual...the nuts and bolts of how renovation works, like the process behind it all. I guess it's the absolute necessity of information you need to know.

But then from there step two we call deal and self-preparation and that's then going off to your bank, your accountant, getting a loan sort of things in place. How much money have you got to invest in your renovation project? How much money will a renovation project require? So knowing

all these things up front before you even start looking for a type of property. How much time have you got to invest? All those sort of things. So that's step two.

And then step three, it's all about finding an area and that's based on the goals that you set in step two. And then step **four** is finding a property. And then step five is buying the property. So it's a whole series of things that we go through before we actually get to that buy stage to make sure that when you do buy, you're actually buying a property that one, suits your goals and two, that you're going to make money from.

Steve McKnight: And that's the difference between a speculator and being an investor, isn't it? I guess an investor knows what he or she is buying and how to make money where as a speculator buys something and hopes it works out.

Dean Parker: Correct, yeah.