
Renovation Webinar

Dean Parker & Steve McKnight (Property Investing.com)

Doubling your Renovation Profits

Steve McKnight: Now, the topic of today's reno or today's webinar was how can you double your reno profits. Now, that's a pretty big call to make but I think if we take the view that most people don't really know what they're doing when it comes to a reno and leave a lot of money on the table by the fact that they're not planned or structured and rather random and ad hoc, what are some ways that people can tighten up the way they approach their reno's to substantially increase the amount of money they make?

Dean Parker: It probably goes over, probably a bit of a summary of what we've spoken yet on the call already but essentially, it's just getting some sort of education before you buy. That's really step one, like just making sure you do that.

And then like if we call that tip one, I guess tip two would be prepare yourself for the deal. So know what you actually want to achieve out of it. Like, do you want to do the hands-on work or are you happy to get trades in? How much time have you got to put in? How much money? Become an area specialist. You've just got to look at who's at properties. Do that either online or physically through open inspections. So I guess know the area that you're going to invest in really well.

Identify a target market. and I think this is probably one thing a lot of people probably don't even think about too much either and that's that they probably renovate just to what they would want to live in or what they think the market wants rather than getting out there and actually seeing what the market wants. And I think this year, especially with taking that on board, and we're probably doing things differently than everyone else out there and it's been a lot more profitable now that we're really focusing on the target market. And in our area, it's been the first home buys, we've tried to focus on that market and just having a cheap, entry-level product and we did really well out of that. So that's another tip.

Obviously knowing what your reno will cost and doing a proper feasibility and getting quotes and doing that properly. That obviously can avoid you throwing away a lot of money and making sure that you do cover all the costs that you are going to spend.

Knowing your end selling price and there's a whole heap of ways that you can do that through valuations or real estate agents who've got access to all these databases these days. Property inspections...Again, if you're an area specialist, you'll know what an end-selling price is anyway.

And I'll get to the last tip is to not let anyone near your property until you're 100% finished. So we're talking agents, buyers or tenants. Just get it 100% done. Get it so there's not anything that anyone can look at and go oh, it's not quite done there. And the other thing is make sure it's 100%

furnished and looking a million dollars. We've found that even agents can't visualize what the property's going to look like if you haven't quite finished it. So don't even get the agents in to start appraising it before you get it 100% done and looking a million dollars.

Steve McKnight: I know Katrina Mays when she says about the importance of staging a high image which means having it furnished and maximum buyer appeal says, "If you go and put your property up for sale that's been renovated but hasn't been properly furnished, it's like going out on a date without any clothes on."

Dean Parker: Yeah, we agree 100%. We've got two, pretty much, houses with the furniture now and obviously a few just starting off. You can just hire it or I mean, when we first started off, we were using pictures from our own house and just bits and pieces from anywhere we could find it just to make the houses look right. And yeah, I agree with Katrina 100% that it makes a massive difference in furnishing and furnishing well at the end, not just putting a couple of pieces in here and there, just doing a relatively good job of it makes a huge difference.