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# renovation returns

When it comes to renovating for profit, there's a formula for what adds value, minus costly mistakes, that equals a great return on investment

WORDS Luisa Volpato

Most people know that renovating the bathroom and kitchen is a quick way to make money when you sell a property. However, when it comes to really adding value to a home, to get more than just your money back or a little extra when you sell it, it's important to look at the complete picture the home presents and how it delivers what buyers need and want.

"The ideal house for the typical nuclear family of parents and two kids has three bedrooms and two living spaces," said Matt Lahood, General Manager of Sales for McGrath Estate Agents.

"When renovating, homeowners should first focus on the living room as many buyers are on the lookout for combined open-plan living and dining rooms, which can be used for both entertaining and relaxing with the family.

### Versatile spaces

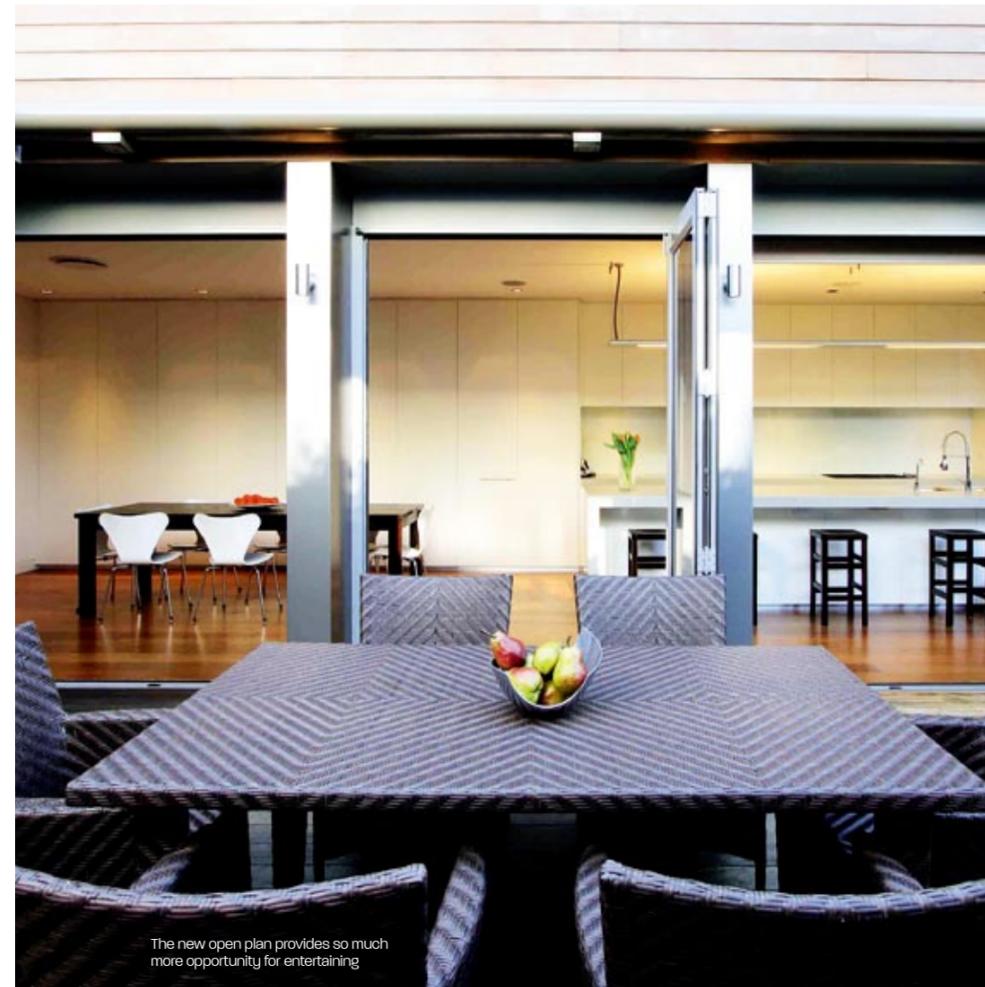
"Focus on creating an indoor/outdoor space where the interior of the house flows easily into an outdoor haven. Throw your resources into creating a modern, open and light-filled kitchen and then a lifestyle room, which can be used as a media room, games room or teenage retreat. If you can, add a garage to be used for off-street

parking or extra storage," Matt continues.

And when it comes to areas like the bathroom and kitchen, he advises you to maximise profit by keeping renovations simple and tasteful without breaking the bank. Don't go overboard on appliances, fittings and fixtures, as these are things you should be saving, rather than wasting, money on.

"In my 20 years of selling homes I've realised that most buyers don't notice whether the dishwasher is a Smeg or Miele, the shower head a Grohe, or if the kitchen benches are CaesarStone rather than marble," he says.

"To maximise profit, renovate with neutral colours and tasteful styling that will not date quickly, create as much open space as possible and maximise the use of natural light."



### from now to wow

Creating much-in-demand extra space and light in a home was just the starting point for the transformation of a dilapidated weatherboard cottage in the inner-city suburb of Balmain in Sydney. Bought for \$650,000, renovated for less than \$500,000 and sold for more than \$1.8 million, it proves just how profitable a well-designed, planned and executed renovation can be.

“Our brief was to turn a dark, pokey two-bedroom cottage with external bathroom and laundry and a mess of a backyard into a four-bedroom, two-bathroom home with large open-plan living and dining areas, parking for two cars and an outdoor entertaining deck and garden,” says architect Philippa Randall of Studio 3 Design.

“The character of the original cottage was maintained to the main street, taken back to its original footprint and restored, while a new two-storey contemporary addition was built at the back. This addressed council planning regulations and maximised use of the site, providing an outdoor living space equivalent in size to the internal areas.”

### renovating DOs and DON'Ts

Matt Lahood of McGrath Estate Agents says there are simple ways to make or break a renovation, especially if you are hoping to sell for profit.

#### DO

- Maximise natural light — install large windows and skylights, use flush all-white cabinetry and knock down walls of pokey rooms.
- Use the space in the roof if you have it — an attic can add an entirely new and versatile room to the home.
- Remember to include a laundry — buyers want a separate room or at least a separate space for this.
- Save money on appliances, fittings and fixtures — most buyers don't notice or remember the brands used.

#### DON'T

- Underestimate the value of the home's outdoor environment — it may take only a small effort, such as adding plants, a pond and turf, to create an outdoor haven that can really make the difference.
- Use a bold colour scheme that will date quickly — it will almost certainly reduce the value of a home.
- Cut corners — such as painting the exterior without rendering it first.



### bag a bargain online

Smart renovators are discovering they can save both time and money by buying almost everything, including the kitchen sink, online. From kitchen and bathroom fittings to appliances and whitegoods, timber and windows, as well as landscaping and building materials, online auction and retail sites such as GraysOnline are making renovations more affordable than ever.

“Every day, GraysOnline has more than 50 home and garden auctions filled with thousands of items sold at up to 70 per cent off retail prices,” says CEO, Cameron Poolman. “Despite the uncertain financial times, in the first half of 2010 we have sold 71 per cent more home and garden inventory than we did in all of 2009. Homeowners are certainly taking advantage of the opportunity to renovate their homes for less.” Compare, shop and save online and never pay full price again with online retailers and auction sites such as these:

- [www.graysonline.com](http://www.graysonline.com)
- [www.appliancesonline.com.au](http://www.appliancesonline.com.au)
- [www.renovi.com.au](http://www.renovi.com.au)
- [www.realisticrenos.com.au](http://www.realisticrenos.com.au)
- [www.buybuildingsupplies.com.au](http://www.buybuildingsupplies.com.au)

### an urban oasis

“There is no view or outlook from the site, but the rear faces due north, which provided a key opportunity in the new planning layout to have living spaces with sunlight” Philippa explains. “The success of the design was achieved by having a green outdoor space that created an urban oasis in such a dense inner-city area.

“Our client bought with the specific intention of renovating to sell for profit, so Balmain was chosen because of the resale appeal. They understood that the close proximity to the CBD, village atmosphere and conservation character of the area were strong drawcards, and the site’s double frontage and size meant a substantial addition could be built.

“Due to the limited number of houses of this size in the area, we knew that development of the property in this way would provide a much sought-after home for buyers wishing to enter the market without renovating. The sale result definitely proved that!” says Philippa.



The rear of the house enjoys ample sunshine with its northerly aspect

