

## Want to renovate the smart way? Avoid these four mistakes

Never renovated a property before? Here are four mistakes to avoid when it's home improvement time.

### Mistake 1: Not doing enough research

Don't start work without knowing the details. You need to research building materials and tradespeople, and understand the legal and regulatory aspects of a renovation.

Find out how much materials and tradies cost. You can request several quotes to get a realistic price range. You can also find out if there are discounts on offer - for example, for bulk-buying or early payment - or opportunities to negotiate.

Before you start, ask your local council whether you need any permits. Fines for unlawful renovation can be hefty, as can the cost to repair or rebuild.

### Mistake 2: Failing to plan properly

Poor planning can cause big problems. Your budget or schedule could blow out, the property might end up worse off, or you might not achieve what you really wanted to.

Planning should include these three elements:

Scope: What you want to do and the resources you need.

Schedule: When different aspects of the renovation should happen.

Budget: How much you plan to spend.

If you're having trouble, consider hiring professionals. This may be an architect to provide drawings, or a construction manager to juggle the different elements.

### Mistake 3: Underestimating costs

First-timers often make the mistake of setting a budget - "we'll spend \$50,000" - without knowing what it will buy. Don't fall into that trap. If you research building materials, you'll be more likely to buy the right quantities at the right price. If you make detailed plans, your trade quotes will be more accurate. Good research and planning will help you create a realistic budget.

Remember to build some contingency - into your budget in case things don't go to plan.

Adding 10 to 20 per cent to the final budget is a good rule of thumb.

### Mistake 4: Hiring the wrong people

Labour is one area where you'll want to cut costs, but quality should trump price.

Hire for the job: It's tempting to hire a jack-of-all-trades, but try to hire specialists for important jobs. For example, hire a plumber, not a handyperson, to install a sink.

Make sure the tradesperson is licensed: The tradie is accountable for his/her work, plus the renovation comes with a warranty.

Check references: Word-of-mouth recommendations are often the best reference. Also look for genuine testimonials and signs of quality work, such as industry awards or positive media coverage. Your house has a better chance of becoming your dream home when you avoid the most common renovation pitfalls. When it comes to financing your renovation, your mortgage broker can help.

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This article is not intended to be comprehensive nor does it constitute legal advice.