

Renovation Guide.

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Homeloans





CONTENTS

3. Where to start
4. What's your reason to renovate
5. More reasons to renovate
6. Renovate smart
7. Is it worth it?
8. Loanseeker's reno tips
9. More reno tips
10. Get your budget in order
11. Choosing Your Trades
12. How to pay for your renovation
13. Refinancing and restructuring loans to pay for your reno
14. Other costs to consider
15. Ready?

start with a Plan..

Perhaps you're making room for a growing family. Or restoring a character home. Maybe you've finally decided that your shabby chic look is more shabby than chic.

Whatever the reason, whatever the project, at Loanseeker we understand that while renovating can be stressful, it's an exciting and rewarding time for you.

We also understand that to get the job done well, you need to start with a plan. We've put this Renovation Guide together to help you prepare for the decisions that lay ahead. You'll find plenty of useful information, checklists and tips to help you get the job done on brief and within budget, while avoiding the potential pitfalls. Especially when it comes to your financing.

We can't help you decide on your bathroom fittings, but we could help you with a financial solution that will be just right for you. Whether that's sticking with your current loan and using the equity you've built in your home or refinancing with a new lender, your Loanseeker Broker has the experience and insight to help you every step of the way.

Your Broker can save you valuable time by searching and comparing hundreds of loans from up to 20 lenders. And keep in mind that because we get paid a commission by lenders, our help won't cost you a cent. – Getting expert advice from the beginning is essential

WHAT'S YOUR REASON TO RENOVATE?



To help you plan a pathway to home ownership your experienced LoanSeeker Broker will:

- **It's a good way to avoid the costs of moving.**

You love where you live so why not stay? Staying put and renovating to meet your future needs can be the most cost-effective option, saving the associated costs such as agent's commission and the dreaded stamp duty. That's money that can be better spent on your renovation.

- **Enhance the returns on my investment property.**

The right renovations on an investment property could mean you'll be in the position to attract a higher rental return. Whether renovating to rent or sell, you'll be investing in the future potential of your investment property.

- **Build my property's value.**

Regardless of what the market is doing, thoughtfully designed and well-executed renovations can significantly increase the value of your home. Talking to local real estate agents and getting a clear understanding of your local market will help ensure you're not overcapitalising, where the cost of your renovation exceeds the value it adds to your property.

take the time to ask what I want to achieve

An essential part of making sure that your renovation is successful, is taking the time to think about why you're renovating.

Everyone's reasons are different of course, but with a clear objective in mind, you can identify your goals and set out a clear plan to get you there. Your renovating objectives will also influence the financing options that your local Loanseeker Broker will bring to the table for you.

GET A BETTER SALE PRICE

Newly renovated properties are definitely more appealing to buyers. An important thing to remember is that you are not renovating to please yourself, you are renovating to appeal to a wide variety of people. The best place to get advice is talk to the local agents in the area to find out what renovated properties are going for.

RESTORE CHARACTER TO A NEGLECTED HOME

All over Australia there are brilliant properties waiting to be done up. If you want to restore the original features be sure to do your research to get the look of the renovation right. Make sure to check any restriction on renovating the property as there may be harsh penalties for breaching these restrictions.

REDUCE YOUR FOOTPRINT

In today's market there are so many ways to make the places we live in more environmentally friendly. The important thing to get right is the balance between the upfront costs of the technology and the actual affect it has on reducing our environmental footprint. Often local councils have subsidies for implementing environmental impact of the property. Done right greening up a place can increase the value as it appeals to many buyers and there is a lack of supply of decent green properties.

MORE
REASONS
TO
RENOVATE

Don't just
Renovate
Reinovate!



RENOAVTE SMART

Loanseeker's top renovation ideas for adding comfort, style and value to your home.

Kitchens.

Kitchen renovations can be the most costly, but done right can add massive value to a property. It doesn't matter whether you are renovating a house or a flat the kitchen is the focal point of the home and the quality in here sets the tone for the rest of the property. The same rules also apply to bathrooms.

Outdoor Areas.

Homes that have good outdoor areas sell well. If this isn't possible then at the least bring the outside in by letting as much natural light in as possible.

Floor.

This is often the next place to start with your design and then plan the rest of the apartment around your choice of flooring. Think about durability vs looks.

Get your brush out.

Lighten up a dark place or add more modern colours to the interiors. A lick of paint is the most cost effective way to improve the look and feel of a property.

Inspiring sources.

There are many websites, tv programs magazines and books you can source inspiration from. Get the most up to date sources you can and from reputable sources that are in the know with what the latest styles are.



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DO I OR
DON'T I?

Be Honest.

Are you really the DIY type? You need to seriously ask your self this. Unless you're a professional tradesperson or a highly skilled and experienced home handyman or woman, it's important to understand the limits of your abilities. Tasks that you have seen done by contestants on the tv shows are often times harder than they look. Don't risk renovation anything that has plumbing or electrical unless you are completely confident or else you can do some seriously expensive damage.

That said, **at Loanseeker we'll never discourage anyone from 'giving it a go'.** If you know what your in for and think you can handle it. Give it a go. Remember that it is hard work especially if you are juggling it around a full time job.

Is it worth it?

Is DIY really saving you money?

Often times it can be cheaper easier and less risky to get the professionals in.

What's your time worth to you?

DIY Reno's often take a lot longer to complete than you plan for. Is this time really worth giving up or would you prefer to spend your weekends at the footy or a movie.

Will you need owner builder permits?

You may be required by state law to apply for an 'owner builder' permit. If you live in an apartment building, you will also need to comply with the rules and regulations of your Strata or Title plans. Contact your relevant State authority for more info.

Loanseeker's Top Reno Tips

Do A Budget

Make sure you spend plenty of time on this phase as getting it wrong can be a disaster. Make sure you allow extra cash in the budget for unforeseen expenses.

Buy Off The Shelf

When choosing your fixtures and fittings choose sizes that are standard and don't opt for expensive materials. Doing this will save you a lot as you can buy most of the stuff you need cheaply. This is assuming you are renovating to sell. If you are renovating to create a masterpiece, go crazy and do whatever comes to your mind.

Step by Step

The amount of work needed to do a renovation can be overwhelming. Break down the project into bite size pieces and start ticking them off

Timing is Crucial

This is especially true if you are living in the property while you are renovating. You will more than likely be without showers or toilets and electricity for times throughout the project and plans need to be made to make this bearable.

Loanseeker's Top Reno Tips Continued

Forget January

Tradies don't like to work in January and are often times harder to find and more expensive. If you have to renovate at this time keep it in mind that you may not get the tradies you need.

Use Technology

There are plenty of apps and websites around to help you plan your project. From designing to project management and everything in between there is a program or app to help

Your not on the block

Don't think for a second that what happens on tv shows can actually happen like that in reality unless you have a full production team and the backing of a billion dollar company behind you it will defiantly take longer.

Get an Inspection done before you start.

Most people skip this step but it is a good idea to get a building inspector to check out the property before you start to see exactly what you are dealing with.

Builders and Insurance

Finally make sure you have a good builder and make sure you are fully insured

PLAN

Planning a realistic budget is just as important as planning your renovation. So what will you be up for? Final costs depend on a range of factors such as site accessibility, the standard of finish and, of course, the scale and scope of work. Big or small, you can start planning your budget around three key costs: design, material and labour.

Get Your
budget
In Order

DESIGN RIGHT

Using a professional architect can add a wow factor to your renovation, but could also add a wow factor to your budget. You might consider using a more affordable draftsman or woman or ask your builder to draw up the plans. Whichever way you go, accurate plans can help you properly calculate quantities of the materials required and avoid wastage

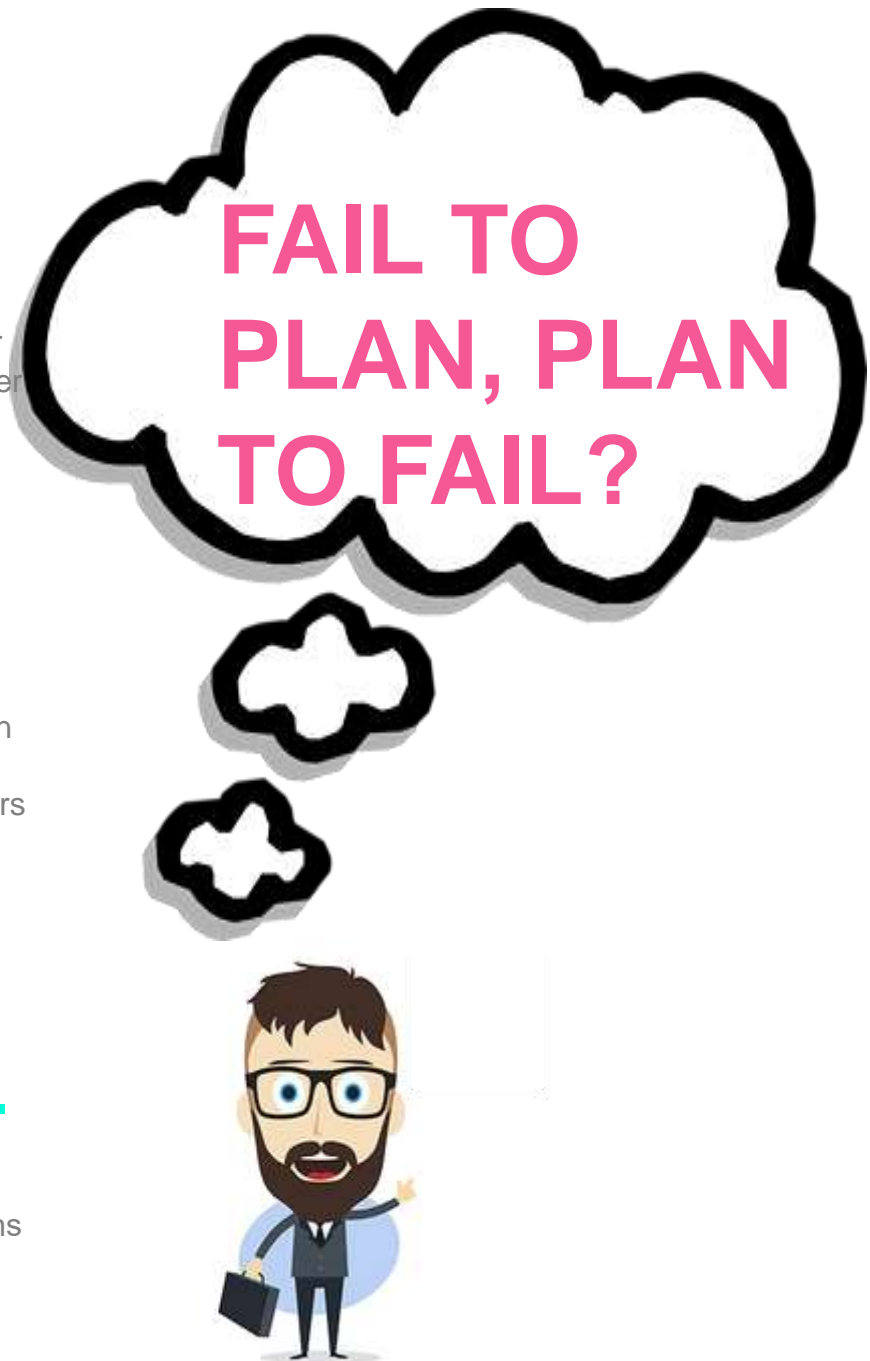
MATERIALS MATTER

The cost of building materials can vary widely. Using the best quality materials your budget can afford will help ensure your renovations look good and add value to your home for many years to come.

Compare prices online through major hardware chains and building suppliers.

GET EXPERT ADVICE.

Labour costs can account for up to one third of your budget, depending how much you DIY. That's why it's important to get recommendations to help you find professional builders and tradespeople you can trust. .





CHOOSING YOUR BUILDER

Do your research online
and ask friends,
neighbours and colleagues
for recommendations

Check records and any
outstanding claims through
your relevant Department
of Fair Trading or
Consumer Affairs

Get several written quotes

Compare quotes and
negotiate

Be clear on what each
quote includes and
excludes

Confirm current
appropriate licence (each
state and territory has its
own requirements)

Ensure contract contains
provisions for any
unexpected costs

Ask for references

Always ask for a proper
contract, AND ENSURE IT
GETS SIGNED

Choosing your builder checklist.

How to pay for your Renovation.

Planning how you'll renovate is the fun part but deciding how you'll pay for your project is just as important. While we won't pretend it will be all 'fun', at Loanseeker we will help you decide on the best path forward and make the process as easy and hassle free as possible. If your renovation does need new or additional financing, we'll work with you to ensure you're getting the right financial solution that works for you now and into the future.

Savings

If you've been a savvy saver, paying with cash is the cheapest way to fund your renovation. Of course, once your money is spent it's gone, so it's worth considering financing options that could help you renovate while keeping your savings intact and not placing too much of a stretch on your household budget.

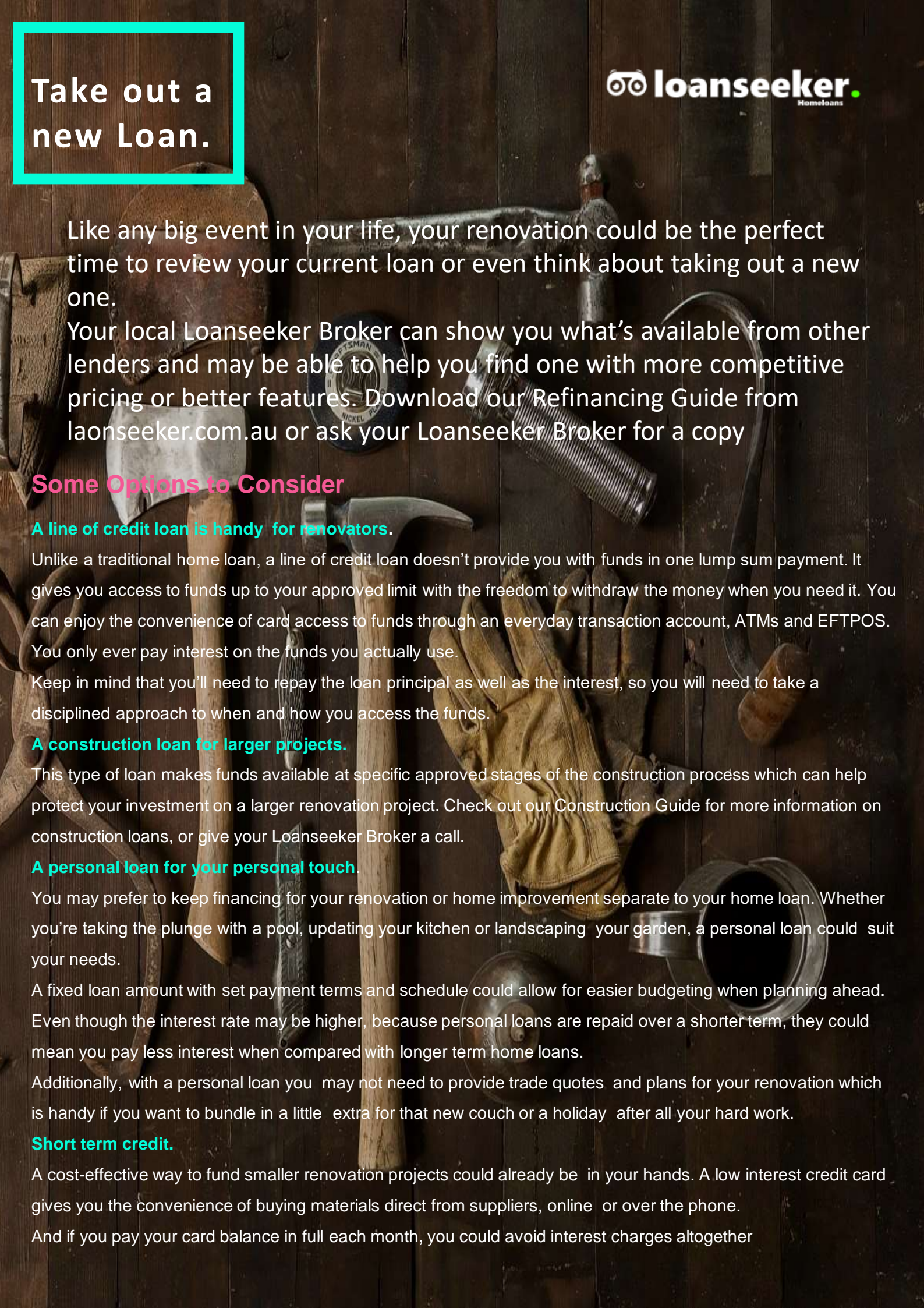
Use Your Equity

If you have an existing home loan, chances are you've already built up some equity in your home that could fund your renovation.

'Home equity' simply refers to the difference between your home's market value and how much you owe on your home loan. Your home equity may be a result of your home increasing in value over time or because you've made additional payments over your required minimum payments and have built up a buffer.

There are several ways you can use your home equity to your advantage. Equity gives you options. You may be able to use a redraw facility on your loan to access the additional payments you've made.

Or you could consider using the equity as security to extend the terms of your current loan or get an even better deal from another lender. Keep in mind that if you want to borrow 80% or more of your home's value, you may be required to pay Lender's Mortgage Insurance.



**Take out a
new Loan.**

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Like any big event in your life, your renovation could be the perfect time to review your current loan or even think about taking out a new one.

Your local Loanseeker Broker can show you what's available from other lenders and may be able to help you find one with more competitive pricing or better features. Download our Refinancing Guide from loanseeker.com.au or ask your Loanseeker Broker for a copy

Some Options to Consider

A line of credit loan is handy for renovators.

Unlike a traditional home loan, a line of credit loan doesn't provide you with funds in one lump sum payment. It gives you access to funds up to your approved limit with the freedom to withdraw the money when you need it. You can enjoy the convenience of card access to funds through an everyday transaction account, ATMs and EFTPOS. You only ever pay interest on the funds you actually use.

Keep in mind that you'll need to repay the loan principal as well as the interest, so you will need to take a disciplined approach to when and how you access the funds.

A construction loan for larger projects.

This type of loan makes funds available at specific approved stages of the construction process which can help protect your investment on a larger renovation project. Check out our Construction Guide for more information on construction loans, or give your Loanseeker Broker a call.

A personal loan for your personal touch.

You may prefer to keep financing for your renovation or home improvement separate to your home loan. Whether you're taking the plunge with a pool, updating your kitchen or landscaping your garden, a personal loan could suit your needs.

A fixed loan amount with set payment terms and schedule could allow for easier budgeting when planning ahead. Even though the interest rate may be higher, because personal loans are repaid over a shorter term, they could mean you pay less interest when compared with longer term home loans.

Additionally, with a personal loan you may not need to provide trade quotes and plans for your renovation which is handy if you want to bundle in a little extra for that new couch or a holiday after all your hard work.

Short term credit.

A cost-effective way to fund smaller renovation projects could already be in your hands. A low interest credit card gives you the convenience of buying materials direct from suppliers, online or over the phone.

And if you pay your card balance in full each month, you could avoid interest charges altogether

OTHER COSTS TO CONSIDER



No one wants to be overstretched. There are a few more costs you may need to factor in.

Fees, levies and permits.

You may be required to submit plans to your local council for approval. As a rule of thumb, any project that changes the footprint of your home may require approval. You will need to complete a Development Application (DA) and expect to pay a flat fee or a charge calculated as a percentage of the value of the work. If you are in an apartment, check the requirements of your own Strata or Title Agreements.

Temporary accommodation.

Renovating can be disruptive, especially if you're going to be without a kitchen or bathroom. You may need to consider the cost of alternative accommodation while you complete your renovations.

Removals and storage.

You may need to factor in the costs of hiring removalists or renting a truck, self-storage and additional insurance for your valuables.

A word on overcapitalising.

We certainly don't want to pull the rug out from under your feet at such an exciting time, but please keep in mind one thing to avoid with your renovation: overcapitalising. This is what happens when the cost of your renovations exceed the value they add to your property. And if you find yourself in that position, it could prove to be the biggest cost of all.

The 'secret' to not overcapitalising is doing your homework first. Keep an eye on other properties in your local area and get a feel for the market and what buyers are looking for. It's a good idea to get advice early and have a chat about your plans with local real estate agents or a qualified valuer.

Protecting your investment.

Renovating is a great time to review your insurance to ensure you've got the right cover in place. Ask your Loanseeker Broker for information and brochures on our Home and Contents Insurance and Mortgage Protection Plan. .

The background of the advertisement is a photograph of a street scene. It features a wall covered in colorful graffiti, including a large blue and white abstract design and a yellow face. A white scooter is parked in the foreground, and a person's leg is visible on the left. A large blue rectangle is overlaid on the left side of the image, containing the text.

Feel Ready?

**Get In Touch
With Your Personal
LoanSeeker Broker.**

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