

The Room-by-Room Guide To

RENOVATE FOR PROFIT

How "Mum and Dad" Investors can Safely Achieve
Financial Freedom Using Renovation



JANE SLACK-SMITH

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Introduction

Hi! This is Jane.

Renovating for profit is a fantastic low-risk road to true financial freedom.

After discovering renovation and building my own multi-million-dollar property portfolio in less than 10 years, I became passionate about sharing this strategy and helping other people achieve financial freedom through this low-risk method of property investment.

The renovation system I will reveal to you in the following pages has helped thousands of people to successfully invest in property.

What's great is that anyone can use it. You just roll up your sleeves and away you go. It's low-risk, doesn't take a huge portfolio and is a perfect way for people starting with smaller purchase prices to quickly climb the property ladder.

In fact, it's quite realistic for the "average Australian" to achieve a passive income of between \$50,000 and \$200,000 (or more) with just 2 - 4 properties and 15 years following the strategy outlined in this book.

I am going to show you five case studies with real numbers from real people (just like you).

What you do with that income is up to you—travel the world, spoil the kids, chase your passions full-time—whatever your goals, whatever your ambitions, having the rare combination of money AND time will get you there faster, easier and while having a lot more fun.

Welcome to The Room-by-Room Guide to Renovate for Profit.

Jane Slack-Smith



Introducing Strategic Renovation

Strategic renovation is, by far, my FAVORITE low-risk property investment strategy.

It combines the careful prediction methods used in Capital Growth with the traditional method of Buy and Sell.

Strategic renovation is when you purchase a property in the right location for the right price and manufacture equity by renovating the property in a way that sets you up for a high rental yield or a high sale price (depending on your chosen goal).

It is the best of both worlds and, when done correctly, it can set your property portfolio on fire – the good kind of fire!

The ability to manufacture equity puts you in control of your own destiny. This strategy is not cycle-dependent and, when executed correctly, can be carried out at any time in any market stage.

No matter what your circumstances or what sort of market conditions you face, strategic renovation has the power to speed up your capital gains, increase your rent and get you to your goals sooner.

If you're buying to renovate and hold (or buying to sell), you can rapidly add value to the right property with strategic renovation (rather than just sitting on your hands and hoping!)

Or maybe you already own a property. In that case, you can manufacture equity to update your portfolio. I did exactly that in 2016. My house was valued at \$820,000 pre-reno and \$920,000 post-reno, with just \$33,000 spent.

\$820,000 to \$920,000. Not bad, huh?



What's great about strategic renovation is that anyone can do it. You just roll up your sleeves and away you go... or hire tradesmen to do it for you if you're not quite that savvy with a paintbrush or hammer or if you are time-poor.

It's a great way for people starting on smaller purchase prices to climb the property ladder.

But here's the thing: The problem with renovation is that... by itself... it just doesn't work.

To be brash, "You can't polish a turd", meaning if you buy a house in a dud location and try to spiff it up with a strategic reno, chances are it won't go according to plan (i.e. make a profit).

I know that sounds harsh, but it's true. In a good market that's

growing quickly, everybody thinks they're making money from renovation; however, many people are simply oblivious to their mistakes... because it's actually capital growth that's covering their mistakes.

However, when the market slows or there is no capital growth, the figures can look very different.

And it's in times like these you will see there are more people losing money than actually making money with renovation, and that's because you need to know a few golden rules:

1. Not all properties are equal.

Before taking on any renovation project, either cosmetic or structural, you must be certain the property has the capacity to add value.

2. Not all areas are equal.

Viable areas have a large gap in price between the unrenovated and renovated properties. This pricing gap is known as 'pricing disparity'.

3. To make sure your renovation adds value to the property, you first need to know the fastest and least expensive methods to multiply every dollar you spend on your renovation. Renovating areas that will increase the street appeal, e.g. kitchen and bathrooms, painting, floor sanding and carpet, will add the most value quickly to a property.

4. The bottom line is that, when done strategically, even small improvements can add significant value to a property. A simple exterior paint job alone can easily add tens of thousands to the end value.

It's knowing how to renovate that gives you equity. This applies to your existing properties and home as well as to new investment properties.

My Story With Strategic Renovation

I did not start off knowing about strategic renovation or how to invest in property.

I did not come from a position of wealth, not from a family with much, if any, disposable income. My parents made sacrifices to give their daughters every opportunity they could. In fact, they sacrificed ever owning a family home to give us a great education.

So, to cut a long story short, several years in, I started applying for multiple types of engineering scholarships. The School of Mines at the University of New South Wales asked me to come for an interview, and somehow I found myself with a scholarship to study mining engineering!

And to skip forward a few more years, on my first day of work at my first NSW underground coal mine, 300 men went out on strike!

It turned out they believed it was 'unlucky' to have a woman underground. In fact, the mine manager told a local paper 'a woman can work here but it is no place for a lady'.

After getting to know me, the men started calling me 'Lady Jane' and the name stuck; in fact, years later, Australian Story did a program on my experience and actually called it "Lady Jane".

But it did get better. Over the following 12 years, I did learn a lot of new things: how to drive 240-ton trucks, ventilate underground mines, be an explosives expert and blow up things around the world and general just have a really good time!

The greatest lesson though was how to think about risk and how to assess risks.

So the turning point for me came in 1997. I was earning a good income, I was helping my family financially, having some really good holidays, but my bank balance was going down consistently.

Which was fine, I thought, because I just went to work the next day and I would be paid again.

I was on holidays when I picked up a book that changed my life....

In 'Rich Dad, Poor Dad' by Robert Kiyosaki, he asks, "Do you work for your money or does your money work for you?"

At that time, I thought that was a really stupid question, but of course, I work for my money. I work so I can go home on and spend it all (and just a little bit more).

And then the penny dropped.

I was not getting ahead. I was just exchanging an hour of my time for an income. I was not leveraging my knowledge or my income.

So, why not ask yourself the same question: Are you spending all that you earn?

Are you optimising yourself to not only be all you can be professionally but while achieving your personal goals?

For me, it meant that I didn't want to just exchange an hour of my time for a dollar – I actually wanted to have money accumulating when I slept. So I looked at different ways of doing this.

First of all, I looked at the stock exchange; however, after 12 months of careful study and unsuccessful paper trading, I knew shares were not for me.

So, I turned my attention to property investing. I spent months doing my research. I read books. I attended as many

introduction courses to property investing seminars that I could. But it got to the point where I just was downright confused. There were so many mixed messages!

Everyone seemed to have different strategies. There did not seem to be one place that I can get all the information from, one place where they had my best interests in mind.

Of course, what I realised later as I became educated is that it really didn't need to be that confusing or complicated.

There were really two things I needed to know:

1. What mistakes did these experts make?
2. What were their successful strategies?

I found that many did not discuss their mistakes, but when they did, what they shared was gold for me.



As an explosives engineer, I understood risk.

I assessed risk every single day. I would look at the consequences of something going wrong, and I looked at the likelihood of that happening.

Even if the consequences were really bad, I could minimise the effect of those consequences by putting some actions in place to make a risk acceptable.

I started thinking I could apply the same thinking to property investing. After all, the reason I was not rushing into property investing was that I was scared of the risk of getting it wrong and losing my nest egg. It was only \$45,000 but it was all I had at the age of 28.

I decided to combine the knowledge of all those books, all those seminars and courses, into my own low-risk strategy. I was not only going to look at risks associated with one strategy over the other but also at the personal risks I faced and how to minimise those.

What if I lost my job? or I got sick? or I got it all wrong and someone would not rent my property?

What if the property market changed suddenly or if there was a crash?

Risk became my main focus. I wanted to know the risks of everything and understand how I could make money, whilst protecting myself.

So after a year of research, in 2001, my husband and I applied all the research on locating properties we had learnt, and combined with our low-risk investing strategies, we bought our first properties in Melbourne.

My First Purchase

This first purchase was very important to me....I wanted to make a significant amount of money and hence I needed to get it right, the first time.

- I bought my first property for \$425,000 and used my entire savings.
- From my \$45,000, I handed over \$25,000 straight away to the government for stamp duty and I was left with a 5% deposit.
- I then took a personal loan for \$50,000 and started a renovation.
- Nine months later, it was valued at \$700,000 – I had increased the value of the property by \$275,000 in 9 months with a \$50,000 renovation.

As you can imagine, I was just over the moon! I was doing backflips.

In fact, it really changed my life, because that property became the springboard for purchasing the next property using the same strategy, and the next property and the one after that...

So, that Carton property effectively became the foundation for building a multimillion-dollar portfolio over the following 13 years...

Today, I'm very fortunate because that portfolio goes up by tens of thousands of dollars every month.

Please don't think I'm saying that to brag or to show off.

I'm sharing that just to illustrate to you what's possible for anyone using strategic renovation as an active property investment strategy.

Because as my husband will assure you, I'm not some kind of super woman. :)

I just developed a low-risk system using the same principles I learnt as an explosives engineer.



The Three-Prong Low-Risk Property Investing Strategy

My investment system, called The Trid3nt Strategy®, is fundamentally low-risk and has 3 ways to manufacture equity in any market, which is more important than ever in times like these.

The Trid3nt Strategy® is the 3 ways I manufacture equity.

1. First of all, selecting an area with above average capital growth. The location.
2. Buying below the market value. Knowing the area.

3. And then, adding value through strategic renovation. Pushing up the rent, helping up my cash flow and then releasing equity to buy again.

It's deceptively simple but extremely effective.

These are the 3 ways you can make money in property using low-risk strategies. The great thing is you can use one, or as I do (and can teach you) use all of them at once.

Together they form a more powerful way to reduce your risks in property, because if you apply all 3 and you get 1 wrong, then you still have 2 other ways that will allow you to achieve your goal.

So, once again, the 3 ways to manufacture equity:

1. Selecting an area with above average capital growth
2. Buying below the market value
3. Adding value through strategic renovation – This is my favorite as anyone with any experience with budget can do it themselves.

So really, I'm no different from you. I just followed a system that works through thick and thin.

Since then, I've developed and helped thousands of people to

successfully invest in property using The Trid3nt Strategy®, which I am so proud of.

What's great about renovation is that anyone can do it. You just roll up your sleeves and away you go... or hire tradesmen to do it for you. It's a great way for people starting on smaller purchase prices to climb the property ladder.

So, strategic renovation really is a secret weapon for investors...

When done right, an investment property should be like a money tree that provides for you 24/7... even while you sleep! But you have to know what you're doing...

If you would like to learn more using The Trid3nt Strategy® and the nuts and bolts involved in carrying out a strategic renovation, I have a free video case study that you might be interested in.

It's about how I find and buy run-down properties to generate equity from the start. And you can use these techniques on a property you already own too.

With the right renovation, you'll easily make \$2, \$3 or even \$4 for every \$1 you spend – and this is one of the simplest and easiest ways to improve your equity position almost overnight.



Adding Value with Renovation

There's no doubt that a strategic renovation or makeover can really add a lot a value to a property – but that doesn't mean that you have to spend a fortune.

Spending just a few thousand dollars in the right places can potentially generate tens of thousands of dollars in value.

But before the fun begins, there just needs to be a word of caution: Renovating to add value is different from a normal renovation.

It's all about renovating to suit the tastes of your potential buyer or renter and not your own personal tastes. This is an area where so many people have difficulty, but the important thing to remember here is that you are not your buyer.

You need to cater to what the majority of buyers in your area

are looking for and to the broadest possible tastes. So, with the serious stuff out of the way, let's look at where real value can be added.

Renovating for High Returns

There are certain areas of a house and particular improvements that offer a high return. Our goal is to multiply every dollar spent, which means for every dollar we spend, we want to add a minimum of two dollars to the resale price of the home. But it's actually possible to do far better than this.

Painting

Painting probably generates the highest return of any work you can carry out on a renovation.

Repainting can dramatically change the look and feel of a property, as well as substantially increase its value.

Choosing Colours

Choose only a few colours and keep them light and neutral. Remember: It's not about what you like; it's about appealing to the broadest possible market (the 'buyer' in your market).

Light surfaces are the quickest way to create a light, bright and clean-looking space. Resist the urge to do 'feature walls'.

Don't skimp on preparation, although it may seem unnecessary. After all, you don't have to live with it day in, day out. However, the time you spend preparing your surfaces will be rewarded with less time later on to repaint.

Repair Before Replace

Before you rip something out and throw it in the skip, ask yourself: Can it be repainted?

Does it really matter if the laundry shelves are not brand-new?

Or if the inside of the wardrobes aren't completely up to date?

Often, it doesn't.

These are what professional renovators call **low-return items**, meaning that money spent on these items will not generate a financial return when selling. A simple coat of paint will suffice for these items in most cases.

Even though these are small things, it does all add up and it's also money that comes straight off your profit.

Floor Polishing and Carpet

If painting is the highest return item, then it is closely followed by floor polishing and new carpet.

Floor Polishing

Floor polishing can add fantastic bang for buck. It typically takes 3-5 days to complete and you won't have access to the interior of your house for the majority of this time.

If you have lighter floorboard such as Baltic pine, it's a good idea to darken them using stain.

Darker coloured floorboards such as dark red and dark chocolate have a higher perceived value than lighter ones.

Get your floor sander to make you up a sample on a small piece of floorboard.

Carpet

Most buyers prefer carpet in the bedrooms. Be sure to shop around. Sometimes it's possible to get cheap prices on end of the roll and discontinued rolls.

Floor Plan

Is it possible to manipulate the floor plan to maximize the space to add value?

If you can't add or remove walls, consider how best to create flow and harmony within a space through colour scheme, window treatments and floor coverings.

Turning a Spare Room into a Bedroom

In some cases, you won't have to do a whole lot to turn a spare room into a bedroom. If your property has a sunroom, for instance, you may want to consider turning it into another bedroom.

But here's something to consider: Does the property benefit from the office, sunroom, den, or spare room?

Low-Return Items to avoid

As discussed, this type of renovating is all about where you can spend the least amount of money but add the most value as quickly as possible. This is done by spending money on high-return items.

Unfortunately, in nearly every renovation project, there are also low-return items, or even worse, no-return items. These are items or work that needs to be done in order for the house to function properly and safely, but have no perceived value and therefore don't add to the resale price.

Typical low-return items are:

- Gutters
- Fencing
- Roof repair
- Floor leveling / restumping
- Plaster cracking

Typical no-return items are:

- Plumbing
- Foundations
- Wiring
- Pest damage



Give Your Home “Curb Appeal”

Studies have shown that a large percentage of buyers decide whether or not they are going to buy a home **before** they even set foot in a house. That is why it's so crucial to make a good impression by creating a welcoming entrance to the home. Even if your home is in good shape, there are probably a few things you can do to make it really sparkle. This is what's known as “curb appeal,” and experts agree that making a good first impression is a crucial factor in attracting buyers. Improving your home's curb appeal can be as easy as:

- Tidying up the yard
- Mowing the lawn
- Washing windows
- Touching up exterior paint
- Adding plants and flowers
- Adding a good-quality letter box

- Adding shiny new street numbers

Tips to spruce up the outside of your property

Resurface an Old Driveway or Path

Your driveway and the path to your front door are also very important. It is quite easy to resurface paths and driveways using inexpensive material such as crushed granite or Lilydale topping.

Landscaping

Using even a small number of architectural plants such as cordylines can also give a real lift to the curb appeal of your home.

You may also be able to make use of a local nursery's design services. These are often free or with a minimum charge, at the end of which they provide you with a landscaping design plan and plant list.

Subject to your individual circumstance, these are some other things that you can do to improve curb appeal.

- Paint facade, windows & trims
- Repaint the roof
- Render outside walls
- Fencing and landscaping
- Paint concrete driveway or patio
- Install a carport
- Paint the fence



Case Study: How Improving curb appeal can give your property a new lease on life

Russell knew his investment property had potential. Unfortunately, it was the 'sore thumb' of the lush and tropical Queensland street.

His typical Queenslander, weatherboard home was hidden behind a fortress of 10-foot hedges, a towering tree and a mess of old bricks and garden waste. In the state that it was, he knew he would not be able to get the rental price he was looking for.

"I needed to present the home in a way that was attractive to any potential tenants, but that was also low-maintenance and, of course, within budget."

Russell had spent 5 weeks renovating the inside of the home and was confident that he would be able to rent it out. He just needed to lift the curb appeal to get people through the door.

In half a day, Russell changed his house from being the ugliest property on the street to being a prize investment. He removed the majority of the low-lying foliage and sliced the hedges down to 4 feet.

“The neighbours were shocked when I took down the hedges. I left the front yard for last, so when I cleared all the scraggly foliage, it turned into a big reveal of the whole home.”

Russell didn't need a huge budget to lift the street appeal of his home. All he needed was a chainsaw, a shovel and some good old hard-yakka.

“At first, I didn't know what to do to improve the home. I had originally planned to gut the whole yard and put in all new plants, but the budget was limited, so with some input from my agent, I decided to use what I already had and clean it up. It was definitely the right decision and is now the perfect low-maintenance garden for my tenants.”

The facade of the home itself did not require much work as it had been painted prior to purchase; however, Russell spruced up the paint on the windows and balustrades to liven it up even more.

His entire curb appeal was lifted with nothing more than a couple of litres of paint, three trailer loads of green waste and a morning of hard work.

THE NUMBERS

Property purchase price: \$469,000

Renovation budget: \$15,200

Total + Extra costs: \$17,000

Valuation post reno: \$540,000

Total profit: \$54,000

Rental increase: \$120p/w (\$300-\$420p/w)

First Impressions are lasting impressions

There are a few simple things you can do to vastly improve the overall presentation of a property.



Entrance to Your Home

The first impression on approaching your home is also very important.

Create a clean, light and welcoming entrance to your home. If the entry is dark, then consider an optical illusion like using half-strength paint (of the same colour you are using in another house) in this area to give the appearance of it being lighter.

You can also:

- Install a new front door.
- Install a new knocker or handle.
- Place architectural plants on either side of entrance.



Kitchens

Most kitchen improvements usually offer high returns. The smaller your investment, the higher the potential for recovering costs.

Avoid budget-breaking extras such as state-of-the-art hob, oven or premium countertops. Buyers will pay special attention to cleanliness, layout and storage capacity. Something as simple as replacing the taps with a tall chrome kitchen sink mixer spout can make it look suddenly very European and modern.

Other simple fixes to upgrade and add value:

- Resurface kitchen benchtops.
- Straighten kitchen cupboards and drawers.
- Paint kitchen cupboards doors.
- Install new cupboard handles.
- Replace light fittings with modern alternatives.



Case Study: Breathing new life into a dark kitchen

Tanya and Craig decided to renovate their 1920's California-style bungalow to improve their rental return and increase their equity, but it wasn't all smooth sailing in this Ringwood refresh.

“The total renovation of the home took about 4 months. We did all the demolition ourselves, and when we got to the kitchen, we realised that underneath the kitchen cupboards and bench, there was no floor!” explained Tanya.

The back of the house was an extension that was added in the 1970's, but it wasn't done very well.

“The kitchen was dark and claustrophobic. The walls were a dirty-yellow colour, complemented by maroon-coloured lower benchtops and black vinyl flooring. The only window was covered with plants, and so there was very limited natural light to this dark kitchen.”

Tanya and Craig lifted the space by choosing light, neutral colours and opting to leave out the island bench as there was already sufficient storage. This way, the tenants could pop in a dining table instead, also giving the illusion of a larger area.

“We knew that this type of house would attract families, so we wanted to create a kitchen that was large enough to accommodate an average family. The open-plan living room and the kitchen is the heart of the house, so we wanted it to feel like a space that we would want to live in, while also addressing the needs of the current market”.

Tanya and Craig have worked with me since 2005 and have completed several strategic renovations under my mentorship. They believe that building a successful property portfolio is dependent on understanding what your market is looking for and delivering those needs on budget.

“We knew the appliances and cabinetry would cost us the most, so we started out by visiting a well-known showroom that had all the appliances on display. From there, we made a

short list of what we wanted and went searching for them at cheaper stores. We had written quotes and asked each retailer to beat the quote until we found exactly what we wanted at the right price.”

Custom-made cabinetry can get pricey, but in Craig and Tanya’s case, custom was the only way to achieve the look they wanted.

“Because the house was built in the 1920’s, none of the walls or floors were very straight. We had to choose custom-made because using the stock-standard flat pack would really not achieve the look we were aiming for. Spending a little extra here means we can confidently ask for more in rent.”

The same was said for hiring expert trades.

“We wanted to make sure everything in the house was in proper working order so that it wouldn’t cause us any problems in the future. We had to change around some pipes after our plumber told us the current configuration could lead to leaks in the future, and the last thing we wanted to do is rip up a brand new kitchen later down the track!”



The finished kitchen is light and airy and would attract any keen family cook. They opted for oak-coloured floating floorboards, a Caesar look white speckled benchtop, white cabinets with cupboards and drawers, stainless steel appliances and a neutral-coloured glass splashback.

THE NUMBERS:

Property purchase price: \$883,000

Rental increase: \$180pw (\$320pw to \$500pw)



Bathrooms

Like kitchens, bathroom improvements can also offer high returns when done properly.

Avoid completely gutting the bathroom and starting from scratch, because this can be very expensive. Look into low-cost options that get you the clean and tidy look you are after. Painting walls and/or ceilings is the least expensive way to improve your bathroom. You can even paint over tiles or use a special substance to paint baths.

Even something as simple as adding a new colourful shower curtain and a new toilet seat can make a difference.

Tiles

Tiling up to the ceiling is a fantastic way to add luxe appeal to a bathroom. Opt for using ceramic tiles over porcelain to stick within budget, and choose big tiles in a neutral colour and a rectified edge. My favourite colours for walls are 'eggshell' or 'alabaster white' to really mimic a porcelain tile.

Contrast

High contrast looks striking, so think about using a dark tile on the floor and light on the walls. Many luxury hotels often do this in the bathrooms to really amp up the 'wow factor'. Opting for a light colour on the walls will help bring light into the space, while the dark flooring will create depth.

Vanities

I prefer to use wall-hanging vanities to give the illusion of more space. Stick to neutral colour such as dark timber. If I have the space, I prefer to use a double vanity. Always shop around because you can find a wide range of pricing on wall-hung vanities.

Double Shower

Consider using a double shower and oversized shower heads. Size really does matter when it comes to perceived value, and in this case, bigger is better!

Chrome fixtures and fittings

Taps, towel ladders, soap holders and toilet roll holders, all need to sparkle to add the finishing touches! Chrome fittings will help set off the real luxe appeal of the bathroom, are relatively timeless and will stay relevant for the years to come.

Consider using replica designer tapware: It looks great, is cheap and conforms to AS standard.

Many online bathroom and kitchen stores have popped up in the last five years, which has meant that things like tapware and door handles can be purchased for a fraction of what they used to be. Check out eBay stores too.

Replacing the showerhead in the bathroom with something quite snaky, long and silver with several water flow options can also help make it seem more luxurious and expensive.

Freestanding bath

I prefer to use a freestanding bath over an inbuilt bath/hob combination. The time taken in the installation process is less, and there is the opportunity of having a bath that is in itself a feature. Like everything else in your renovation, it should be suited to your target demographic. Families with young children will always look for a bathroom with a bathtub, so keep that in mind. For areas where a freestanding bath just might be a bit over the top, then you might consider repainting the bath rather than updating it. Even though baths can be reasonably priced, after redoing the hob, tiles and plasterwork, it can add up quickly. Repainting an existing bath might give you all the lift you need. Once again, it is all about

knowing your market and what they want, and not over spending.

Mirrors to the ceiling

Another great effect is to have your mirrors going all the way to the ceiling. Again, thinking “big = big perceived value”. Proportion is impressive. Not only are big mirrors very useful, they also help give the illusion of more space and allow light to bounce around the space.

Shower Screen

If you have room in the shower area, then opt for fixed glass panel, as opposed to a shower screen with an opening door. This is not always possible, but it creates a minimalist look. Also, no moving parts means low maintenance for rental properties.

Bathroom Renovations

- Paint linen cupboard.
- Paint or replace tiles.
- Resurface the bath.
- Replace bathroom mirror.
- Replace vanity.
- Replace handles.
- Replace towel rails and toilet paper holder.
- Replace shower screen.
- Install new shower curtain.
- Replace the toilet seat. Make it light and bright.
- Add a bit of luxury with dual shower heads.



Case Study: Beachside bathroom picks up a new wave on the Central Coast

When Tracey signed into a property investment course with me, she had no idea a rusty bath would be the cornerstone to her New South Wales villa's successful renovation.

"I bought two villas in Norah Head as rental properties, and both bathrooms were rip outs. This one needed an upgrade rather than major construction."

However, before Tracey started, she sized up her potential renters.

“This is a great tip I learned from *The Ultimate Guide To Renovation* course. You create a potential renter ‘profile’ which is your go-to base all the way through the project.

“There has been a steady migration of Sydney people to the Central Coast, and they have specific requirements compared to the generational residents of these old beachside suburbs.”

To attract the new renters, Tracey veered from the classic beach theme with its sky-blue-and-seashell motif, and created a black-and-white board to really give the luxe appeal.

“It’s more contemporary, yet allows plenty of individual colour *pops*.”

Tracey included a cloud-grey for the floor and wall tiles to offset the high-gloss gleam of the bathroom fixtures and fittings.



Even though Tracey wanted to present a luxe bathroom look, budget was still a major concern for her and she was determined to get the results she wanted within budget.

“One of the most important budget savers was that I didn’t move the plumbing. I just replaced everything in the shell.”

A super buy from a major hardware store that’s closing meant high-end taps and accessories at very low-end prices. Tracey says you must “know your budget and stay strong. It’s tempting to give in, but so worth hanging out for the right deal.”

To finish off the bathroom, Tracey installed her grandfather's old clawfoot bath, which pulled the whole scheme together. It was immaculately restored in pure white with a black detail and became the focus of a stunning bathroom.

This modern bathroom renovation is the result of targeting a specific market, shrewd buying and a dejected bath that's now a star.

THE NUMBERS:

Total bathroom renovation budget: \$8,190

Total value added: \$20,000



Bedrooms

The bedroom is a space that can be simple to renovate, but there are some touches that you can make to improve the space even more.

Powerpoints on either side of the bed

There are numerous electronics that people have next to their bed—alarm clocks, phone chargers, lamps, electric blankets—so it makes sense to have a powerpoint easily accessible to the nightstand. Place ample powerpoints in the spaces where the bed could be configured.

Blackout blinds

Window coverings such as blackout curtains, privacy curtains or blackout blinds are a great touch to add and is one that won't go unnoticed by your tenants.

Built-in robes/storage

Storage is essential and built-in robes add perceived value to the property. Adding a mirror door might even be something you'd want to consider.



Neutral colour scheme

In all my renovations, I always preach about using a neutral colour scheme throughout the house, and this is no different in the bedroom. Remove any loud wall coverings such as wallpaper and wall freezes. Do not box in your tenant by creating a specific 'kids-room'; this will again reduce the size of your net.

Choose the right flooring

Think about the climate the property is in. For example, tiles work well in Queensland because the climate is humid, but putting tiles in a house in Tasmania may not be such a good idea as they become incredibly cold in the winter. Floorboards work well in living areas such as the lounge room, and carpets work well in bedrooms. Also, be consistent with your choice of carpet -- use one type through the whole property to avoid the 'fun house' look. And remember, keep it neutral!

Remove dated features

It's common for older homes to have interesting features such as plaster stipple ceilings and strange privacy glass. Get rid of them. These features date the property very easily and will impact your rental return and overall property valuation.

Soundproof the space

Think about the type of noise that could enter the bedroom and disrupt sleep. For example, if the bedroom is near the TV in the lounge room, then consider placing the built-in wardrobes against that wall to help muffle the sound. Also, using thick blackout curtains will help muffle the sound from the street, if you are not planning to replace windows.

Seasonal changes

Think about how each season will affect the space. Will it be cold in the winter? Will it be hot in the summer? A ceiling fan is an inexpensive way to provide ventilation to the room, and if it's in the budget, you can consider adding in heating if the climate tends to get quite cold.

Picture hooks

Your tenants will want to hang things on the wall, so rather than risk them doing it themselves and damaging your walls, preempt this by putting in your own hooks or hanging system. Many older houses have built in picture rails and you can pick up the picture hooks for these from your local hardware store so your tenants are ready to go when they move in.



Case study: 3 bedrooms get a revamp

Kristen, a graduate of my Done-For-You service, recently purchased a 3-bedroom, art deco bungalow in Melbourne and completed a 6-week renovation, which increased the value of her investment property by \$62,000.

“We purchased the property after looking for 3 months. We knew the suburbs that we wanted to buy in and found many great contenders, but it took some time for us to beat out the other buyers. It would have taken longer, but we used Jane’s Suburb Selection Service to pinpoint the suburbs and even the streets in the suburbs we were to target to make sure we had the typical property, in the pockets of potential where the renters wanted to live.”

Kristen bought this property as a 'buy and hold' strategy, meaning she intended to renovate the property and rent it out.



“I am self-employed, so I wanted to start planning for my retirement. I chose property investment over investing in shares, and with Jane’s guidance, I gained the knowledge to confidently choose the right property for my goals.”

The house has three good-sized bedrooms: two in the front of the house and one at the back, which was added as an extension during a prior renovation.

“We wanted to keep the theme of the home as consistent as possible. However, this became a little tricky when we got to

the bedroom at the back because it did not have floorboards like the rest of the house, so we had to use carpet instead.”



The renovation of the bedrooms was mainly cosmetic, except for in-between bedrooms 2 and 3 where there was an internal door connecting the two rooms. Kristen made the decision to close this up and regain valuable wall space.

“The changes were pretty consistent through all the bedrooms. We ripped up the original carpet, changed the flooring, painted, changed the direction of the doors, installed new doors, changed the curtains into blinds and changed the door handles.”

THE NUMBERS:

Property purchase price: \$882,000

Rental increase: \$140pw (\$350pw to \$490pw)

Laundry

A laundry space does not have to be ugly. Take a bit of time to think about who your target market will be for the property and what their needs may be when it comes to washing. Do they need storage? Do they need hanging space or counter space for folding?

Little touches like this can go a long way. You could even add a luxe factor to the laundry by installing a fold-out ironing board in the cupboard. It's an inexpensive way to add a bit of luxe.

You can also consider making the laundry part of the bathroom or creating a European laundry in a cupboard.

If you're short on space, then moving the laundry into the bathroom or into a cupboard can free up space to create an ensuite, second bathroom or small study.



Living Rooms

The living room is the hub of every Australian house. It's where the family gathers to munch down on popcorn while watching a movie and where everyone mingles for celebrations – it is the heart of the home.

Without a good functional living space, a house becomes lifeless. Cramped areas, lack of natural light and tangled hallways can all make the area feel suffocating, and a suffocated area certainly does not equal bang-for-your-buck. This is especially true in older houses.

What many older houses need is space, especially in the main living areas, so one fantastic way to capitalise on a large backyard is to add on a 'box at the back'.

Living rooms are for living in, so make them part of the flow.

Think about opening up walls to make them part of a kitchen/living area. Value-adding items to consider in the lounge room:

- Painting
- Putting up new light fitting or pendant
- Polishing floorboards
- Revamping fireplace
- Installing modern blinds

Other things to consider for the living space are:

Open up the space

If the property is older and starving for space, then think about adding a simple open-plan extension like the 'box on the back' to open up the living area. It's the perfect place for the kitchen, living room and dining area.

Make the most of the surroundings

If your space overlooks the backyard, then make the most of the view. If you are renovating to sell, then consider who is buying the property. If your market is parents with young children, consider a floor-to-ceiling window in the kitchen that allows mum to watch the kids in the backyard.

Make use of the new construction

Doing a low-cost extension like a 'box on the back' can get you back to starting with a clean slate. Maybe add a modern gas fireplace, ducted heating, even integrating sound for the TV. Remember, just don't overcapitalise. Check out what other renovated properties are selling and renting for in the area and what features they have.



Make it comfortable

Remember, this is the area where most of the living is done but people also want their privacy. Consider low-maintenance blinds, and leave the swags in the 80's. This is where you can add a little colour – a charcoal colour looks great in a neutral colour scheme.

Use cost-effective ways to add wow

When thinking of large open spaces, we think of light. This could be a skylight, a suspended ceiling with light or large glass windows or doors. One tip that many don't realise is that an alternative to the standard residential bi-fold door is a commercial-type stacker door – the same amount of light for a much lower cost.

Take that extra step

It is always easy to show how thoughtful you are with your design of this space. Consider a homework nook, or fold-out desk or built-in bookcases or mountings for large TVs. Get to know your renter or buyer by looking at other renovated properties in the area and add that little bit extra.



Case Study: An Adelaide hills home capitalises on the fantastic view

Jodie purchased her charming 2-bedroom cottage in 2008 after deciding that she wanted to try her hand at a full-blown renovation.

“I’d developed several properties before and most recently finished an owner-builder construction. This time I wanted to try something different. I’m a single mum and I wanted to create a beautiful space for me and my two children.”

Jodie’s cottage is a multi-era development, with original parts of the house dating back over 100 years.

“The facade of the house is heritage-listed and was built in the 1860’s. This is comprised of the typical two front bedrooms

and pokey hallway. The next part of the house was a lean-to extension done in the 1920's, and the back of the house, where the kitchen and bathroom are, was added in the 1990's."

The original 1860's part of the house was built in the traditional method using mud and straw, so when Jodie removed the wall, she exposed the dirt and straw that had been used over 100 years ago. Keeping the historic feel of the home was important to Jodie, but she also wanted to find a way to create a modern feel to the property.

"Contrary to what all the experts said, I actually renovated this property with my heart and my intuition – luckily, I was right on trend with what the market wanted."

Jodie kept the historic feel at the front of the house and slowly phased in a more modern design as the home transitioned into the new extension where the living room is located.

Cost was important to Jodie, and at the time, she was doing this renovation alone and raising two children.

"I didn't actually have a specified budget for the house. The budget was – get whatever I need for as close to zero as possible."

Jodie used recycled materials wherever she could and sourced many items such as timber, tiles and fittings from auction houses and Gumtree.

"The kitchen is actually a second-hand Jag kitchen I purchased for less than half the ticket price. It was only 3 years old. I found it on Gumtree, brought it home and installed it myself."



Jodie opted to embrace the space and opened up the existing kitchen wall to lead in to the living area. This open-plan design capitalises on the glorious backyard and outdoor sanctuary she has designed. This creates a flow design from the indoors to the outdoors, making even more use of the space.

Jodie is a graduate of my course, The Ultimate Guide to Renovation, and was so inspired after completing her own cottage renovation that she wanted to make renovating for profit her fulltime job.

THE NUMBERS:

Property purchase price: \$266,500

Renovation budget: \$50,000

Subdivided and sold block for \$150,000

Renovated and sold house for \$450,000 for a total of \$600,000

Total profit: \$283,500

Conclusion

Since discovering strategic renovation, I have helped thousands of people to successfully invest in the Australian property market.

What's great about strategic renovation is anyone can use it. You just roll up your sleeves and away you go. It's low-risk, doesn't take a huge portfolio and is a perfect way for people starting with smaller purchase prices to quickly climb the property ladder.

In fact, it's quite realistic for the "average Australian" to achieve a passive income of between \$50,000 and \$200,000 (or more) with just 2 - 4 properties and 15 years.

I became passionate about sharing this powerful strategy and helping other people achieve financial freedom through this low-risk method of property investment.

The renovation system I just shared with you has helped thousands of people to successfully invest in property.

That's why I highly encourage you to utilise this simple and proven approach to invest as quickly and effectively as possible.

To your property success!

Jane Slack-Smith

About Jane



Jane Slack-Smith is a respected author, media commentator and co-creator of The Ultimate Guide To Renovation Online Program.

Jane has been named one of the Top 10 Property Experts by Money Magazine, one of the Top 4 Financial Influencers by Qantas and has been awarded the Australia's Mortgage Broker of the Year (twice!).

