



COVER STORY

Home renovators spend \$3.6 billion a year. PAMELA WILSON reports on one of the country's biggest businesses.

Australian homeowners love to renovate. Staunchly house proud, many have a passion for priming, pruning and priming their places of abode. Why move out when you can move up, or beside, or back, or behind?

Renovating saves on the hassle and cost of moving and buying a new home. And, if done properly, it can put money back in your pocket.

Teresa Cahill believes her renovated inner-west home is now worth almost \$200,000 more than she paid three years ago.

She has just completely remodelled the home by moving a few walls and opening up the living areas. After spending up to \$135,000 on the renovations, fees and additional costs, Cahill plans to enjoy her "new" home for a long time.

"I bought the house three years ago for \$370,000 and it is now probably worth early to mid \$500,000," she says.

"We now have a larger space to work in, in both the dining and living rooms. Probably the biggest impact is the increase of natural light and air flow in those areas."

Dawn Kanelias and Duncan Peppercorn spent more than \$280,000 renovating their four-bedroom terrace, adding an extra room, study and bathroom and completely remodelling the living areas. The additions have increased the size of the house by about 70sq m.

"It had the basic polished-wooden-floor-type renovation but the back was full of the usual ghastly add-ons that you get in old terraces," says Kanelias.

"The end of the house was the bathroom, which basically faced the garden. Now there is a lot of light and it has all been re-arranged so it is looking outwards."

She estimates the house was worth between \$600,000 and \$700,000 last year when the work began. In today's market, she believes it could fetch about \$1.2 million.

Architect Carolyn Pidcock, who



Opening up . . . Teresa Cahill's home has been altered (above) to let light in and to connect with the outside and (inset) the house before pictures: GEOFF WARD



A change of place

worked on both properties, says these two jobs are typical of the current trend by renovators to integrate indoor and outdoor living spaces.

"Generally, most people want to get the inside areas to connect better with the outside areas," she says.

Australians renovate or move on every seven years on average, says the Royal Australian Institute of Architects' housing division, Archcentre.

And it is estimated that more than 50 per cent of home-owners will look to

renovate at some stage. Figures from the Australian Bureau of Statistics show a 36 per cent jump in spending on renovations in the past six years, to \$3.6 billion in 2001.

The president of the Real Estate Institute of NSW, Chris Fitzpatrick, says that while renovations usually add appeal and value to a home, there is always the risk of over-capitalising.

"In most instances, minor alterations and renovations such as painting, carpeting, landscaping and some cosmetic

changes will normally enhance the value of the property," he says.

"If you need that extra space and you are happy to absorb the fact that you might over-capitalise in the short term, that's fine, but you need to be comfortable with that."

He says it is usually wise to ensure renovations don't push the cost of the house above that fetched in the area.

Comparing your overall expenditure to the price paid for the best house in the street is a good measuring yardstick, says Fitzpatrick. But, he adds, renovators should still aim to be a little under that.

"A top-quality home in an average street is sometimes difficult to move because you should be on the other end of the scale. The cheapest one is always easier to move," he says.

"If you have a house worth \$200,000, and \$350,000 is the median price for the

area, you know the scope of dollars you can afford to spend without going over the top."

He adds, however, that in more affluent suburbs with older houses on expensive blocks, there is more scope to recoup expenses.

But renovations don't come cheap. The average cost of a renovation across Australia is \$150,000 to \$175,000. In Sydney it is \$200,000 to \$250,000, according to Archcentre.

Cape Cod Australia's marketing manager, Tim Kosubsky says additions start at \$80,000 and can go as high as \$500,000.

"If you buy the worst house on the best street, of course, you can spend a lot of money doing it up and you'll come out on top. But if you have a very good house in a lousy street, you wouldn't want to spend too much money," he says.

Pidcock agrees that renovation costs vary dramatically and adds that clients usually want more than their money can buy.

"I think people do need to temper their expectations with their budgets and be realistic," says Pidcock.

Fitzpatrick says that as well as setting a budget, renovators need to do their homework before setting their wheels in motion.



Adding value . . . Teresa Cahill says renovating improved appearance and price

Following is a checklist he believes should produce the best results.

- Write a detailed list of the needs the renovations will cover;
- Talk to an architect and make sure the plans flow with the rest of the house;
- Seek council approval;
- Seek quotes from builders;
- Speak to a real estate agent about property values in the area to ensure you are not over-capitalising.

Fitzpatrick adds that it is also wise for prospective buyers to consider their options and to think laterally if they can foresee the need to renovate.

"It's all about homework, homework, homework and trying to look at every last angle of what could be a problem before you start. The only way to do that is to write down all the issues and tick the boxes as you go through it," says Fitzpatrick.

Mosman Council's director of environment and planning John Carmichael adds "contacting neighbours" to Fitzpatrick's list.

He says the most common issues slowing down approvals include applicants not supplying enough information and not contacting neighbours beforehand.

"If people take the time to find out what the next-door neighbours' issues or concerns are, that is the biggest single factor affecting how long it will take to consider an application," he says.

If left to the council, notification can take a long time. This courtesy also usually attracts a much better reception from neighbours, he says.

Some rules of the game

Things to consider when approaching the council:

- Supply as much detailed information as possible;
- Before going to the council, speak to your neighbours and anyone else your proposals may affect. This can save months in the time it takes to secure approval;
- Be aware of how your plans affect other residents' views and privacy;
- Consider that trees and bushland on your property may be protected under tree preservation or conservation orders (you can ask your council);
- In some older parts of Sydney, creating car parking can be an issue because of availability of spaces, sloping blocks and the need for major excavation;
- Depending on the council, even fences need approval. In Mosman, for example, fences higher than 1.2m or on blocks restricted by conservation or heritage orders need approval.



Light . . . Duncan Peppercorn and Dawn Kanelias' kitchen. Duncan is shown in the courtyard on the cover of Homes



Grown . . . renovation increased the size of the house by 70sq m



Contrast . . . old meets new just off the dining room

'If you have a very good house in a lousy street you wouldn't want to spend too much'