

Renovation Guide.



Aussie
We'll save you



Ready to renovate?

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It's all in the planning.

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 Aussie 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 local Aussie 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 over 20 leading lenders* including our own popular loans. And keep in mind that because we get paid a commission by lenders, our help won't cost you a cent.

Let's start making plans.

Visit **aussie.com.au** or call **13 13 33** to meet with your local Aussie Broker.



*Not all lenders are available through all brokers.

So many reasons to renovate. What's yours?

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 Aussie Broker will bring to the table for you.

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.



I want to achieve a higher sale price for my property.

Freshly renovated properties can be more appealing to the market. It's important to keep in mind that your taste may not be for everyone and you should aim for layouts and colour schemes with broad appeal. Talk to local agents and keep an eye on what renovated homes in your area are selling for.

We're planning to restore a character home.

Classic Queenslander or Victorian terrace. Country cottage or Federation bungalow. Across Australia there are many architectural gems just waiting to be polished. If authenticity is your thing, be sure to research your home's history and style before you start planning your renovation. And beware of restrictions on changing heritage properties or hidden surprises (and expenses) that may not meet modern building standards.

We're going green.

Natural light. Airflow. Thermal mass. Rainwater recycling. Solar power. Today there are so many ways to make our homes more comfortable while reducing our environmental footprint. It's important to understand potentially high upfront costs with longer-term payback on your investment. Check with your council about any grants or subsidies that may be available for making environmentally-sound improvements.

Every year, Aussie helps thousands of Australians undertake successful renovation projects.



Get the most dash for your cash.

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

Kitchens and bathrooms.

While they can be the most expensive part of any renovation, a quality kitchen or bathroom upgrade will almost always add to your property's value. Whether you're renovating a house or an apartment, these rooms are the focal point of any home so it's worth opting for the highest quality you can afford.

Indoors out and outdoors in.

Homes that merge indoor and outdoor spaces suit the relaxed Australian lifestyle and are popular with homeowners and buyers alike. Even in apartments, a vertical garden can turn the smallest balcony into a desirable and tranquil green space.

The lowdown on flooring.

Are there floorboards under that old carpet? Would quality tiles suit your style? Great interiors start with good floors and it's worth considering your renovation from the ground up. Think about durability and comfort as well as good looks when choosing floor finishes.

Brush up your style.

You may be surprised the difference a fresh coat of paint can make. Indoors or out, colours or neutrals, it's probably the easiest and most affordable way to give any home a fresh new look. And it's one renovation project you can even take on yourself. Engaging a professional colour consultant can be a great investment — ask at your local paint store.

Inspiring sources.

Turn on the TV at any time and you're likely to find a home makeover in progress. There's no shortage of renovation inspiration out there.

Some online inspiration:

houzz.com.au

homelife.com.au

homeimprovementpages.com.au

homestolove.com.au

completehome.com.au



DIY or not to DIY?

That is the question...

Are you really the DIY type?

Can we talk frankly here? 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. Sometimes, tasks that seem fairly straightforward are actually a lot more difficult or even dangerous than they appear. If renovating involves plumbing or electrical wiring, forget it — it's time to call a licensed professional.

That said, at Aussie we'll never discourage anyone from 'giving it a go'. Perhaps consider taking on only the parts of the project you know you can achieve competently. Bringing someone in to pick up the pieces could be more costly than paying a professional in the first place.

Is DIY really saving you money?

Supplying free elbow grease is one thing, but costs can quickly add up when buying or hiring specialist tools or equipment. Keep in mind that average work can mean average returns.

What's your time worth to you?

DIY renovations can often take longer to complete. If you want your renovation finished quickly or you need your time off for other things (kids, anyone?), consider hiring professionals for the more challenging or time consuming aspects of your project.

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 below for further details.

Who you should contact about owner builder permits.

QLD	Queensland Building and Construction Commission	qbcc.qld.gov.au
NSW	Office of Fair Trading	fairtrading.nsw.gov.au
ACT	ACT Planning and Land Authority	planning.act.gov.au
VIC	Victorian Building Authority	vba.vic.gov.au
TAS	WorkSafe Tasmania	worksafe.tas.gov.au
SA	Consumer and Business Services	cbs.sa.gov.au
WA	Department of Commerce — Building Commission	commerce.wa.gov.au
NT	Building Practitioners Board	bpb.nt.gov.au

Our collective wisdom. Aussie's top 10 renovating tips.

When you've been helping people build their dreams as long as we have, you learn a thing or two along the way. Here are not just two, but ten tips to keep in mind that will help you get the maximum value and minimum stress from your home improvements. Happy renovating.

1

Draw up a renovation budget.

Without a firm plan you face the risk of a delayed — or even worse, unfinished — project if you run out of funds. Not to mention the cost of unexpected borrowing expenses.

2

Think inside the box to trim your costs.

Choosing standard-sized fittings such as windows and doors, and specifying materials most tradespeople are familiar with can help keep costs under control. You can keep it simple without compromising creativity— there are so many great choices out there.

3

Break down big jobs into small chunks.

If you're feeling a little overwhelmed by your own ambitions for the project, tackle it one small step at a time.

4

Pick your timing with care.

Can you really live without walls or hot water in winter? Renovating in warmer months can be less stressful and if the kitchen's out of action you can always fire up the barbie. Keep an eye out for seasonal specials – an outdoor spa, for example, could be yours for a great price in winter.



5

Skip January.

When most of Australia heads for the beach, so, it seems, does the building industry. If you're in urgent need of a professional tradie... well... good luck with that.

6

Grab an app for inspiration.

We're living in the age of technology. Make the most of it. Have a look for free or low cost apps and online tools that can help inspire and plan your renovation project.

7

Focus on reality – this is not a TV show.

Like millions of Australians tuning in to the endless renovating programs on TV, you'd be forgiven for thinking you could knock up an extra bedroom or replace a kitchen all in a day's work. Not true. Big jobs take time, planning and money.

8

Arrange a building inspection before you start renovating.

It's a wise way to avoid any hidden (and costly) surprises down the track. An inspection will confirm your home is structurally sound and able to support your improvements or show you what needs to be addressed and costed in to the work.

9

Choose your builder wisely.

Check their references. Ask to see their work. Talk to previous clients. And no matter how much you trust your choice, always have a proper building contract in place that also details how the cost will be affected if unexpected problems or expenses arise.

10

Review your insurance cover.

When you're nearing the finish line on your renovation, make sure you review your home and contents cover to ensure you've got the appropriate level of protection in place for your place. Then you'll be able to sit back, enjoy your home and start planning the next project.

Before you build, build your budget.

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.

Design.

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.

Some useful tools and apps:

planner.roomsketcher.com
homestyler.com
floorplanner.com
sketchup.com

Materials.

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.

Let's go shopping:

graysonline.com
bunnings.com.au
homehardware.com.au
tradingpost.com.au
buildbits.com.au

Labour.

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 a builder or tradesman checklist.



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



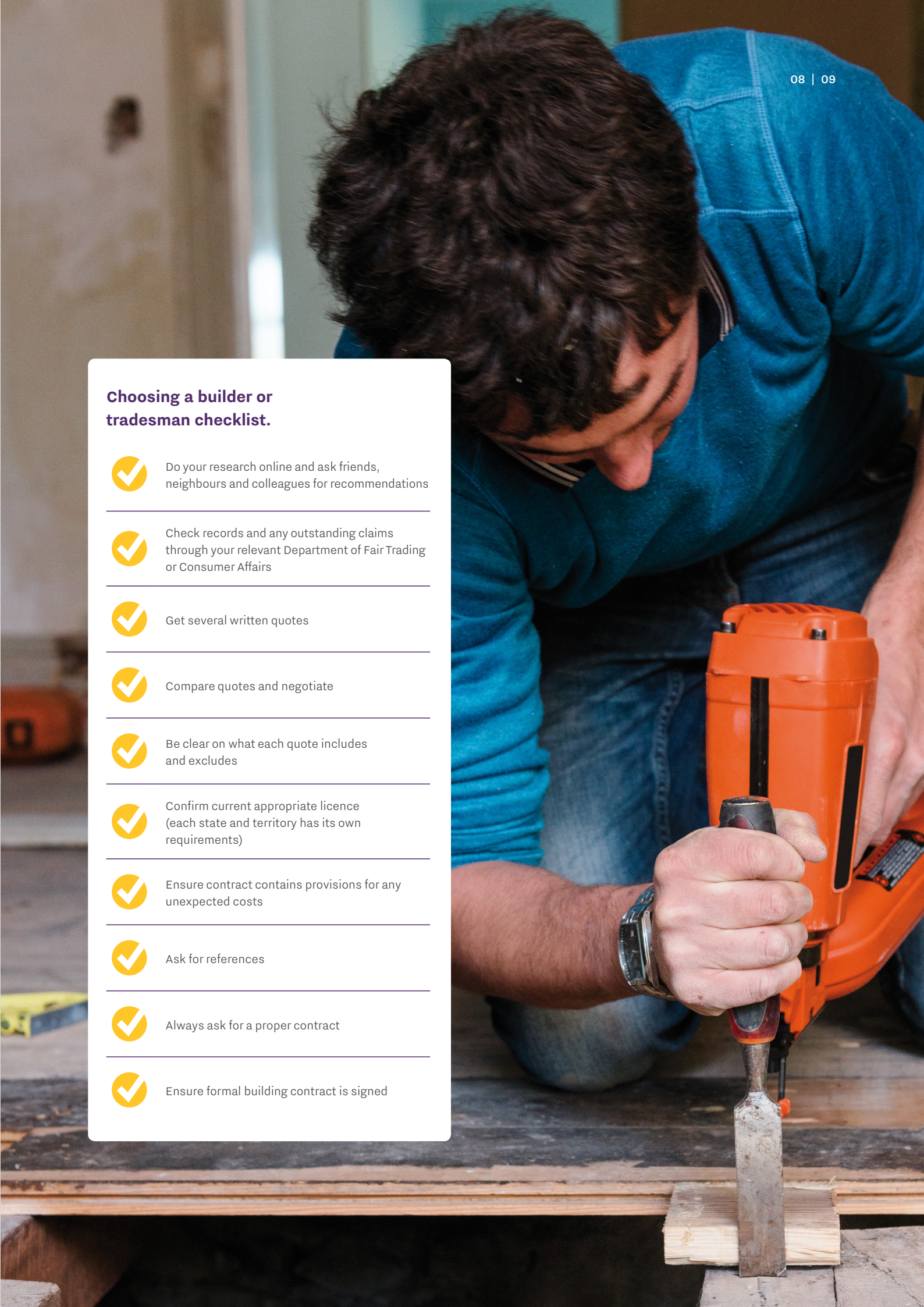
Ask for references



Always ask for a proper contract



Ensure formal building contract is signed



Paying 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 Aussie 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.

So many options with Aussie.

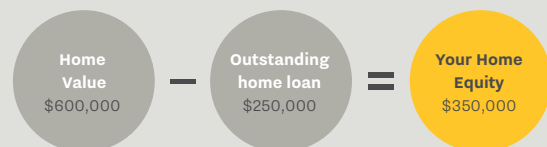
Dip into your savings.

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.

Tap into your home 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 and you could get a better deal.

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 Aussie 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 aussie.com.au or ask your local Aussie Broker for a copy.

Perhaps one of these could work for you:

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 Aussie 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 keep in mind.

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.

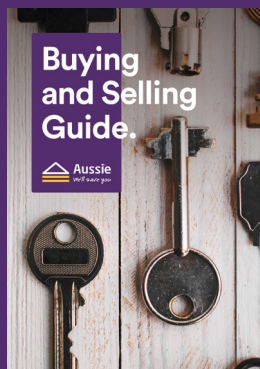
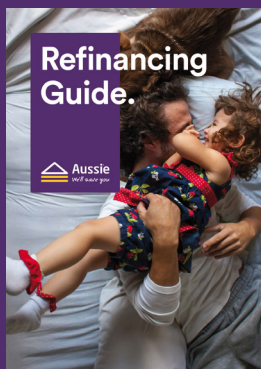
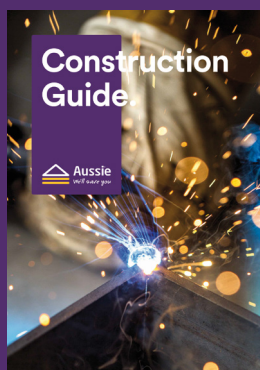
Protecting your investment.

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



**Already thinking
about what's next?**

**At Aussie, we're here to help.
Download another one of our
Property Guides at aussie.com.au:**



Renovation Guide.

Find out more
at **aussie.com.au**
or call **13 13 33**.

