

PLATINUM

February 2019

Renovation

Mastermind  
Event

Perth

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**Melissa Fisher**

*WA State Coach*



**I LOVE**  
REAL ESTATE

# Event Outline -

- 6:00 – 6:30 Networking
- 6:30 - Start
- 6:30 – 6:45 Introductions
- 6:45 – 8:00 Accountability
- 8:00 – 8:30 Networking Break
- 8:30 – 10:00 Renovation

# Workshop Format

- Use microphone
- Involve everyone in the conversation
- Be supportive
- Feel free to order food and drinks downstairs



# WELCOME NEW PLATINUM'S



# Housekeeping

- 2019 Platinum Vic Monthly Dates (Wednesday's):
  - ❖ 6<sup>th</sup> March; 3<sup>rd</sup> April; 8<sup>th</sup> May; 5<sup>th</sup> June; 3<sup>rd</sup> July; 7<sup>th</sup> Aug; 4<sup>th</sup> Sept; 9<sup>th</sup> Oct; 6<sup>th</sup> Nov, 4<sup>th</sup> Dec.
- 2019 Platinum National Conference Dates:
  - ❖ 30 & 31<sup>st</sup> March – Melbourne
  - ❖ 27 & 28<sup>th</sup> July – Sunshine Coast
  - ❖ 30<sup>th</sup> Nov & 1<sup>st</sup> December - Sydney
- 2019 Platinum Graduate Only Leadership Day Dates:
  - ❖ Friday prior to each National Conference: 29<sup>th</sup> March, 26<sup>th</sup> July, 29<sup>th</sup> Nov – Venue TBA (close to National Conf Venue)

# Housekeeping

- 2019 Ultimate Bootcamp Dates:
  - ❖ Sydney: 8-10<sup>th</sup> March
  - ❖ Melbourne: 15-17<sup>th</sup> March
  - ❖ Gold Coast: 22-24<sup>th</sup> March
  - ❖ Perth: 25-27<sup>th</sup> Oct
- 2019 Other Ultimate Dates:
  - ❖ Realestate Millionaire Within – Brisbane: 12-14<sup>th</sup> July
  - ❖ I Love Realestate Super Conference – Sydney: 15-17<sup>th</sup> Nov
- 2019 Quantum Events: Check Ultimate Website

# GRADUATING PLATINUM'S



# PLATINUM

# GOALS

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Imagine a small row boat. Your **goals** are like the **rudder** on the boat. They **set the direction** and determine where you go. If you commit to **one goal**, then the **rudder stays put** and you continue moving forward. If you **flip-flop** between goals, then the rudder moves all around and it is easy to find yourself **rowing in circles**.



We are **seven billion people** in the world, imagine if we all co-operated and collaborated in order to solve the world's most biggest problems.



But

Lets start with **your problems first!**

The way to do this is understand your **VISION**

**WHY?**

**WHAT?**

**HOW?**

# WHY?

- Asking *why* is about **questioning everything we know**. It's about investigating the status quo, our habits, and normative perceptions.
- **Why do we** want that particular goal?
- Why is it that **we are so passionate** about achieving that particular goal?

Our **belief system** needs to be in **alignment with our goals** – if you set a goal but deep down you don't believe it is possible – you won't achieve it! Asking **why brings beliefs and passion and emotion and logic and self belief all into alignment**.

# What?

- When answering the “What” question, we are **defining the strategy** we are going to concentrate on.
- If we were talking about fitness – What might be “I will maintain a consistent weight of xxx Kg”. Where as when we talk property then it might be “**By xx time I will own xx properties, that produce \$xx or greater passive income**” or “By xx time I will have my first property suitable for subdivision with a potential profit of \$xx or greater.”
- You can fill in the blanks

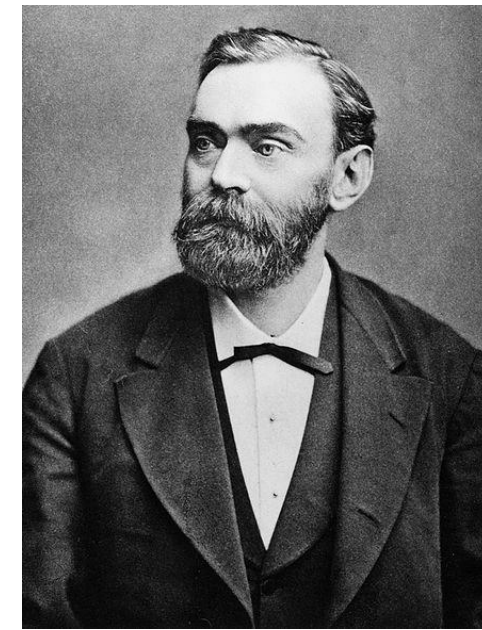
# How?

- Asking **how** we do something is a **next logical step**, it is a **manifestation of our purpose** on a more concrete level. Answering the *how* question nails down the exact **step by step process**.
- From a real estate perspective this is **seeing the end result** and **working backwards to monthly, weekly and daily to do lists**
- If at any step you are unsure – **talk to your coach**

**Alfred Bernhard Nobel** - 21 October 1833 – 10 December 1896

was a Swedish chemist, engineer, inventor, businessman, and philanthropist.

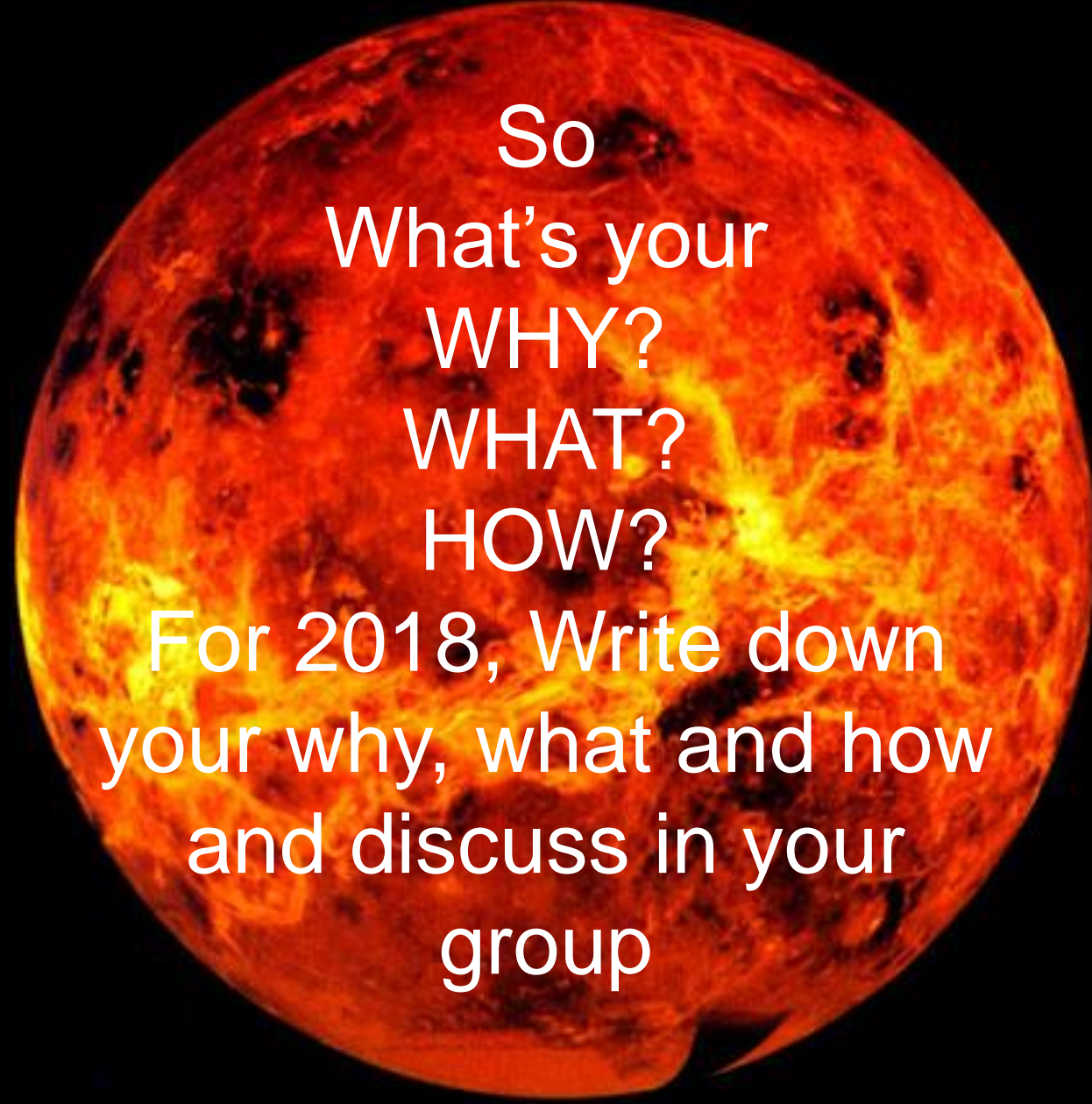
Known for inventing [dynamite](#), Nobel also owned [Bofors](#), which he had redirected from its previous role as primarily an iron and steel producer to a major manufacturer of cannon and other armaments. Nobel held 355 different patents, dynamite being the most famous.



After reading a [premature obituary](#) (should have been for his twin brother who had just died but the newspaper made a mistake) which condemned him for profiting from the sales of arms, his whole focus changed and he bequeathed his fortune to institute the [Nobel Prizes](#). And now generations later, it is this that he is now remembered and revered for establishing.

The synthetic element [nobelium](#) was also named after him. His name also survives in modern-day companies such as [Dynamit Nobel](#) and [AkzoNobel](#), which are descendants of mergers with companies Nobel himself established.





So  
What's your  
WHY?  
WHAT?  
HOW?  
For 2018, Write down  
your why, what and how  
and discuss in your  
group

PLATINUM

Accountability  
Monthly Goals



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# Buddy Process Follow-Up

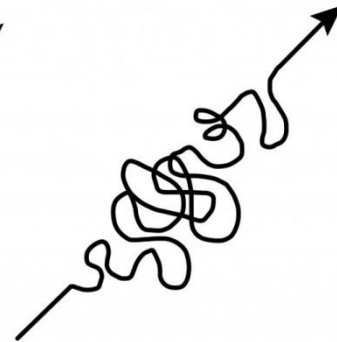
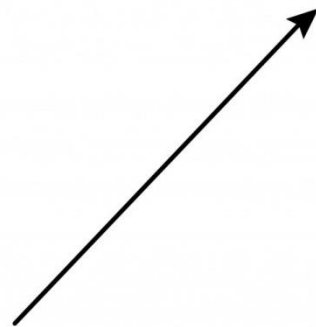


# Last Month In Review

## Share Your Successes and Challenges

SUCCESS

SUCCESS



what people think  
it looks like

what it really  
looks like

**This Months Plan**

Share Your  
Key Goals For Month

Monthly  
✓  
Goals

# PLATINUM

# Renovation

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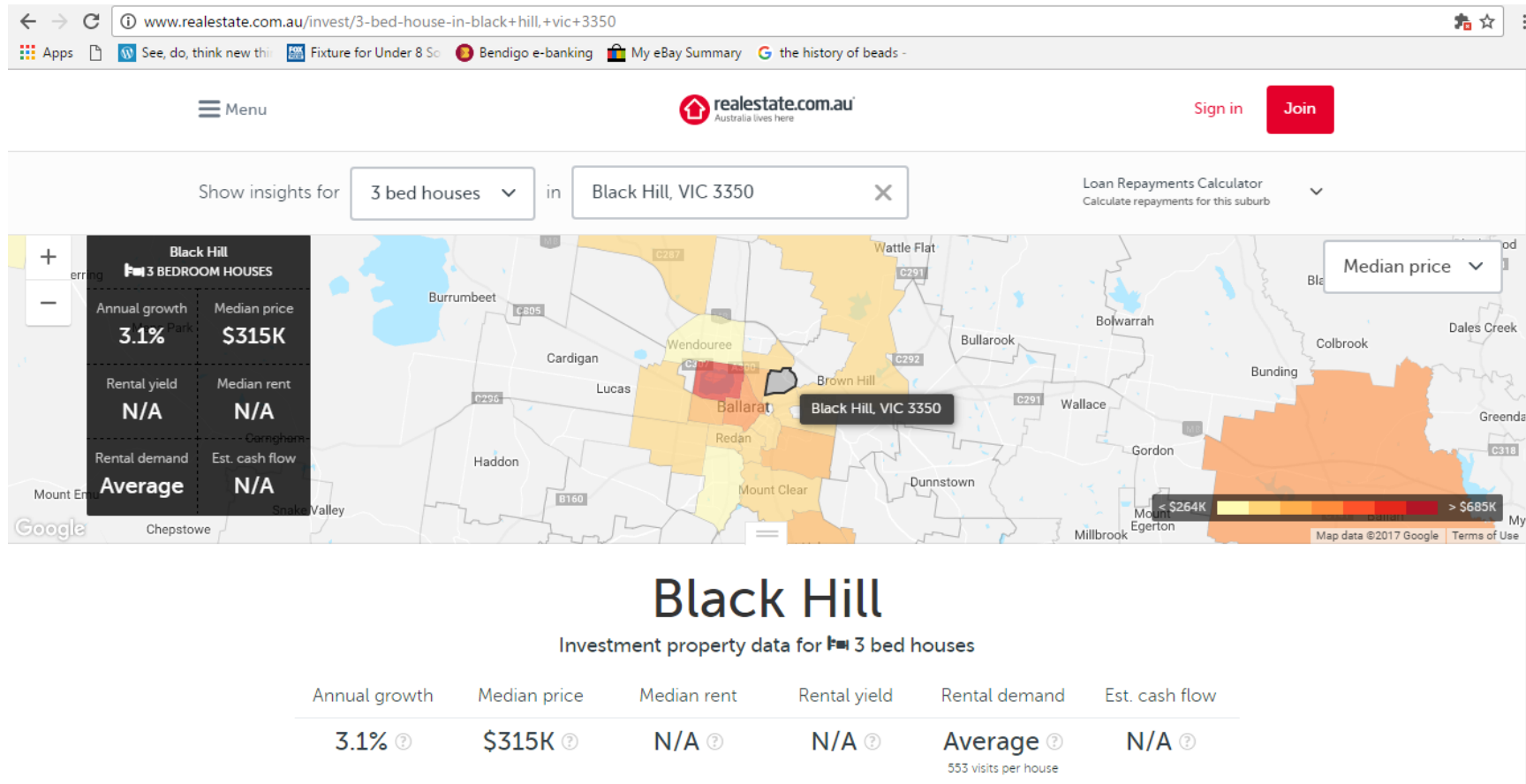
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# Renovation Process – Workshop Format

- Phase 1 – Location Selection - Grid Variance Analysis
- Phase 2 – Deal Finding
- Phase 3 – Preliminary Scope of Works & Due Diligence
- Phase 4 – Costing Works & Feasibility
- Phase 5 – Docs - Working SOW / Works Program
- Phase 6 – Project Management
- Phase 7 – Financing, Selling, Renting

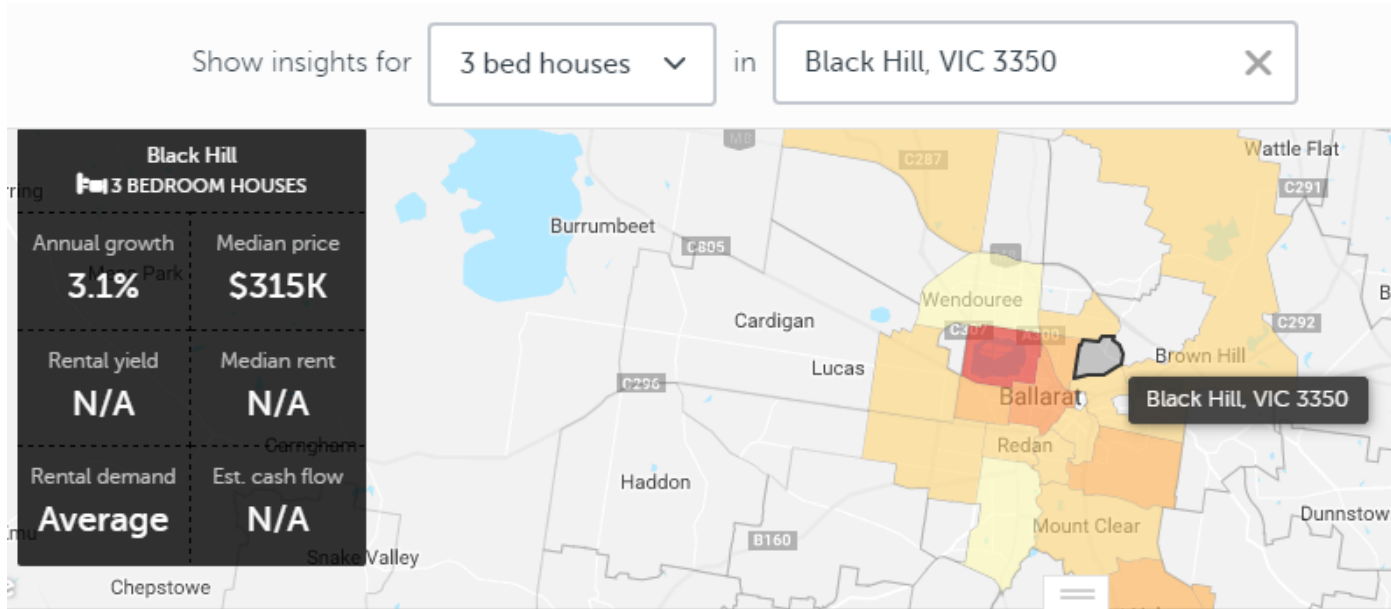
# Phase 1 - Identify Target Suburbs

- Induction Webinar Series - Purchase price, distance from you, population etc.
- Heat Map - Make list of potential suburbs in your price range (e.g. \$280-\$320k)



# List Suburbs

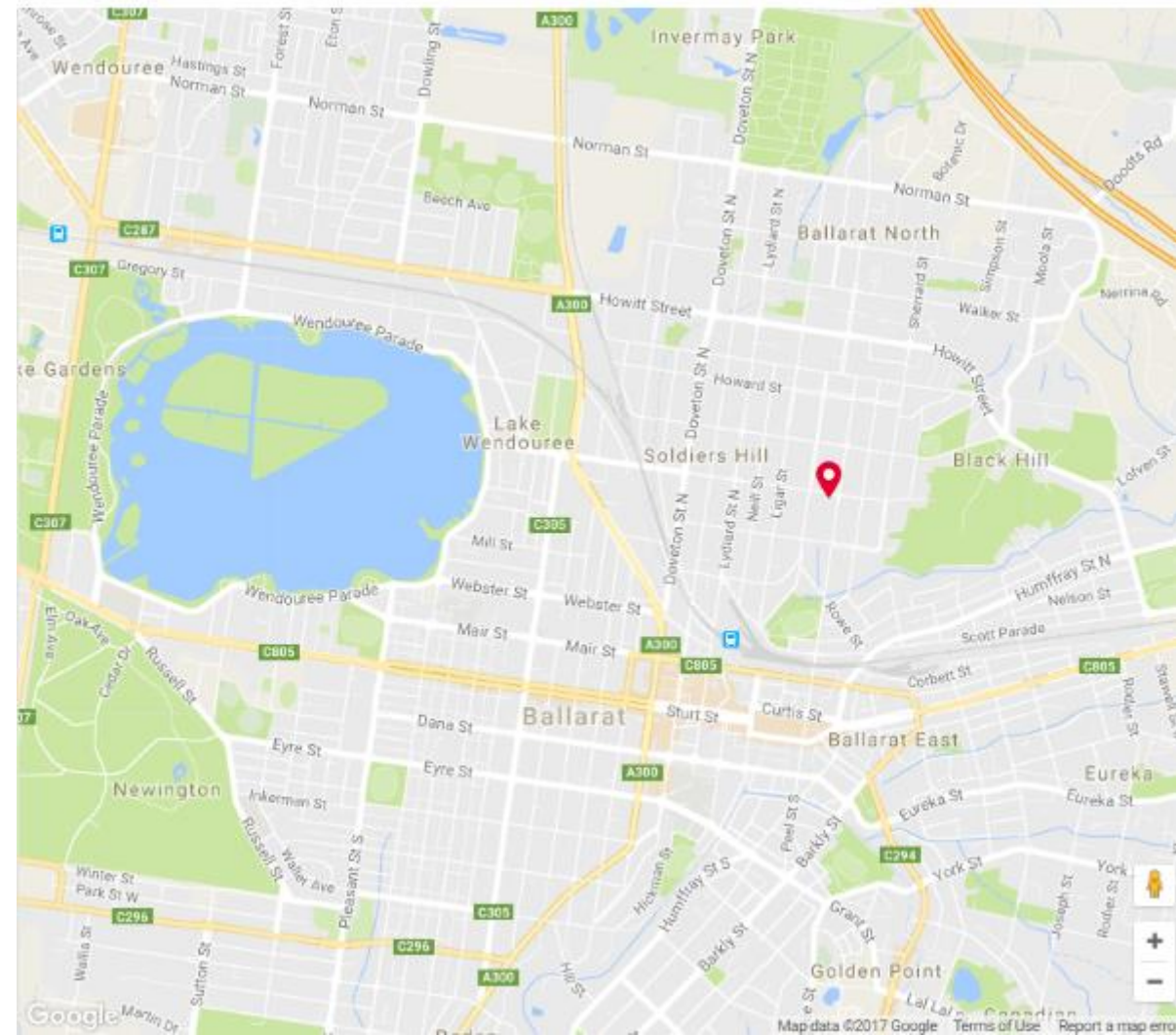
- List suburbs that meet price point off Heat map
- Grid out or clockwise order from CBD



Suburb	Median \$
Ballarat North	\$285k
Black Hill	\$315k
Ballarat East	\$295k
Golden Point	\$295k
Delacombe	\$290k
Alfredton	\$320k

# Prioritize Suburbs to Research

- Consider Proximity to – CBD, transport, jobs, lifestyle, neighboring expensive suburbs etc. – create table
- Use Google maps etc.



# Activity – Prioritize suburb list

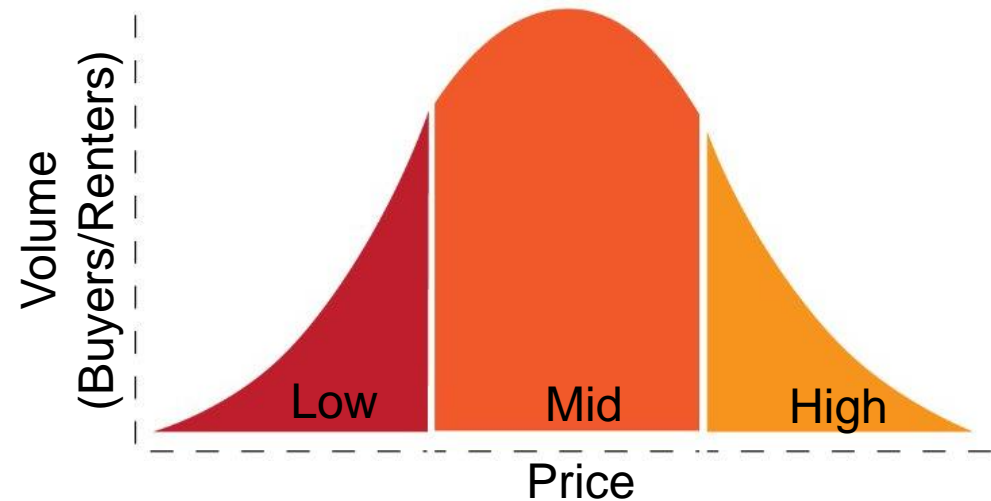
- Use Heat map / street map etc.
- Summarise in table
- Note suburb characteristics & prioritize suburbs e.g. 1- 6
- Identify target suburbs to start researching

Suburb	Median \$	Characteristics	Priority
Black Hill	\$315k	Close to CBD, borders expensive suburb, train station, good road access, price growth .....,	
Ballarat North	\$285k		
Ballarat East	\$295k		
Golden Point	\$295k		
Delacombe	\$290k		
Alfredton	\$320k		

# Grid Variance Analysis

- Buy at low, reno, sell at mid price (with upside in market)
- Start with highest priority suburb first
- Research Low, Mid, High prices

Suburb	Low	Mid	High
Black Hill			
Ballarat North			
Ballarat East			
Golden Point			
Delacombe			
Alfredton			



# RE.com.au suburb search

- Search suburb name, houses only
- Sort results lowest to highest price
- Record results

realstate.com.au  
PRD  
Thinking of Selling? CLICK HERE

Buy Rent Invest Sell Share New homes Retire Find agents Home ideas News Sign In Join

Address, suburb, postcodes, or regions  
Black Hill, VIC 3550 Search Save search

Property type Min. Beds Max. Beds Min. Price Max. Price  
House Any Any Any Any More refinements

List Map Inspections & Auctions SUBURB PROFILE Black Hill

Showing 1 - 20 of 365 total results  
Sort by Price (Low - High) 1 2 3 4 Next

Results for houses for sale in Black Hill, VIC 3550

\$249,000 - \$269,000  
Listed (Contract)  
105 Chestnut Street, Black Hill, VIC  
Save Details

PRD  
It's about time you did the NT  
Book Now

Open Sat 4 Feb  
Auction Sat 18th February at 11.00AM  
Auction Sat 18 Feb  
105 Chestnut Street, Black Hill, VIC 3550  
Don Harrison Save Details

\$355,000 - \$375,000  
11 The Outlook, Black Hill, VIC 3550  
Open Sat 4 Feb Save Details

\$345,000  
800 Sheppard Street, Black Hill, VIC

PRD  
Get Your FREE Property Report Today!  
CLICK HERE

# Investar Suburb Search

## Suburb sales and rental listings summary for Black Hill (all bedroom type)

### All sales listings

Total	31
House	20
Unit	3
Townhouse	3
Multi Dwelling	0
Land	4
Other	1

### House sales listings

20 total

No Price	5
Up to \$99K	0
\$100K-\$199K	0
<b>\$200K-\$299K</b>	<b>2</b>
\$300K-\$399K	6
\$400K-\$499K	4
\$500K-\$599K	1
\$600K-\$699K	1
\$700K-\$799K	1
\$800K-\$899K	0
\$900K-\$999K	0
\$1,000,000+	0


Black Hill, VIC (Suburb) House

Save this search Expand all listings Sort by: Listing Price: Low to High

Showing 1-10 (of 20) Show 11-20

★ Black Hill 14/6/2014 \$245,000 (74.5 % of median)


515 Peel Street North, Black Hill, VIC 3350 House 3 1 1 Land size: N/A



Black Hill 3 br house stats

Median listing price	\$326,000
1 yr listing price growth	-0.8%
Median weekly rent	\$265
1 yr weekly rent growth	-1.5%
Median gross yield	4.2%

Median price




No snapshot table. There isn't sufficient data to provide a snapshot.

Analyse in full See full property details

★ Black Hill 17/1/2017 \$249,000 (75.7 % of median)


608 Chishotm St, Black Hill, VIC 3350 House 3 1 2 Land size: N/A



Black Hill 3 br house stats

Median listing price	\$326,000
1 yr listing price growth	-0.8%
Median weekly rent	\$265
1 yr weekly rent growth	-1.5%
Median gross yield	4.2%

Median price




No snapshot table. There isn't sufficient data to provide a snapshot.

Analyse in full See full property details

★ Black Hill 22/12/2016 \$300,000 (91.2 % of median)

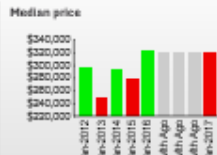
317 Chishotm St, Black Hill, VIC 3350 House 3 1 1 Land size: N/A



Black Hill 3 br house stats

Median listing price	\$326,000
1 yr listing price growth	-0.8%
Median weekly rent	\$265
1 yr weekly rent growth	-1.5%
Median gross yield	4.2%

Median price




Snapshot

	Yr 1	Yr 10
Cash flow p/a (pre-tax)	(\$6,682)	(\$4,259)
Potential gross yield	4.2%	5.5%
Total returns (cash & growth)	\$4,122	\$71,680

Analyse in full See full property details

★ Black Hill 2/2/2017 \$345,000 (104.9 % of median)


808 Sherrard St, Black Hill, VIC 3350 House 3 1 3 Land size: 650 m<sup>2</sup>



Black Hill 3 br house stats

Median listing price	\$326,000
1 yr listing price growth	-0.8%
Median weekly rent	\$265
1 yr weekly rent growth	-1.5%

Median price



Snapshot

	Yr 1	Yr 10
Cash flow p/a (pre-tax)	(\$6,421)	(\$5,981)
Potential gross yield	4%	5.2%
Total returns (cash & growth)	\$3,504	\$72,985

Analyse in full

# Low & Mid of Market – Black Hill



- 412 Peel St
- Low Price = \$220k
- Pre-reno (2brm)

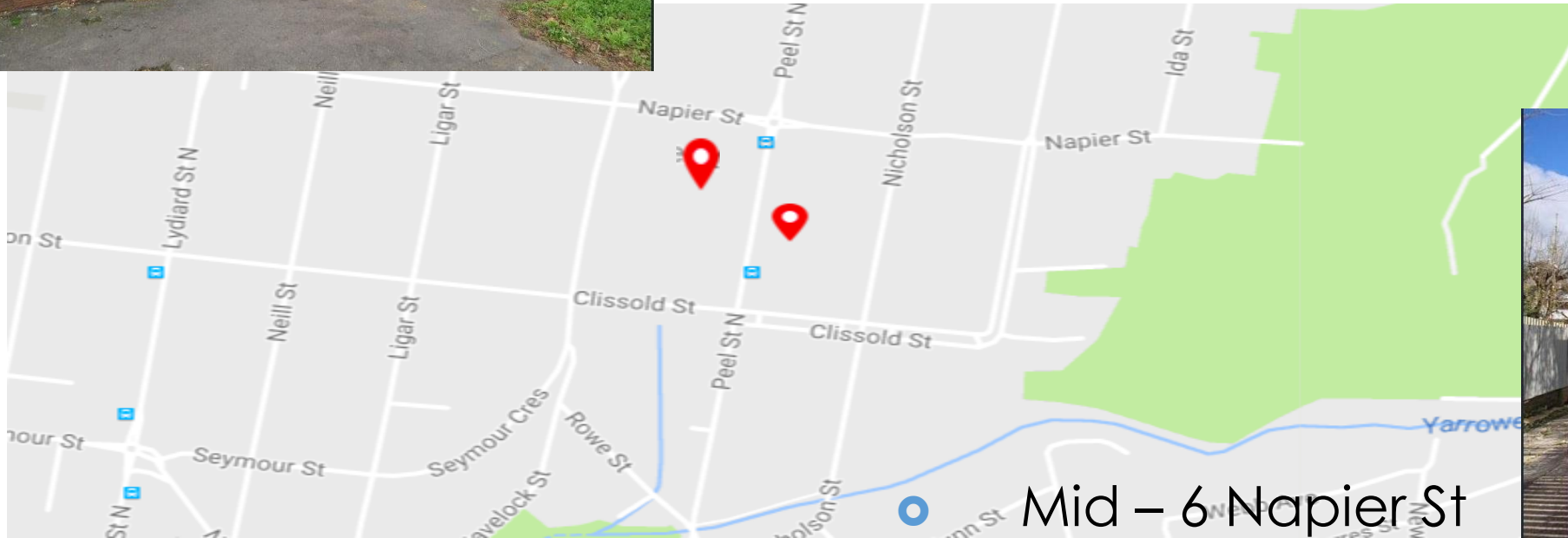


- 6 Napier St
- Mid Price = \$350k
- Post-reno (3brm)

# Right around corner!



- Low - 412 Peel St








# High of Market – Black Hill

realestate.com.au  
Australia lives here

Menu Sign In Join

hockingstuart



4-8 Simpson Street Black Hill Vic 3350

Property No. 124512574

**\$780,000 - \$830,000**

Home loans may be available from approx. **\$3,297 per month**

6 4 4 House

Floorplan

Print Page Save  
Get Directions Send to a Friend  
Twitter  
Like Be the first of your friends to like this.  
Enlarge Map Street View

- High Price = \$780k - \$830k
- Significantly larger house

# Calculate % Variance

- Low Price = \$300k
- Mid Price = \$400k
- Calculation Formula:  $GVA\% = ((\text{mid}-\text{low})/\text{low}) \times 100$
- Calculation:  $(\$400\text{k}-\$300\text{k}) = \$100\text{k};$
- $\$100\text{k}/\$300\text{k} = 0.33; 0.33 \times 100 = 33\%$
- Hence \$100k difference off \$300k entry price = 33% variance

# Activity - Calculate % Variance (Manual Method)

- Calculate % variance in table

Suburb	Low	Mid	High	Variance % (low to mid)
Black Hill	\$220k	\$350k	\$830k	59.1%
Delacombe	\$295k	\$355k	\$431k	
Ballarat East	\$241k	\$317k	\$437k	
Golden Point	\$228k	\$267k	\$302k	
Ballarat North	\$246k	\$358k	\$519k	
Alfredton	\$333k	\$437k	\$575k	

# Activity - Calculate % Variance (Manual Method)

- Calculate % variance in table

Suburb	Low	Mid	High	Variance % (low to mid)
Black Hill	\$220k	\$350k	\$830k	59.1%
Delacombe	\$295k	\$355k	\$431k	20.3%
Ballarat East	\$241k	\$317k	\$437k	31.5%
Golden Point	\$228k	\$267k	\$302k	17.1%
Ballarat North	\$246k	\$358k	\$519k	45.5%
Alfredton	\$333k	\$437k	\$575k	31.2%

# John Bone – Grid Variance Program (Auto Method)

## Grid Variance Analysis (v4.6)

Target Suburb Summary		Suburb / Town Selection			
Number above Average High in the range \$548,900 to \$665,000	Target Suburb / Town : <b>Ballarat North</b>	<b>Process Selection</b> Output to Google Maps Output Results to PDF <b>Process Favourites</b> Export Data to CSV File Output This Sheet to PDF Add to Favourites List Output to Google Earth		Output to Google Maps Output Results to PDF Export Data to CSV File Output This Sheet to PDF Output to Google Earth	
Number from Mid to High in the range \$369,000 to \$475,000	State : <b>VIC</b>				
Number from Mid to Low in the range \$249,000 to \$320,000	Post Code 1 : <b>3350</b>				
Number below Average Low in the range \$150,000 to \$245,000	Local Government Areas (1) : <b>Not Currently Available</b>				
	(2) : (3) :				

Select Surrounding Suburbs : <input type="radio"/> NO <input checked="" type="radio"/> YES	Select by Post Code : <input checked="" type="radio"/> YES	Select Property Type : <b>House</b>
Select by Walking Distance : <input checked="" type="radio"/> YES	Walking Distance (Metres) : <b>800</b>	
Include Sold Properties : <input type="radio"/> NO <input checked="" type="radio"/> YES <input checked="" type="radio"/> AUTO	Within Time Period (Days) : <b>182</b>	Analyse Sales History : <input type="radio"/> NO <input checked="" type="radio"/> YES
Include Property Land Sizes : <input type="radio"/> NO <input checked="" type="radio"/> YES	Process Alerts : <input type="radio"/> NO <input checked="" type="radio"/> YES	Analyse Sales or Rentals : <input checked="" type="radio"/> SALES <input type="radio"/> RENTALS

Selection		Sale Price Variation Amounts			Variation %	
Target Suburb	No of Properties Listed	Average Low Price	Average Sale Price (Mid)	Average High Price	Mid-Low	Mid-High
Ballarat North	27 - (27 Priced)	\$246,000	\$358,000	\$519,000	31.3%	45.0%

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Done! - 1815 Dwellings = 1.49% - 0 Sold

Council Website 1

Council Website 2

Council Website 3

On The House

Property Data

Google Maps

Domain Postcode Profile

A.B.S.

Wikipedia

Property Reporter

Street Directory

realestate.com.au

RPData Members Login

Investor Members Login

Price Finder Log In

# Profitable Variance? Rule of Thumb Test

- Use rule of thumb test to confirm sufficient variance to be profitable
- 21% Variance = Break Even (For Cosmetic Reno)

	Rule of Thumb%
Cosmetic Reno	10%
Purchase Costs	6%
Hold Costs	2%
Sales Costs	3%
Total	21%
*** No Profit	

# Rule of Thumb Test – Including Profit

- 21% + 15% Profit = 36% Variance required

	Rule of Thumb%	Low = \$300k
Cosmetic Reno	10%	\$30k
Purchase Costs	6%	\$18k
Hold Costs	2%	\$6k
Sales Costs	3%	\$9k
<b>Profit Margin</b>	15%	\$45k
Total	36%	\$108k
Sale Price Target	136%	\$408k

# Activity – Calculate Rule of Thumb

- Black Hill - Purchase @ low = \$220k



	Rule of Thumb%	Low = \$220k
Cosmetic Reno	10%	
Purchase Costs	6%	
Hold Costs	2%	
Sales Costs	3%	
Profit Margin	15%	
Total	36%	
Sale Price Target	136%	



# Activity – Calculate Rule of Thumb

- Purchase @ low = \$220k



	Rule of Thumb%	\$220k
Cosmetic Reno	10%	\$22k
Purchase Costs	6%	\$13k
Hold Costs	2%	\$5k
Sales Costs	3%	\$7k
Profit Margin	15%	\$33k
Total	36%	80k
Sale Price Target	136%	\$300k



Compare to mid price of suburb

# Shortlist Suburbs

- Short list suburbs with high variance and high priority location



# Confirm Demand in Shortlisted Suburbs



# Activity – List Research to Confirm Demand

- \_\_\_\_\_
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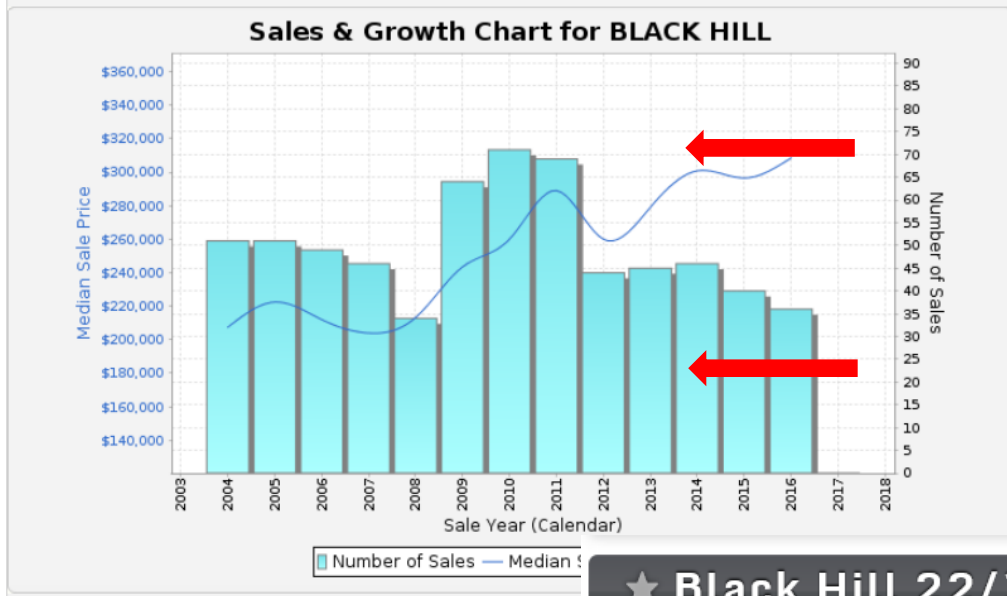
# Activity – List Research to Confirm Demand

- DOM
- Number (Volume) of Sales
- Discounting Rate
- Price trend
- Auction clearance
- Listings cleared in last 30 days
- Avg # visits on RE.com.au

# Activity – Research Demand – Black Hill

- \_\_\_\_\_
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# Activity – Research Demand – Black Hill



**Black Hill suburb stats**

Vacancy rate	2.7%
1 yr vacancy rate change	-0.7%
Average days on market	76
Current listings	31
Listings cleared in the last 30 days	13
Clearance rate	41.9%

★ **Black Hill 22/12/2016** **\$300,000 (91.2 % of median)**

**317 Chisholm St, Black Hill, VIC 3350**

House | 3 | 1 | - | Land size: N/A

www.domain.com.au

**Black Hill 3 b/r house stats**

Median listing price	\$329,000
1 yr listing price growth	-0.8%
Median weekly rent	\$265
1 yr weekly rent growth	-1.9%
Median gross yield	4.2%

**Median price**

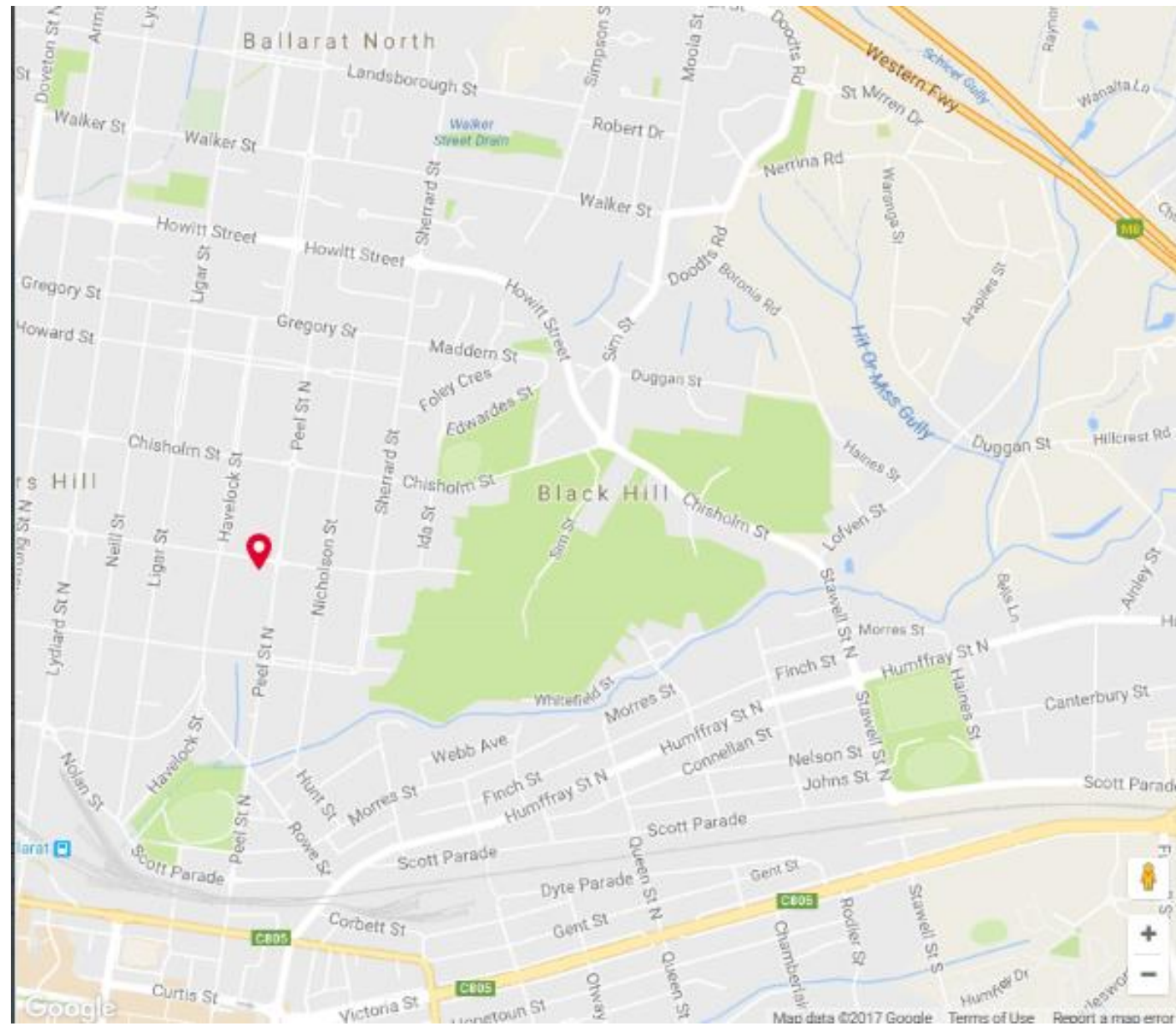
**Snapshot**

	Yr 1	Yr 10
Cash flow p/a (pre-tax)	(\$6,682)	(\$4,359)
Potential gross yield	4.2%	5.5%
Total returns (cash & growth)	\$4,122	\$71,680

[Analyse in full](#)

[See full property details](#)

# Become an Area Expert – Street map --- Black Hill



# Activity – List Characteristics to Show on Map

- Use Street/Aerial Map – Google Earth

- \_\_\_\_\_
- \_\_\_\_\_
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# Activity – List Characteristics to Show on Map

- Transport links
- Public transport
- Schools
- Lifestyle areas – café strip, parks etc.
- Shopping
- Job hubs
- Affluent vs cheaper areas
- Slope, views, infrastructure spending etc.
- Constraints – flooding, heritage, crime etc.

# Phase 2 – Deal Finding



# Activity – List Deal Finding Strategies

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# Activity – List Deal Finding Strategies

- Internet searches – RE.com, Investar, Gumtree etc.
- Realestate agents
- Buyers agent
- Tradies / Hairdresser /Word or Mouth
- Door knock
- Letterbox drop

# Sample Property Identified



# Target









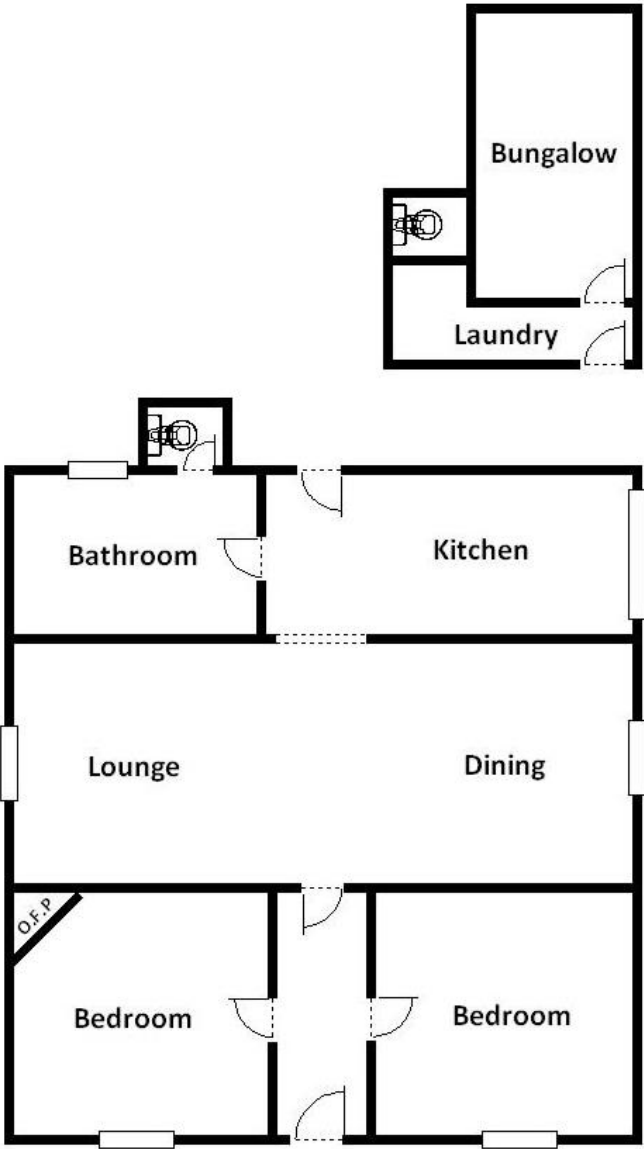








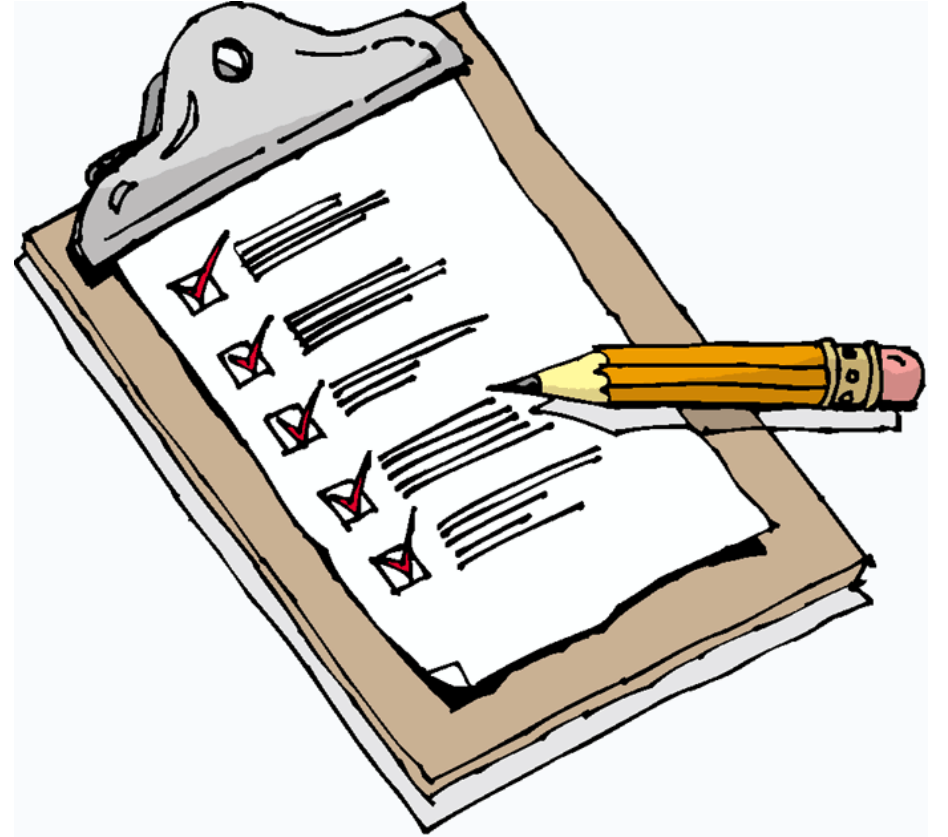
# Floor Plan



# Phase 3 – Preliminary Scope of Works (SOW)

## Activity –

- Room by room walk through
- List works required & priority



# Frontage & Yard



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# Driveway & Yard



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# Rear & Yard



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# Entry / Hallway



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# Kitchen



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# Bedrooms



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# Bathroom



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# Renovation Checklist

<i>Renovations - Internal</i>	<i>Required</i>	<i>Price</i>	<i>Qty</i>	<i>Total</i>	<i>Actual</i>	<i>Notes</i>
<i>Kitchen</i>						
Architraves / skirting	Yes	\$ -		\$ -	\$ -	
Blinds / Curtains	Yes / No	\$ -		\$ -	\$ -	
Ceiling	Yes / No	\$ -		\$ -	\$ -	
Ceiling fan	Yes / No	\$ -		\$ -	\$ -	
Cooktop	Yes	\$ -		\$ -	\$ -	
Cornice	Yes	\$ -		\$ -	\$ -	
Dishwasher	Yes / No	\$ -		\$ -	\$ -	
Disposal unit	Yes / No	\$ -		\$ -	\$ -	
Door - handle	Yes / No	\$ -		\$ -	\$ -	
Door - internal	Yes / No	\$ -		\$ -	\$ -	
Door - jamb	Yes / No	\$ -		\$ -	\$ -	
Door - stop	Yes / No	\$ -		\$ -	\$ -	
Floor coverings	Yes	\$ -		\$ -	\$ -	
Kitchen bench top	Yes	\$ -		\$ -	\$ -	
Kitchen cabinets	Yes	\$ -		\$ -	\$ -	
Kitchen door	Yes	\$ -		\$ -	\$ -	
Light - downlights	Yes	\$ -		\$ -	\$ -	
Light - fitting	Yes / No	\$ -		\$ -	\$ -	
Light - oyster (Dome)	Yes / No	\$ -		\$ -	\$ -	
Light switches - double	Yes	\$ -		\$ -	\$ -	
Light switches - single	Yes / No	\$ -		\$ -	\$ -	
Microwave	Yes / No	\$ -		\$ -	\$ -	
Oven	Yes	\$ -		\$ -	\$ -	
Phone point	Yes / No	\$ -		\$ -	\$ -	
Power points - double	Yes	\$ -		\$ -	\$ -	
Power points - single	Yes / No	\$ -		\$ -	\$ -	
Rangehood / fan	Yes	\$ -		\$ -	\$ -	
Sink	Yes	\$ -		\$ -	\$ -	
Sink tap / mixer	Yes	\$ -		\$ -	\$ -	
Splash back options	Yes / No	\$ -		\$ -	\$ -	
Stove	Yes / No	\$ -		\$ -	\$ -	
Wall tiles	Yes	\$ -		\$ -	\$ -	
Walls	Yes	\$ -		\$ -	\$ -	
Window insect screens	Yes / No	\$ -		\$ -	\$ -	
Window locks	Yes / No	\$ -		\$ -	\$ -	
Windows	Yes	\$ -		\$ -	\$ -	
<i>Total</i>				\$ -	\$ -	

# Activity – List Property Due Diligence

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

# Activity – List Property Due Diligence

- **Condition** of property & extent of reno required (cosmetic, structural, extension)
- **Ease** of undertaking reno e.g. structural walls
- **Construction type** – timber, brick
- Single story, **high-set**, two story plus
- **Proximity** between kitchen, bathroom, laundry re plumbing run
- Property **age**
- **Heritage** or demolition control restrictions
- **Signs of concern** – major cracks in walls / ceilings / floors / foundations
- **Uneven** floors, windows & doors that jamb
- **Musty smell**, mold & potential rising damp

# Activity – List Property Due Diligence

- Dry rot & water damage
- Termite damage
- Fire or flood damage
- Asbestos
- Capacity to reconfigure layout & add bedrooms & bathrooms
- Use a builder or skilled handyman to inspect with you if you are not confident.
- Do building & pest inspection

# Phase 4 – Cost SOW & Feasibility



# Activity – List Ways of Costing SOW

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

# Activity – List Ways of Costing SOW

- Visit **Bunnings**
- Visit **suppliers** – tile / plumbing / kitchen shops
- **Online** suppliers – eBay, gumtree, trading post etc.
- **Auction** houses, salvage yards
- Talk with **tradies, handyman**
- Review **other peoples costs** – friends, students etc.
- Get **quotes on your own property (or your rental if renting)**
- Get **quotes on deal property**

# Activity – Compare SOW to Budget & Trim Costs

- Budget = 10% of Purchase (\$220k) = \_\_\_\_\_
- List ways to trim costs

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

# Activity – Compare SOW to Budget & Trim Costs

- Buy **secondhand** not new
- DIY
- **Friends** & family
- **Handyman** vs chippy vs builder
- Auction houses / eBay etc.
- **Trade** e.g. Bartercard
- **Revise specs** e.g. laminate vs stone benchtops
- Paint kitchen cupboards vs replace
- **Repair** vs replace
- Get 3 + **quotes**
- **Detailed** quoting docs (specs, photo etc.)

# Activity - Rough Feasibility -

- Start from the **end product** & work backwards
- Fill in **headings and costs**: \$220k purchase

Item	\$
_____ Value	
Sale _____	
_____ Price	
Purchase _____	
Strategy _____ : Renovation	
_____ Costs	
Total _____	
Profit / _____	

# Activity - Rough Feasibility -

- Start from the **end product** & work backwards
- Fill in **headings and costs**

Item		\$
1. Sale Value	Comparables (Mid)	\$350,000
2. Sale Costs	3%	\$10,500
3. Purchase Price	Low	\$220,000
4. Purchase Costs	6%	\$13,200
5. Strategy Costs: Renovation	10%	\$22,000
6. Operating Expenses Hold Costs	2%	\$4,400
7. Total Costs	Sum 2-6	270,100
8. Profit / Loss	7-1	79,900

# Phase 5 – Documentation – a) Working Scope of Works (SOW)

- Turn preliminary SOW into Working SOW
- Different formats

Carpenter			
Trade	Room	Task	Materials
Carpenter	Existing Bedroom-2	Remove non-structural wall and door from existing lounge leading to existing Bedroom 2. -Currently This wall does not reach the ceiling	



Material-List						
Room	Task	Materials	Supplied by-trade	Supplied by-owner		
CARPENTER	Create two new walls	Villa Board (not recessed edge)	✓	✗		
		Architraves	✓	✗		
		Skirting boards	✓	✗		
	Bedroom-1 Internal-door	Install new internal door for bedroom-1	Cornice-beading (quad)	✓	✗	
			New internal doors	✓	✗	
			Door-handle with entrance lock (matching keys for all internal doors)	✗	✓	
	Bedroom-2 Internal-door	Install new internal door for bedroom-2	Hinges	✓	✗	
			Door Jams sets	✓	✗	
			New internal doors	✓	✗	
	Bedroom-3 Internal-door	Install new internal door for bedroom-3	Door-handle with entrance lock (matching keys for all internal doors)	✗	✓	
			Hinges	✓	✗	
			Door Jams sets	✓	✗	
	Bathroom-1	Replace shower basin with moulded shower	Fully moulded shower with central soap holder, corner waste outlet	✗	✓	
			Shower head (only to be purchased if current fitting insufficient)	✗	✓	
	Bathroom-2	Install new moulded shower in conjunction with plumber	Fully moulded shower with central soap holder, corner waste outlet	✗	✓	
Shower Head			✗	✓		
Mixer Taps			✗	✓		
Construct wall around shower		Shower curtains	✗	✓		
		Villa Board (not depressed edge)	✓	✗		
Back-door-entrance	Install external cavity sliding door for access to bathroom-2	Architraves	✓	✗		
		Skirting boards	✓	✗		
		Cornice-beading (quad)	✓	✗		
		External sliding doors	✓	✗		
		Door-handle	✓	✗		
Back-door-entrance	Replace back-door	Pellets	✓	✗		
		External doors	✓	✗		
		Door-handle with entrance lock to match internal doors	✗	✓		
		Hinges	✓	✗		
		New Door Jams (maybe optional)	✓	✗		

# Phase 5 – Documentation – a) Working SOW

## Scope of Work

### INTERIOR

#### Throughout

- Patch all walls and trim in preparation for paint. Paint entire interior per our discussion
- Fix/replace outlets/covers as necessary (ensure matching colors and styles)
- Fix/replace switches/switch-plate covers as necessary (ensure matching colors and styles)
- Clean/scrape all windows and ensure proper operation. Replace non-functional windows
- Reversed ground/neutral in most upstairs outlets
- Electrical issue (no outlet power) in bedrooms and master bath (short or improper wiring?)
- Use entry doors in best condition to replace closet doors
- Replace all room entry doors with new 6-panel doors
- Remove window screens from Living Room, Dining Room, and Kitchen windows

#### Kitchen

- Remove and frame existing door to outside, replace with picture window, finish with sheet-rock and trim on inside, and vinyl siding on outside Keep existing cabinet/countertop configuration
- Replace cabinets
- Replace countertops
- Tile backsplash behind counters
- Replace sink
- Replace sink faucet with goose-neck faucet
- Install garbage disposal
- Replace all appliances (stove, microwave, fridge, dishwasher)
- Replace light fixture
- Replace flooring with ceramic tile and level floor as necessary (may have sub-floor issues)

#### Dining Room

- Replace light fixture
- Fix or replace window (not seated properly)
- Replace carpet with laminate hardwood
- If possible, use chair-rail trim removed from Living Room and put around Dining Room

#### Living Room

- Remove paneling and chair-rail trim (use trim in Dining Room if possible)

# Activity – List Purpose / Benefit Working SOW

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

# Activity – List Purpose / Benefit Working SOW

- Record of works
- Record of material
- Record of tradies required
- Keep to scope & budget
- Informs works program
- Communication tool to tradies

# b) Works Program

## Activity – List info captured in works program

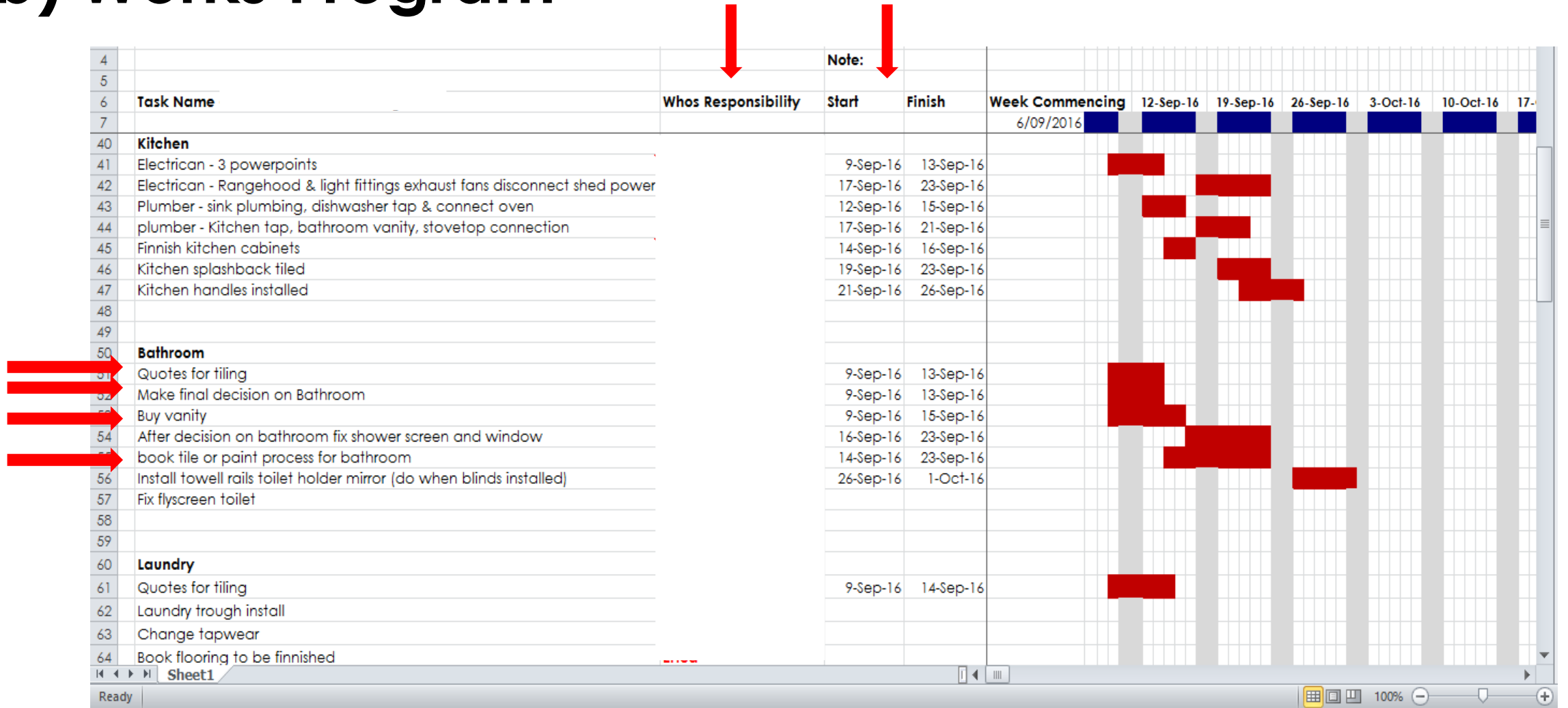
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

# b) Works Program

## Activity – List info captured in works program

- **Timeline** -
  - Works & sequence of works
  - Quoting, quote decision/selection
  - Material ordering, delivery
  - Decision making
- **Who** Responsible
- **Critical Path** Tasks

# b) Works Program



# Phase 6 – Project Management – Doing the Doing

## Activity – List what can go wrong

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

# Phase 6 – Project Management

## Activity – List what can go wrong

- List How to manage – Refer back to previous phases & docs

What Can Go Wrong	Management
Additional works required	Due Diligence (DD)
Change to scope / specs	SOW
Cost blow-out	Costing, Feaso
Time blow-out	Works Program
Run out of \$\$	Feaso
Can't get tradies	DD, Works Program
Can't sell	DD, Comparable / Feaso

# Phase 7 – Financing, Selling / Renting

- Module 7 – Contracts – Purchase/Selling, Renting, Build
- Module 8 – Financing
- Module 9 - Purchase, Selling, Negotiation
- Module 10 – Reno Checklist

# QUESTIONS?