



# Ultimate Guide to **Home Renovation**

## SO, YOU WANT TO RENOVATE...

Ask anyone about their first major home renovation and you'll find mixed emotions.

Sure, they were excited about the possibilities:

- A better kitchen to entertain guests.
- More upmarket fittings.
- Better property values.

The idea was perfect, and everything would be seamless and slot into place just like that serviette sketch they used over dinner to get their spouse's buy-in.

But doing the renovation is not so seamless. And if not done right your marriage, like your shiny new kitchen countertops, might never be the same.

### Learn from others' mistakes

This guide is all about preparation. We've collected everything we've learnt from years of dealing with customers and contractors to help you avoid the mistakes that cost you time and money and give you renovator's regret.

#### This guide will teach you:

- which renovations add the greatest value.
- when to hire a pro and when to DIY.
- how to budget and plan for your renovation.
- how to evaluate supplier quotes.
- how to prepare for day one of your renovations.
- how to work with suppliers on site.
- things to check before signing off the work.



## BEFORE YOU BEGIN

### Why am I renovating?

Before sourcing suppliers, step back and think about your motivations for renovating.

#### 1. “My home is a financial asset. I want to increase its value.”

Return on investment (ROI) is a great reason! But be strategic about how and where you renovate. For instance, investing in your kitchen will get you a better return than installing a Jacuzzi. That’s because kitchens are central to every home. We cook, prepare and entertain in our kitchens, and it’s where our guests and family congregate.

Remember, too, that the relationship between renovations and returns isn’t linear. Don’t think the money you put into your renovation will equal the return you realise on selling your home. Spending R100 000 on redoing the bathroom doesn’t mean your house just appreciated by that same value.

Home values, and by extension the value of a renovation, depend on many things like:

- **location** – a beach-side or city-central property has a higher renovation return than a property that’s close to railway lines or airports.
- **demographic appeal** – a property near schools and shopping centres is more attractive to young families.
- **interest rates** – no matter how much money you’ve invested into your home, high interest rates limit bond approval rates for prospective buyers.
- **condition of the neighbourhood** – you could have the greenest curb in the country but suffer from a run-down neighbourhood and an apathetic community.

You should feel both encouraged and cautioned by all this. It’s encouraging because by making smart home improvements efficiently and at the right time, you can make more money than you put into it. But it’s also a caution not to overspend or over-capitalise.



## BEWARE OF DIY FLIPS

Some people renovate houses themselves quickly and cheaply to “flip” for a short-term profit.



Typically, they make everything look like it's in great shape with little concern for quality or longevity, leaving the real maintenance up to the buyer.

If you're renovating to sell, don't just cover up these problems. Rather hire a professional to fix things properly, someone who can do a great job on the basics like plumbing, wiring, insulation and ventilation.

Buyers pick up on shoddy workmanship more often than you might think.

### 2. “I need to make security/safety upgrades”

Some home renovations shouldn't be delayed. Things like electrical shorts, roof leaks, plumbing problems and security gates are safety essentials. Do them as soon as you can afford to. The cost of ignoring these kinds of renovations is often higher than we realise.

### 3. “I want to make practical and/or cosmetic changes to my home”

One of the best reasons to renovate is to enjoy your home and customise it to suit your style or situation. Maybe there's another child on the way, or you need to make room for your in-laws, or more space to entertain guests.

Your home isn't just an investment, it's where you spend most of your life. So, make it a great place to live.

### **WHY** comes before **WHAT**

By thinking about why you're renovating, you're in a better position to decide what to renovate in order to maximise your home's value, security and comfort.

In the next section, we'll discuss what renovations add the most the value to your home.

### *Your style may not be popular*

In 2014, Steve and Vicky Everson spent £40 000 (R750 000) turning their Lancashire terrace into a replica Boeing 737 airplane, including a cockpit, passenger seats and a departure lounge. They even installed a flight simulator. (Source: DailyMail)

Would you buy their home? If you're making cosmetic changes, keep in mind that avant-garde designs or unusual aesthetics could affect future saleability.



# RENOVATIONS THAT ADD THE GREATEST VALUE

Now that you know why you're renovating, here's a general list of great ROI renovations to start with. These ROI's are based on sample data from the SA Property Guide Magazine's National Guide to Real Estate and are meant to guide you only, not guarantee a specific return. Remember to always consider your home's location and primary demographics before you decide what to invest in.

## #1 CONVERTING A LOFT

**ROI: 192%**

A loft is a cost-effective and non-disruptive way to add more space to your home, whether you're using it as a workroom, an extra bedroom or just for more storage space.

## #2 PATIO OR DECK

**ROI: 133%**

A patio increases your home's usable space yet costs less than building a new room. It's also great for entertaining and enjoying the South African summer.

## #3 KITCHEN

**ROI: 80%**

A kitchen is a universal focus point for buyers. Whether you renovate conservatively or extensively, a refreshed kitchen can add a lot of value. Start with kitchen cabinets, doors and handles for a subtle renovation, or go big by installing granite countertops and an island eatery depending on the usable space. Just make sure the kitchen looks like a natural part of your home.

## #4 BATHROOM

**ROI: 75%**

Bathrooms don't need a big investment to improve the appeal and value of your home. Do a deep clean, repaint the walls, replace the taps and fittings and let lots of light in for an upmarket effect.





## HIRING A PROFESSIONAL VS DIY

Now that you know the WHY and WHAT of your renovation plans, it's time to ask HOW you'll do it.

Will you hire a professional to get the job done or go the DIY route and learn as you go? There are (dis)advantages to both.

### Cutting corners can cost you more

There's a popular saying that says, "If you think it's expensive to hire a professional, wait until you hire an amateur."

Professionals bring practice and hard-won experience to their work. They've honed their skills so you don't have to, offering a level of craftsmanship that shows in the quality of the end product.

That said, there are some areas where DIY is A-OK.

## When to hire a pro

- **Hire a project manager for bigger renovations**

Unless you're doing simple home fixes, hiring a project manager or general contractor who can think strategically about your whole renovation will reduce your timeframes and improve your outcomes.

A skilled project manager can optimise the scope and phases of work. They can advise you independently on what to do, when to do it and help you assess the final quality of workmanship before you sign off.

.....

- **Structural repairs**

If any of your renovations mean changing the structure of your home, you'll need a professional contractor and/or architect. Older homes especially can have structural wear and tear. Don't go bashing down the walls yourself.

.....

- **Electricity and plumbing**

Most things involving lights and water should be left to professionals. Unless you're changing a plug, a globe, or installing a washing machine, trying to rewire and re-pipe a home by yourself can be dangerous and expensive if you make a mistake.

.....

- **Ceramic tiles and hardwood floors**

If you're flooring a large room, a professional installer can accommodate for typical challenges like uneven flooring, difficult corners and, in the case wooden floors, lining up planks with baseboards, corners and doorways.

## When you can DIY

- **Materials**

Contractors will understandably add a margin to the materials they've sourced for you. If you need to save on costs, tell them you'll be sourcing your own supplies. Just make sure it's discussed early and that you get the right quantities. If you're hiring a project manager, they can do this for you.

.....

- **Painting your home (inside)**

You can save money by painting your own home, provided you're willing to colour match (if necessary) and buy the paint, brushes, primer, rollers, drop cloths and tape.

.....

- **Mirrors and other fixtures**

Installing mirrors, hanging paintings, and replacing toilet seats, faucets and showerheads are easily DIY-able and don't require a professional unless you want the benefit of convenience.

.....

- **When you have time and patience**

There are lots of home projects you can self-accomplish if you have the time and patience to learn from your mistakes. Just remember that a professional can be cheaper than an accumulation of mistakes.



## BUDGETING AND PLANNING

Whether you're hiring a professional to complete your renovation or doing as much as you can DIY, homeowners consistently under-budget for their renovations, even where they've tried to save costs by buying their own materials and project managing the process themselves.

Budgeting for the whole process is key.

### 1. Decide on the scope

Be realistic about what you can afford to renovate. Too many homeowners immediately dip into their bond to fund this, assuming they'll make it back upon resale. Like we said earlier, smart renovations can give you a great ROI, but be strategic about where and how you do them.

### 2. Plan and budget for everything

Make a list of all the materials you'll need, including the cost of contractors and a project manager. There are many handy templates to help, including a pre-made template on Microsoft Excel. Your spreadsheet should look something like the one on the following page.

Notice how everything is itemised with a running total of actual costs as they occur. This lets you see how much over budget you're going, as early as possible, so you can plan accordingly. If you look at the second last line, you'll notice that that 30% is added to everything. This is called a contingency and it's essential since overspending on a renovation is almost guaranteed.

### 3. Get at least three quotes on everything

Comparing quotes can keep your costs in perspective. Just remember to read the fine print. Very often, suppliers will try to lock you into a contract with a lowball estimate, only to add them back later on.

### 4. Never pay everything upfront

Paying upfront diminishes your bargaining power. Rather agree to payment schedules with your suppliers, making it clear what needs to be completed at each stage for payment to take place. Only make the final payment once you're happy with everything.

### 5. Plan for family disruptions

People get tired of the noise and lack of privacy that comes with renovations. Be patient with yourself and your family when this happens.



# Home Renovation Model

Items	Qty	Itemized Cost (R)		Total Cost (R)	
		Estimated	Actual	Estimated	Actual
<b>Bath/Shower</b>					
Tub, cast iron, 5', standard	1	250		250	0
Shower doors, hinged, standard	1	200		200	0
Showerhead, standard	1	50		50	0
Tub wall surround, standard	1	200		200	0
<b>Cabinets</b>					
Medicine cabinet 24", deluxe	1	200		200	0
Modular vanity 30", standard	2	100		200	0
<b>Countertops</b>					
Ceramic tile, deluxe (qty. in lin. ft.)	5	22.5		112.5	0
<b>Faucets</b>					
Faucet, bathtub, standard	1	90		90	0
Faucet, shower, single handle, standard	1	115		115	0
Sink faucet, standard	1	95		95	0
<b>Flooring</b>					
Ceramic tile, standard (qty. in sq. ft.)	35	12		420	0
<b>Hardware</b>					
Towel bar, standard	2	15		30	0
Toilet Paper holder	1	10		10	0
<b>Lighting</b>					
Recessed lights, standard	4	25		100	0
<b>Sinks</b>					
Lavatory, standard	2	60		120	0
<b>Toilets/Bidets</b>					
Toilet, standard	1	120		120	0
<b>Ventilation</b>					
Exhaust fan/light, standard	1	60		60	0
<b>Walls</b>					
Designer wallpaper, deluxe (qty. in sq. ft.)	192	0.95		182.4	0
<b>Windows</b>					
Wood casement, deluxe	2	120		240	0
<b>Other</b>					
				0	0
<b>Subtotal</b>				2794.9	0

We have included an empty version of this Home Renovation spreadsheet in the appendices for you to use on your next home improvement project.

## TOP FIVE RENOVATION REGRETS



1. Not having a well-planned design and a reasonable time frame.
2. Not budgeting for unforeseen costs or changes to the plan.
3. Not getting a complete quote in writing or having a full understanding of the quote given.
4. Not hiring a professional for jobs that require the expertise.
5. Not planning renovations in terms of resale.

*Source: HarrisonBowker, For what it's worth: Home renovation value guide 2017*



## EVALUATING SUPPLIER QUOTES AND FINDING THE RIGHT CONTRACTOR

Before you decide on suppliers, you should understand the difference between a general contractor and full-service contractor.

- **General contractors** bring experience, skills and a network of subcontractors. These subcontractors will be specialists in things like plumbing, tiling and carpentry. The general contractor will oversee everything, but the quality of work depends on the quality of the subcontractors.

- **Full-service contractors** usually have their own team of specialists, all of whom operate under the same company. This usually means a more consistent standard of quality with fewer variations in pricing. But it also means a higher price for the convenience of an all-in-one shop.

Of course, you could decide to save even more money by being your own contractor. But as mentioned earlier, we caution against this. Contracting is a full-time job for a reason and you risk inviting complications and unnecessary strain if you do it yourself.

*When a supplier sends you a quote, you'll want to ensure the following information is present:*

### 1. Project description

This should outline all the work, products and materials that will go into the job, including:

- what will be demolished.
- what will be constructed (along with materials, fixtures and their cost).
- how debris and building rubbish will be disposed.

### 2. Payment agreement

The contract should list the total cost of the renovation and how installation payments will work based on project milestones. For instance, you could agree that 25% of the project cost will be paid once foundations and plumbing are completed; and another 25% will be paid after electricity and appliances are installed. Your initial payment to start work should be around 10% of the total project cost (no more).

### 3. Approximate project dates

The contract should list a rough start and end date, with allowance for things like holidays, bad weather and worker absence.

### 4. Procedures for changes

What happens if you change your mind on an aspect of your remodelling? The contract should allow for this, specifying how to request and approve changes, and the impact on the final cost and timeline.

### 5. Where do I sign?

To be legally enforceable, a contract needs to be signed by you and your contractor. You should also ask if your contractor is a member of a national association of builders, like the National Home Builders Registration Council (NHBC).

## DEALING WITH CONTRACTORS

- Explain your priorities and timeframes.
- Offer a budget range rather than a specific amount.
- If you want to go green and save energy, ask about energy-efficient options roof insulation, low-wattage appliances and LED lights.
- Gauge the quality of the contractor by how they respond to your requests.

## Finding a contractor

The best way to find a good contractor is to ask your social circle.

Word of mouth recommendations (and warnings!) are your best chance of finding someone skilled, honest and professional. Ask your family, friends and co-workers if they know of anyone.

If not, look for internet recommendations through Google and Facebook reviews. You want a real testimonial, not just an everyman “John” figure on a supplier’s site who “loved their work so much.”

A big advantage of finding a contractor through Snpit.co.za is that all our suppliers feature genuine user reviews to help you select reliably.

## PREPARING FOR DAY ONE



You’ve chosen a contractor who meets your needs and have agreed on budgets, timelines, and payment schedules.

.....



Without telling anyone, you’ve actually allowed for at least 30% more than your stated budget in case the unexpected happens.

.....



Your family understands that many hands in the house will feel intrusive, frustrating and noisy, but the end result will be worth it.

.....



Your contractor understands your priorities.

## Ten questions to ask every contractor

1. Are you insured for worker’s compensation and liability insurance?
2. How long have you been in business?
3. What projects have you completed that are similar to mine? (tip: go look at their work!)
4. How long will the work take, and what is the budget?
5. Do you have a list of contactable references?
6. Who will manage this project? Or do I need to supply my own project manager?
7. What are your safety and clean up arrangements, like first aid kits, tidying up, providing portable toilets, smoking policies, etc?
8. Do you offer a warranty on your work? For how long?
9. How do we communicate so I can get hold of you when I need to?
10. How will payments be structured?

## It's time to begin

- **Pack away your belongings** – pack away as much as possible into sealed boxes to prevent damage and theft, and cover your furniture with sheets to keep the dust out.

.....

- **Remove paintings and ornaments** – paintings can be damaged and ornaments can be knocked over. Put them away.

.....

- **Explain the no-go areas** – it's crucial you set boundaries for on-site workers. Ensure everyone understands which bathrooms they can use, and which areas are off-limits.

.....

- **Consider plastic wrapping the renovation areas** – depending on which rooms you're redoing, sealing in the renovation areas can prevent dust leaks into the rest of the house.

- **Keep your dog secure** – our animals probably hate the intrusion as much as we do. Prevent any biting incidents by keeping your dog away from the construction.

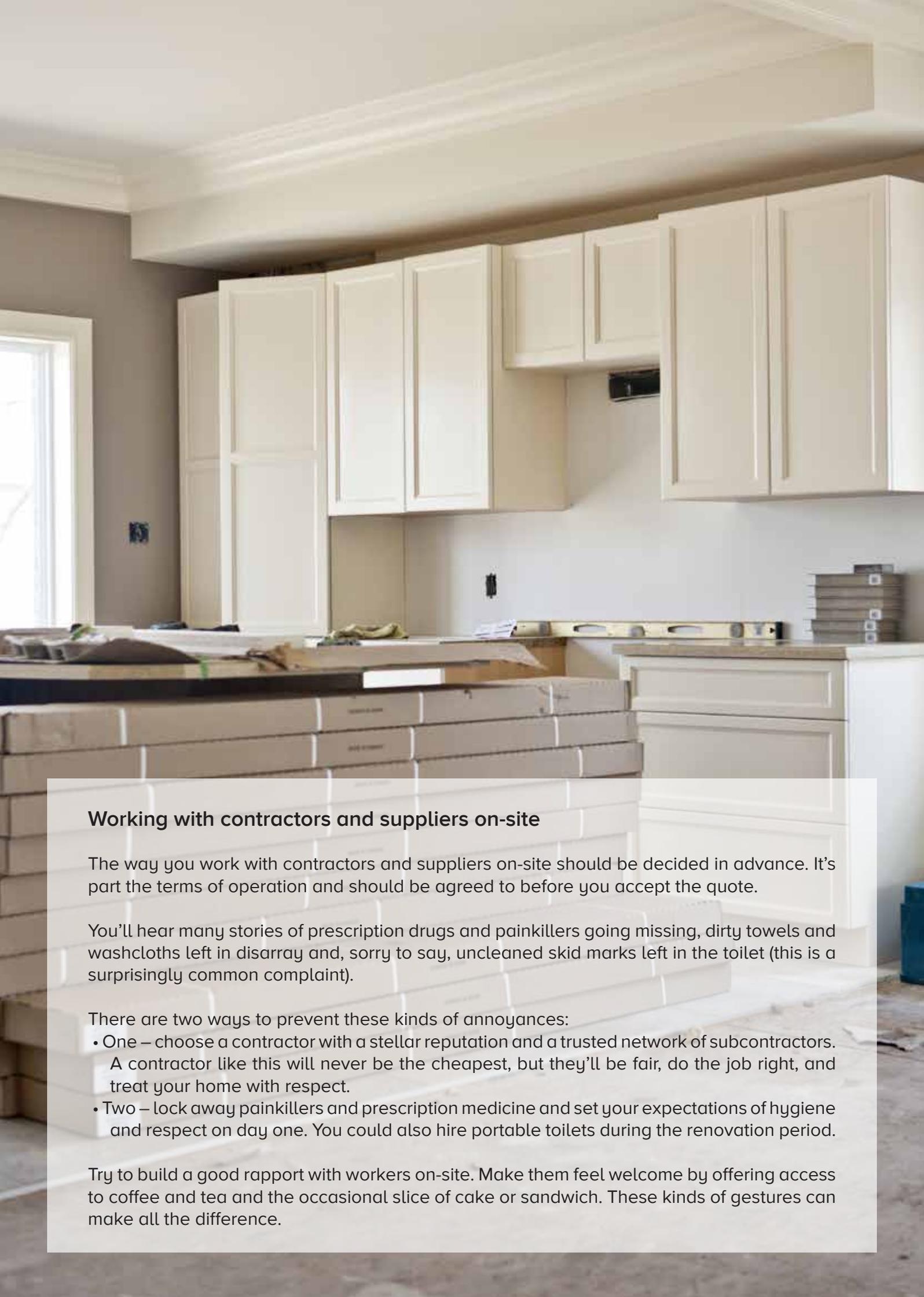
.....

- **Decide where you will live and eat** – if you're renovating your kitchen, cooking will be difficult. You may have to set up a hot plate, microwave and basic cutlery in another room during this time.

.....

- **Breathe** – there will be a few moments during your renovation where you'll want to can the whole thing. You'll want your privacy, space and life back to normal. These emotions are completely normal. Remind yourself of the end goal, of how much better your home will look and feel at the end, the potential for a higher selling price, etc.





## Working with contractors and suppliers on-site

The way you work with contractors and suppliers on-site should be decided in advance. It's part the terms of operation and should be agreed to before you accept the quote.

You'll hear many stories of prescription drugs and painkillers going missing, dirty towels and washcloths left in disarray and, sorry to say, uncleaned skid marks left in the toilet (this is a surprisingly common complaint).

There are two ways to prevent these kinds of annoyances:

- One – choose a contractor with a stellar reputation and a trusted network of subcontractors. A contractor like this will never be the cheapest, but they'll be fair, do the job right, and treat your home with respect.
- Two – lock away painkillers and prescription medicine and set your expectations of hygiene and respect on day one. You could also hire portable toilets during the renovation period.

Try to build a good rapport with workers on-site. Make them feel welcome by offering access to coffee and tea and the occasional slice of cake or sandwich. These kinds of gestures can make all the difference.



## ADDENDUM

### Pre-sign off checklist

Remember your home renovation checklist? Now is the time to check everything against what you planned. Once you sign off, it's more difficult to get work teams back to fix mistakes and incomplete work. By signing off, you're telling your contractor that you're happy with the final product and agree to make the final payment.

*Depending on the scale of your renovation (and what was actually done) you'll want to check that:*

- 🔨 every light and plug point works.
- 🔨 heating and cooling systems work.
- 🔨 every toilet flushes and doesn't leak.
- 🔨 faucets and taps work correctly.
- 🔨 the electrical panel is labelled correctly.
- 🔨 all draws and cupboards open and close smoothly.
- 🔨 any hinges swing the right way.
- 🔨 all windows and sliding doors open and close correctly.
- 🔨 the roof drip edges and drainage systems work.
- 🔨 all paintwork is smooth and consistent.
- 🔨 all flooring, carpets, and walls are unstained and installed correctly.
- 🔨 your existing furniture and other valuables aren't damaged.
- 🔨 everything has been cleaned.
- 🔨 any rubble and rubbish has been removed.
- 🔨 you have all the warranty information and proof of purchase guarantees for any installed appliances, geysers, ventilation systems, countertop stoves, etc.

## 5 GREAT QUESTIONS TO ASK A SUPPLIER'S REFERENCES



1. Did the supplier complete the job in the time specified?
2. Were there any hidden costs that only arose after construction had started?
3. Was the supplier easy to contact during the construction process?
4. Has the supplier still taken your calls and answered your questions after construction was finished?
5. If you could score your entire experience with this supplier, what mark would you give them out of 10?

### Supplier checklist

Use this checklist to evaluate your list of potential suppliers before signing a contract.

#### My supplier:

-  is insured for liability and worker's compensation.
-  has been in business for at least five years.
-  has completed projects similar to mine.
-  has a list of contactable references.
-  has a business address and website, with corporate branding to show seriousness.
-  is willing to meet me at their business address so I can meet their staff.
-  offers a good warranty on their work.
-  does not use high-pressure sales tactics.
-  does not require full payment (or a very substantial payment) before work begins.

### Sample supplier contract

Because home building and renovations typically run into hundreds of thousands of rands, supplier contracts are often specialised, highly specific legal documents.

For help with basic, general supplier contracts, visit the following two links (you'll need to sign up for membership):

<http://www.safcec.org.za/?page=ContractForms>

<http://www.masterbuilders.org.za/our-services/contractual-and-legal>

