

HOW TO IMPROVE YOUR HOME FOR PROFIT

Knowledge
Commitment
Innovation
Reliability



How to improve
your home
for profit



It's time to start planning.

Whether you're considering putting your home on the market, or you've made the decision to sell what is possibly your greatest asset, in this booklet we will guide you through the steps that will ensure you achieve the best possible return on your Investment.

In our experience, we have learned that the best price comes from the best preparation. As your partner in this process, it is our intention to help you maximise your return, and make the sale of your property a stress-free and rewarding experience.

This booklet covers the four essential steps on **How to improve your home for profit:**

Step 1. What to consider

Step 2. Make a plan of action

Step 3. Professional inspection reports

Step 4. Prepare your home for marketing

If you follow these steps, with the help of your real estate partner, you will be well on the way to a thrilling result.

Best Regards,

The team at Ray White Lara & Northern Suburbs



Step 1. What to consider

Your home is your greatest asset

In life and real estate it is often said that your principal place of residence is possibly your biggest asset.

As industry professionals we find this true for so many people in the community whom we get the chance to represent.

With this in mind it is important that you do all you can to maintain the property throughout its lifetime, in order to protect and grow your asset. This way, at the time of eventual sale, you receive the best possible cash profit from your investment.

Your home could deliver you a tax-free windfall

Selling your home is a valuable opportunity for wealth and profit. Unlike other financial investments your principal place of residence is free from capital gains tax and stamp duty. Therefore, a chance of a tax-free gain is rare and should be seized with both hands.

Selling is a one-off opportunity for profit

Selling your home presents a unique opportunity to make a good deal of money without you having to sweat for it. Typically every dollar your home sells for over the perceived market value is worth two dollars of your hard-earned labour.

For example if you secure a price \$10,000 over expectation - that saves you having to earn up to \$20,000 pre-tax to have that \$10,000 in your hand. If \$50,000 is achieved over expectation, you would have to earn up to \$100,000 pre-tax to have that \$50,000 in your hand.

Secure the dollars you deserve for the property you own. You get only one chance to sell for profit and then the value passes on to the next owner – so make the most of it!

Ray White®



Clean and tidy homes sell well

If you do the work for a potential buyer and your property is clean, crisp, complete and:

- ◆ is well maintained and freshly painted;
- ◆ has manicured lawns and the gutters and downpipes are free from rust and holes;
- ◆ has eaves that are spotless and fresh;

this could have a significant impact at sale time.

You have the potential to earn significantly more than you expect. The magic happens when you take the hard work out of the equation. Everyone is so busy, potential buyers are often prepared to pay for somebody else's sweat and effort. You can profit from that.

A home that doesn't require work is an attractive prospect

Maintaining and preparing your home for profit is a successful strategy for everyone involved. Often incoming purchasers are stretched to their limit and would not qualify for a renovation loan. This is the reason why people will pay more for a finished, neat and well-maintained property.

A bank will loan on a property's actual current value. A bank does not favour lending on unfinished or damaged properties. However, if the property has a clean bill of health, the new purchaser is effectively getting a renovation loan on a product with no risk. It's a win, win.



Step 2. Make a plan of action

Keep your eye on the prize. You want to present the best possible home, to attract the best possible buyer for the best possible price.

When preparing their home for sale, some people redraw on the current loan to complete repairs quickly.

Other people take a longer-term approach. We suggest making a list and spending the months ahead of your possible sale date project managing the repairs with a slow and steady approach to your budget.

Steps to plan

1. Buy a hard-cover note book and start making a to-do list of repairs (allow two pages per item)

- Front entry
- Driveways and gardens
- Bedrooms
- Lounge
- Kitchen
- Bathrooms
- Laundry
- Decks
- Pergolas
- Verandas
- Garages
- Pool
- External



2. Think like a purchaser

The golden rule of thumb is: if something needs to be repaired, fix it! Walk through and be picky – try and see what a potential purchaser will see, not what you have overlooked for years. Make a list of repairs and improvements that need to be made.

Buyers will mentally add up their perceived costs of repairing all those minor flaws and end up with an amount that is generally much higher than your actual costs will be. You may believe the repairs are insignificant, however the buyer may question the maintenance and upkeep of the rest of the property. Necessary, non critical minor repairs and perceived owner neglect will either lower the price or lengthen the time to sell.

Look at the colour palette that you have used in your home. If you have used striking, bold colours, it might be time to neutralise them. Your objective is to make your home appeal to the largest possible segment of the market. Ask yourself, “How many prospective buyers would feel able to move into my home with their own furniture and not want to replace the carpet or repaint the walls?”. Position your property on the market to be as liveable to as many people as possible.

The market is always driven by buyer demand and the average buyer will have difficulty looking beyond bright carpeting and/or bold wallpapers.



3. Take photos of the repairs and stick them in your book

Your repair and maintenance book will become your profit bible. Take the book with you to your home improvement store (e.g. Bunnings or Masters) to save time, money and energy.

4. Dedicate four pages to your trades' service directory

At the back of your notebook, list the contact numbers and details for all the plumbers, plasterers, painters and associated trades you will need.

5. Walk through again

A day or two after the initial walk through, go through again – maybe with another person who can give you an objective view – and see what you may have missed the first time around.

6. Create a to-do list

Look at your book and see what needs to be done and write up your to-do list.

7. Invite all the trades needed to quote on the repairs

It's worth getting everything priced, including the materials cost, to give you an accurate guide to the outlay.

8. Repair or outsource

Make a decision on what repairs you can do and what jobs will need to be outsourced.

9. Research

Before starting, get on the web and research the latest products that can save you time and money. There are some fantastic products available which you may not have been aware of – for example there is great tile paint for old tiles, which could be a cheap and effective solution for refreshing old flooring.

10. Look at DIY

Visit Bunnings or Masters and investigate what 'do it yourself' products are available to you. You will be amazed how renovation systems have improved to ready-to-install kits.

11. Do one room at a time

Start your list by committing to doing only one room at a time. This may take you longer, but it avoids turning the house into an unliveable war zone.

12. Declutter, declutter, declutter

As you are working through your rooms, it is imperative you also sort through your stuff. De-cluttering a home can also be a life-cleansing process. Box up the valuables and hire a skip for the end of the road items.

Be ruthless – space is everything and a home shines when there is plenty of room to breathe.

13. Complete general maintenance

Stay on top of your regular home maintenance tasks to avoid costly repairs in the future. Spending time now saves you hassles later. Ensure that minor repairs don't turn into major expenses.

Step 2. Make a plan of action





Outside

The front of your house is one of the first things a buyer sees.

- Sweep and wash the driveway and walkways to remove debris, dirt and stains.
- Remove any oil stains if possible.
- Repair and patch any cracks
- Check your fence for any loose or broken posts and replace any rotted wood
- Check gutters for leaks or damage and remove debris
- Lawn care: mow high and often. Feed the lawn with fertiliser, treat weeds, and aerate the lawn in high traffic areas
- Trim your plants back with secateurs
- Clean out your irrigation system twice a year to ensure your plants get the best quality water and at the same time remove material that can settle in the lines and block the filters. (Unscrew the drip or spray outlets, flush the line, then clean the filter)
- Promptly pull out weeds or spray with specialised weed killer as soon as they appear and before they set seed
- Mulch garden beds to prevent soil drying out too quickly and hinder weed growth
- Inspect exterior paint and touch up as needed
- Clean and seal decks if needed
- Cut back overhanging trees from the roofline
- Repair/replace any damaged window screen mesh
- Inspect walls and ceilings for cracks, leaks, mildew or water stains
- Inspect roof for damage
- Winterise the pool
- Reseal concrete areas to prevent cracking and deterioration

Inside

- Check smoke detectors
- Clean and disinfect the dishwasher by operating it when it's empty and putting bicarbonate soda in the detergent tray and vinegar in the rinse holder
- Vacuum refrigerator coils and empty waste containers
- Check doors and windows for cracked seals and peeling paint – repair as needed
- Dust/vacuum the tops of cupboards
- Move furniture that you don't normally move and vacuum thoroughly
- Inspect bathroom tiles, kitchen tiles and sinks – reseal where needed
- Soften potentially offending views, but always let light into your rooms, consider replacing heavy curtains with something lighter
- Wash and clean all windows, curtains and blinds
- Clean light fittings and skylights. If your kitchen has fluorescent lighting fixtures, use 'warm-white' bulbs for a bright appearance
- Clean kitchen exhaust hood and filter
- Clean sliding doors and window tracks
- Clean debris from ceiling fan blades/air conditioner fan blades before using
- Check taps and plumbing supply lines for signs of leakage
- Test the pressure relief valve on your hot water system to ensure it hasn't seized up
- Repair loose knobs, latches or handles on doors
- Make storage areas appear generous and well-planned, remove and store all out-of-season clothing
- Remove any items from the floor area this will make a wardrobe seem more spacious
- Hang an air freshener in the wardrobe for a pleasant fragrance ensuring wardrobes smell fresh and clean
- Ensure all wardrobe lights are in working order
- Add battery lights to wardrobes that lack built-in lighting, as illuminated wardrobes appear bigger and more attractive

Step 3. Professional inspection reports

Make a pre-emptive strike and arrange a building and pest inspection

These days most people will get a building and pest inspection before they purchase a property. Many owners assume they are only relevant to purchasers who generally have them conducted as part of the pre-exchange process.

However, having your home inspected for structural and termite damage can be highly advantageous.

Why?

It gives you control over the selling and negotiation process. If no issues are found, you will have peace of mind knowing the purchaser won't be able to use any problems as a means to negotiate the price down. And if an issue is found, you can take action to resolve it before your home is listed for sale.

An inspection report empowers you

Although your property may appear to be structurally sound and there are no visible indications that termites, subsidence or mould are present, there could be hidden problems lurking in the foundations, roof, plumbing or walls that only a professional can identify.

Many people are worried that building and pest inspectors may uncover some less-than-ideal truths about their property. For many, this concern prevents them from organising an inspection. However, being aware of any issues with your property before you put your house on the market puts you a stronger position – allowing you to take control.

Failing to do a report only plays into the hands of a purchaser as they can note items and defects discovered in a report and attempt to have their repair deducted from the price.

The benefits of transparency

While many buyers will still insist on having their own pre-purchase building and pest inspections conducted, showing them the reports you have had prepared shows them you have nothing to hide about the condition of your property and gives them less room to negotiate.

At the end of the day, building and pest inspections aren't deal breakers. And it's what we find out right now before the investment of marketing, inspections and agent's performance fees that will protect your sale price and final profit. The report will cost less than \$1,000 yet could be the vital knowledge in a negotiation that makes your sale and protects your profits.

Brace yourself

What comes back in a report might come as an unwelcome surprise. A building and pest inspection report and the photos that accompany it are a complete list of defects of the home, as seen by an objective observer. Where you see the home you know and love, the report has been written by someone whose job is to note every possible flaw.

Most people have a strong response to the report and many misinterpret what has been noted. Don't panic and remember that all homes require some maintenance, and any prospective purchaser will be able to access the same information – it doesn't necessarily mean that every issue must be actioned.

For example – the report may say:

The home is 24 years old and ... is in need of new roof tiles.

Roof tiles last approximately 25 years and need replacing on every home of that age. The point to remember here is that all homes at one time or another require maintenance, and that this is known as a capital improvement on the property. You would have to make a decision if you think that it is necessary to re-roof for sale.



The do's and don'ts list

Once you have gained full visibility on the property with the building and pest report, you have a detailed visual checklist and you can spend some time making a decision as to what to repair and what to leave as is.

Price update

Once you have completed any repairs, it's a perfect time for us as your agent to reassess the market place and the recent sales around you that have affected pricing.

At Ray White Real Estate, we go right back through the property and take into account all repairs and improvements and re-establish your new-to-market price. Once your house is in top condition, it could be a good time to consider getting the professional photography done so we can start to prepare the marketing materials to support your sale.

Sample report

The sample report on the following pages is a good guide to how an incoming purchaser will view your home. The inspector also takes photos of each defect.

As your agent we would release the report prior to the offer, and clearly explain that prior to marketing a full inspection was conducted and maintenance performed has been built into the marketing price or price guide.

When it comes time to sell and more importantly negotiate the final profit price for your property, you want to do all you can to protect your final profit position. When selling real estate the worst feeling is to lose the best buyer who is emotionally engaged with your home, yet becomes cold over normal issues below the surface



Report on a home in good condition

Building Style:	Two-storey dwelling
External Walls:	Brick veneer, timber frame with texture-coated fibre cement sheets
Roof Construction:	The roof is of pitched and skillion construction
Internal Walls:	Plaster render
Windows:	Aluminium
Footings:	The building is constructed on concrete slab footings
Estimated Age:	Between 40 and 50 years old

Roof System External

- **Gutters and Downpipes**

Downpipes appear to be in serviceable condition. Some downpipes appear to be missing. These should be installed. Leaves and debris are present in gutters. These should be cleared. Box gutters need to be monitored, water is ponding and re-alignment may be required.

Interior

- **Ceilings**

The condition of the ceilings is generally fair. Defective surfaces were noted and maintenance will be required. Moderate settlement cracks were noted. Some repairs or maintenance will be required. Repairs are required to ceiling linings. Paint deterioration was noticed. Previous repairs have been made. Silicon has been installed where cornice cracking occurred. Lights need to be fitted to the ceiling – we recommend getting a licensed electrician to fix some light fittings.

- **Walls**

The condition of the walls is generally fair. Defective or poor surfaces were noted to wall materials and will need repair prior to next painting. Moderate moisture readings were detected throughout internal surfaces. A higher than normal moisture reading was detected above skirting level. Further investigation and repairs are required.

- **Doors**

The condition of the doors is generally fair. The sliding doors bind and need adjustment and/or repair. Paint deterioration and wear and tear was noticed. Covers for door hardware are missing to some doors. We recommend installing a fixed handrail for safety reasons.

• Floors

The condition of the floors is generally fair. Squeaking flooring was noted. This will require fixing to prevent movement. Previous repairs have been made; repairs/maintenance is required, as floors are not finished in some areas.

• Windows

The condition of the windows is generally fair. Adjustment is required to some windows to ensure smooth operation. Some windows were locked and the operation was not checked at the time of inspection.

Bathrooms

• Bathroom 1

Basin and taps – The basin and taps appear serviceable. Drainage appears slower than normal. A licensed plumber should investigate this.

• Ensuite Bathroom 2

Basin and taps – The basin and taps appear serviceable. Drainage appears slower than normal. A licensed plumber should investigate this.

Exterior

• Windows

The condition of the exterior of the windows is generally fair. Storm moulds are not present and need to be fitted to ensure water does not penetrate through this area.

• Decks, Pergolas, Balconies, Verandahs and Awnings

• Balcony – Defects or Maintenance items

The loose handrail requires securing and additional support. Balustrade wires need to be tighter and we recommend checking to see if it meets regulation for safety reasons.

External Roof System

• Roof style and Condition

The overall condition of the roof coverings is fair. Chipped/cracked tiles were noticed and repairs are required.

Services

• Details

Hot water system overflow needs to be diverted away from house. Smoke detectors are fitted; however the positioning, operation or adequacy was not tested and is not commented on. Air-conditioning is installed in the premises (to the study) but has not been inspected.

Swimming pool

- **Pool fencing**

We recommend installing a fixed handrail for safety reasons.

- **Fences and gates**

Repairs to fences are required. The fences are mainly constructed from timber, also timber and texture coated cement seeping. The fences are generally in fair condition but some repairs or maintenance is required.

Overall property condition

A comparison of this and other dwellings of similar age, construction and level of maintenance would rate this building as AVERAGE. There may be areas/elements requiring minor repairs or maintenance.

Major defects in this building

- **Overall condition**

The incidence of major defects in this building compared with the average condition of similar buildings of approximately the same age and construction and that have been reasonably maintained, is considered to be TYPICAL. The frequency and/or magnitude of major defects are consistent with the inspector's expectations when compared with similar buildings of approximately the same age, construction that have been reasonably well-maintained.

Minor defects in this building

- **Overall condition**

The incidence of minor defects in this building compared with the average condition of similar buildings of approximately the same age and construction and that have been reasonably maintained, is considered to be TYPICAL. The frequency and/or magnitude of minor defects are consistent with the inspector's expectations when compared with similar buildings of approximately the same age, construction that have been reasonably well-maintained.

Important Note:

The building rating noted above is only a generalisation taking into account numerous factors, and should be read in conjunction with the notable items and main report.



Step 4. Prepare your home for marketing

When it comes time to market your property, there are no shortcuts to a great price

A lot of preparation has to be undertaken to make sure your property hooks and pulls a potential buyer in.

When a buyer sees your property online or in person, she or he must think, "That's the one!".

Photographs of your property are one of the main ways to draw in a buyer. They matter because they are the first point of contact that a buyer has with your property. Therefore, it is essential that you present your property in the best possible way. Excellent presentation and high-quality photographs seduce a buyer into a home.

Preparing your home for photography or video goes hand-in-hand. If you're preparing a property for photos, that's exactly the way it should appear for each and every open home, for each and every buyer inspection, and throughout the marketing campaign



Steps to prepare:

1. Declutter and clean, clean, clean

A pristine, sparkling clean home says, "I care about this home. I've looked after it. So the person who purchases this home is going to benefit from the love, care, and attention I've given the home during my ownership."

2. Think about who you are appealing to

Think about who you think will want to buy the home and make the surroundings appeal to that potential buyer. Market the home to suit the purchaser.

- Is it a single person's apartment?
- Is it designed for couples?
- Is it a first homebuyer's home?
- Or is it a family home?

Think about your buyer and the atmosphere you're trying to create.

3. The front of the home must create a strong first impression

Most buyers, particularly women, make up their mind between getting out of the car and about 30 seconds after walking through the front door. What buyers see in the photographs on the web have to match with what they see when they get out of the car. You have to make the impact. Photos should focus on the strengths and minimise any potential weaknesses.

Make sure the front yard is clean. Lawns should be manicured and lush. Hedges and edges must be trimmed, neat and tidy. Clear out the cobwebs, get rid of peeling paint and grime. Sugar soap or wash the gutters, eaves, fascia's, weatherboards and Colorbond roofs. The front of the house must be pristine.

With tiled roofs ascertain whether it is actually worth the investment of getting it refinished and resprayed. Generally in most cases, it's not going to be too obvious in photos but it may become an issue through a sales negotiation.

De-clutter the veranda. Make sure nothing is on there that doesn't actually belong there. Paint the doorjamb in a high gloss.





4. Present the home to suit the purchaser

Once inside the home, minimise the amount of furniture in the rooms and utilise the furniture that's going to make an impact. You want to create a scenario that will stimulate the kind of emotions that you're targeting in your buyer.

For example, if you are marketing a home to a family, keep the chalkboard and some posters in a child's bedroom because you want to create that family ambience.

5. Kitchen

Declutter! A fridge should not be noticeable – it should be white, silver, or neutral. Remove all personal items – the pen-stands, the sunglasses, the phone chargers. Add a few touches, depending on who you are appealing to. Add a fruit bowl or fresh flowers or a plant.

Clean, clean, clean that stainless steel, give it a good scrub-down. All the surfaces should be gleaming. Remove the personal touches, whether it's kids' report cards or the magnetic stickers from the fridge. Remove the tea towels, remove the pet bowls, and remove the rubbish bin and the dirty dishes from the shots!

6. Lounge room

If you have any kind of view from your lounge room over the backyard, the beaches, or the hills – maximise it. Clean the windows and be careful about window treatments. Remove lace curtains as they date the home and minimise what the photographer can do to show the views. Photographers will lift those blinds up, pull back the verticals, so the backyard, the views, the deck, and the outside entertaining areas can be seen.



7. Bathroom

The bathroom is one of the greatest challenges, because the bathroom is always a work in progress, particularly for family homes. This is one room that should be cleaned by professionals. Bathrooms need to feel absolutely germ-free; they need to be almost clinical. You want to be able to see through the shower glass so that it doesn't impact upon the atmosphere you're creating for the rest of the bathroom – it has to be absolutely translucent.

Polish the mirror. Make sure that any cobwebs or the dust, for instance on the exhaust fan, has been removed. Any chrome items must be given a good polish. Tiles will show off any marks or grease, simply by the characteristic change in whether it's a shine or a matte reflection.

Bathrooms are also challenging because there are so many bright, shiny reflective surfaces. The quality of the photographer is revealed with shots of the bathroom. Any failure to catch every scrap of grime or dirt or streak will show up in a photo.

De-cluttering is most important in the bathroom. In such a small space, any clutter is going to be far more obvious. Take out the toothbrushes and any other personal items that may detract.

8. Bedrooms

De-clutter and clean and turn on the bedside lights as they create a beautiful glow. Contrasting bed linen and the wall treatments work well but be careful. Assess the view out of the bedroom windows - if it's not a particularly attractive view, take the focus away from the window with a nice big painting, photo or something else that will draw the attention away. If you want to focus the attention on a hill view or a beach view, or just a nice outlook, take away any objects that will distract the eye from the window.

9. Entertainment areas

With these areas, try and create a certain ambience that will appeal to your buyer. Think about the atmosphere you're trying to create. Whether it's the deck, the veranda, a balcony, how does it integrate with the rest of the atmosphere you're trying to sell? For example, if it's an inner city apartment, you want to be able to show a balcony set up with a barbecue and chairs so that people can imagine themselves using it with friends on a summer evening.

10. The pool

Make sure you give some attention to the pool – it's got to be sparkling before it is photographed and when the house goes on the market. Make sure all pool accessories – the empty chlorine bottles, the chemical containers, the pool cleaners, the brooms, the kids' boogie boards and the floatation rings are all packed away. Make sure it remains like that for the rest of the marketing campaign.

11. Keep the lights on

Lights are essential - even in daytime, you're always going to be shooting with lights on. Most professional photographers are going to create an ambience somewhere between using their flash equipment and utilising the available sunlight as well as the lights.

12. Replace all the faulty globes

Make sure they're fresh, and if the property is vacant make sure the electricity is still connected.



Ray White.

Marketing preparation checklist

If you want the images of your home to have the greatest impact, a few simple preparation guidelines apply. This photography checklist will help your property to be 'magazine ready'.

General and Lighting

- Remove all unnecessary furniture to create an impression of space
- Clear all surfaces and floorspace of clutter
- Ensure all interior lights and lamps are working
- Replace broken downlights/pendant globes
- Ensure all doors are accessible
- Put your own car out front to block anyone from parking there
- Remove pets, pet beds and bowls

Front yard and Back yard

- Remove vehicles from driveways and carports
- Mow lawns, trim hedges and trees
- Sweep courtyards and entertaining areas
- Put wheelie bins out of sight
- Remove hoses, brooms, mops, etc
- Remove bikes and toys
- Ensure pool is clean and remove cover, hoses and cleaner (creepy crawly)
- Remove BBQ covers
- Clean and dress outdoor furniture with cushions
- Ensure that all external lighting, including garden and pool lights are working and on

Lounge/Living & Study

- Remove remote controls & newspapers
- Arrange books, DVDs and CDs in an orderly fashion
- Remove Playstations, Xbox, etc and associated leads
- Remove all clutter from coffee tables
- Remove pedestal fans
- Clean open fireplaces
- Pillows to be full and fluffy
- Ensure curtains and blinds are open & hooked correctly

Kitchen

- Remove clutter from bench tops and shelves
- Keep kitchen appliances to a minimum
- Ensure rangehood light is working
- Remove all magnets and papers from fridge door
- Fresh flowers and fruit are always welcome on the bench for colour
- Remove dishcloths, dish detergent, dish rack, plugs, etc
- Remove bins & any floor mats

Bedroom

- Ensure bedside tables are clutter free and lamps are on
- Remove any objects from underneath and beside the bed
- Make beds with neutral solid colours, complement with cushions
- Pillows to be full and fluffy

Bathroom

- Remove all personal items including toothbrushes, hair products, etc from benches, baths & showers
- Remove bins and any bath mats
- Hang fresh towels neatly on rack

Our office

We hope this document has helped you to look at your property in a completely different way and given you an insight into the essential steps that generate profit in the sale of your most valuable asset.

We look forward to the opportunity of working with you and continuing to provide the guidance that allows you to profit from our knowledge.

Lara & Northern Suburbs

raywhitelara.com.au

T 03 5282 4699

