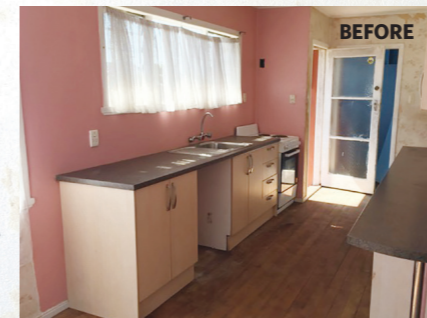


HIDDEN POTENTIAL

First impressions didn't count for Lucia Xiao, who decided that an ugly duckling of a property could easily be reborn as a swan, writes Joanna Mathers.



There was a beauty hidden behind the beastly exterior of a rundown brick-and-tile in Mt Wellington. It was hard for most to spot - the floors were riddled with holes, wallpaper was hanging off the filthy walls, there was a smashed front door, and an unkempt garden.

Another negative was the home's history - it was a deceased estate that had lain empty for over a year. But Lucia Xiao could see potential beyond the filth and decrepitude. And when the three-bedroom Mt Wellington property came

'People were so put off by the way it looked that no one was interested. But I could see that the issues were primarily cosmetic'
LUCIA XIAO

up for auction last December, she made the winning bid.

"I bought it for \$650,000. The council valuation was \$740,000. People were so put off by the way it looked that no one was interested. But I could see that the issues were primarily cosmetic."

The 1950s home had "good bones" and despite its rough exterior, was structurally sound.

But the floors had holes, as did the walls, and the front door had been damaged during an attempted break-in while the house lay empty.

RENOVATION



ABOVE The old bathroom needed to be completely replaced. **RIGHT** A strong back deck was installed to replace the substandard existing one.



Then there was the peeling wallpaper, and a bathroom with a broken toilet, but there was nothing dramatically wrong with the rest of the house. In fact, it was a perfect “fixer upper”.

Xiao, who works as an insurance and mortgage broker, has a portfolio of other properties and has renovated a few times before. She has excellent contacts in the building trade, and knows renovation teams (both English and Chinese speaking) who operate in this area of Auckland. She used one of these teams to help facilitate a complete makeover of the property.

One of the first jobs was fixing the front door. While it looked dramatic (the door had been boarded up to prevent others breaking in) just one section of glass had been broken. The solution was simple and cost-effective.

“One of the tradespeople I used had a similar door in storage with glass that was the same size. He just used that as a fix for the door, it’s worked really well,” says Xiao.

The floors were also a relatively easy fix. There were some sections

THE NEXT STEP

Stage two of Xiao’s renovation project will be converting a double garage into a second dwelling. She is currently waiting for the consents to go through council processes. Once they are granted she can put up a fire wall and lay down carpet in the bedrooms adjoining the garage. The renovation team will then set to work creating a stylish studio out of the old garage.

The additional studio will bring in approximately \$400pw (taking the total rental yield to \$950pw). This will also see the valuation increase to approximately \$1.1 million as a “home and income”, says Xiao.

missing (just floorboards) but they were easily replaced with other wooden floorboards. The entire floor was then sanded and repolished.

Another problem area was the bathroom. With no shower, an old bath, and a broken toilet, it needed some extra TLC.

“We removed the bath; installed a shower and a vanity; and a new toilet,” she says.

Peeling wallpaper in a deceased estate gave the property a rather sinister feel. But this, again, was simple to remedy.

THE FIGURES

Purchase price	\$650,000
Current value	\$888,000
Current rental pw	\$550
Cost of renovation	\$25,000

“I had a really good painter who just removed the wallpaper, and painted the whole house in neutral colours,” she says. “It made a big difference to the look of the interiors.”

EXTERIOR UPGRADE

The Mt Wellington home is situated on a corner site, clocking in at 135m² in size. It had been planted up with a nice garden at some stage, but had been untended for some time, with plants dying and the lawns out of control.

The plants have now been removed and the section is just grass. This is a simple option for the tenants, who only need to attend to mowing every few weeks.

While there had been a deck from which to enjoy the backyard, this needed replacement railings as the originals had rotted away. While not dangerous (the deck is only about one metre off the ground) the regenerated deck now provides the tenants with a more pleasant place to enjoy sunny days.

Settlement on the home was in late January this year, and the renovations started taking place a week after. They were completed in a month and Xiao had no trouble with tenanting.

“I was actually approached by potential tenants before the renovation was complete. They were former rental managers, and they had family in the area, so were really keen to move in.”

The new, improved property now yields a rental return of \$550 a week for Xiao: “I’m not greedy. I could charge more for it, but it’s great that we have good tenants.”

First impressions count when it comes to property, but sometimes all it takes is a little imagination to see the potential that lies beneath the disrepair. With the final cost of renovations at only \$25,000, Xiao’s ability to see what lay beneath has certainly paid off. ■