RENOVATION STRATEGY: RENO OF THE YEAR



onna Youngman and husband Murray moved from their home onto a yacht to free up capital in the year 2000 and never looked back. Their property investing was a way of funding travel. After Murray died in 2009,

Donna continued. With only herself and dog Shrek to care for, she camped in the properties between tenants giving each a complete makeover before moving onto the next one. Soon there were few renovation jobs she couldn't do herself. When Youngman spotted an

advertisement in the New Zealand Property Investor Magazine for the NZPIF/Resene Renovation of the Year Award 2017 she was tempted to enter, but was leaving the country on holiday a few days later. "I thought: 'crikey I should do that'," says Youngman.

That night at a Tauranga Property Investors' Association meeting fellow members encouraged her to enter. She got home at 10pm and by sunrise Youngman had collated a detailed portfolio of the renovation at Olivine Street, Poike.

THE RENOVATION

Youngman and her husband had bought the three-bedroom brick and tile home in 2002 for \$127,000. The tenants for this property had always been problematic and the final straw was finding the back yard had been turned into an open landfill.

"I was out mowing the lawns and thought 'this lawn is too big for me to mow, let alone tenants. Better idea I'll put another house on it, kill two birds with one stone'."

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The section was 679m2 and very narrow at the back, which made it a little problematic. "I rang a busy Tauranga building firm and asked 'tell me how much to build a two-bedroom basic home," says Youngman. "I said: '\$180,000?', he said \$300,000. I said 'no'."

Youngman called in to see Neil and Sue Johnson at Bay of Plenty House Removals, where she found the perfect two-bedroom Rimu weatherboard house.

The classic 1960s weatherboard house that she named "CONCORD" cost \$23,000 and \$16,900 for removal and piling. Youngman had already bought one relocatable home from the company.

In preparation for CONCORD's arrival she removed an old 6' x 4' garage that the tenants had used for dogs not cars and the concrete slab. The old garage fetched \$1,999 on Trade Me.







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TIMELINE

- 1 Purchased house October 9, 2015
- 2 House arrived Friday January 29, 2016
- **3** House on Piles February 15, 2016
- Works begin Tuesday February 23, 2016
- **5** June Painting all done inside and out
- **6** Carpet and vinyl down 19th July
- Metal down and weed mat, gates up
- 8 House finished July 30, 2016

Youngman was lucky that the "new" house was in a relatively good condition. Johnson had already installed a second hand modern kitchen in it. The bathroom and shower were mostly in good nick for a rental. "The vanity was old, water damaged and crusty so I took off the panels, gave them to my kitchen guy and he made new modern ones. I screwed them on and it looks just like a new one for \$135."

The roof and under floor were already insulated to Building Code standards with GreenStuf R3.2 insulation in the ceiling and R1.5 underfloor. The existing curtains cleaned up well, the wallpaper was in acceptable condition and the light fittings were in reasonable condition and there was already a gas connection.

The house was walked over the fence and backed into place. Once the piles, plumbing and electricity were installed, Youngman worked full time on the renovation.

She replaced windows that had been broken by vandals, sanded and prepared the outside for a new coat of paint, filled

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and sanded every hole and crack she could find inside, and repaired sections of wallpaper so they could be painted over.

"The preparation is certainly the most challenging as you can be filling, sanding, filling, sanding and undercoating for weeks without any real satisfaction or results," she says. "I am a master of crack filling now. I am pretty fussy and have the corking gun at the ready to fill that sneaky crack."

TIME TO PAINT

Youngman made many trips to Resene Tauranga to buy 10 litre buckets of paint. That included a variety of paints and colours including Resene Acrylic Undercoat, Waterborne Smooth Surface Sealer, Resene Zylone Sheen Quarter Tea wall paint, Resene Enamel Undercoat, Resene Lustacryl waterborne enamel in Tea for the doors and door trims, Resene Zylone Sheen white for the ceiling paint, and Resene Qristal Clear polyurethane for the Rimu skirting and Rimu doors. Outside she used Resene Sonyx 101 semi-gloss in Tea and Napa, and Lustacryl green.

"The Zylone Sheen is ready mixed, so can be used for a quick touch up between tenancies." The Resene discounts through her local Property Investors' Association were helpful too.

Youngman, 51, needed help and a friend was feeling a bit down in the dumps, so was offered work painting the house. The pair was great company for each other and finished the painting ahead of schedule.

FINISHING TOUCHES

Once the painting was done the floors were updated. Youngman chose Gallery Sweet Chestnut plank look vinyl from The Flooring Room in Tauranga and Verve Cut Pile 100% Solution Dyed Nylon Carpet by Cavalier Bremworth.

Two wooden decks were added to the house with the help of a semi-retired handyman friend. Whilst handy with the tools, Youngman draws the line at waterproofing around the weatherboards. The friend hand cut the scribes to fit the window joinery.

The other work that she needed assistance with was to install the laundry into the kitchen and connect up the laundry taps and waste.

Youngman was lucky when it came to the fencing. A neighbouring landlord asked her if she would go halves on the cost of replacing an old 600mm high fence separating the two properties with a taller 1.8m high one. She erected pipe gate fencing bought from Bunnings Warehouse, to separate her own two houses at 9 and 9a from each other.

The entire garden was covered in weed mat and metal, which the current tenant, a lawn mowing contractor, loves.

THE NUMBERS

Youngman budgeted \$100,000 for

accountable" and "do the sums" are two of Youngman's favourite quotes

the entire job, and ended up spending \$110,000, plus six months of her time, which many investors fail to calculate in. She kept close to budget thanks to being a great believer in writing things down, putting a date on them and keeping them as a reference. "Be accountable" and "do the sums" are two of Youngman's favourite quotes, closely followed by "pat yourself on the back often".

Following the renovation, the properties were revalued at \$400,000 for the three-bedroom brick and tile home on the front of the section and \$350,000 for the new addition at the rear of the property.

In terms of rents the front house brought in \$320 a week on the full site with garage prior to losing its lawn, but jumped to \$380 after the work had been done. Youngman budgeted on a \$280 weekly rent on the newly-renovated two bedroom property, but rental agent Rachel Marsh of Barnard Property Manager managed to get \$370 for it.

THE JUDGES

We asked the judges what stood out about Youngman's renovation. They said: "Donna's entry was cleverly designed to use under-utilised space, turning this into an opportunity for extra revenue. She ensured that the rental property was well fitted out, including fresh Resene colour choices, to make it instantly appealing to renters. Donna's budget was spent very wisely, with Donna proving extremely resourceful in scouting out opportunities that many others wouldn't think of to bring together a rental property worth well more than the budget that was spent on it."

THE PRIZE

Youngman was awarded her trophy, certificate, and wins \$1,500. Her local Tauranga Property Investors' association receives another \$500. ■

RENO COSTS

- ➤ House Purchase **23,000**
- ➤ House Removal Rent and Piled **16,900**
- ➤ Tauranga City Council Building Consent Fees **12,650**
- ➤ RPC Land Surveyors 1,250
- ➤ Insignia Design Architects

2,600

- ➤ Plumberman Plumber **7,600**
- ➤ Guild & Spence Electrical **6,000**

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- ➤ Resene Tauranga 1.000
- ➤ Fencing Boundary Half **1.600**
- ➤ Gas Man ans 2 x 45kg Bottles **1.000**
- ➤ Decking Timber **1,000**
- ➤ Mitre 10 Mega (incl Shed) **3.000**
- ➤ Snowden Electrical Fujitsu Heat Pump **2,100**
- ➤ The Floorng Room Carpet/ Vinyl **5,900**

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- ➤ Bunnings Mt Maunganui (perimeter fence/gate) **600**
- ➤ ITM (wood, posts, pavers, cement, Hardy's) **1,500**

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- ➤ Curtain's and Cleaning **800**
- ➤ General Costs: (Clothesline, Dump Fees, Plants, Tree Removal, Chainsaw Hire, Bobcat, Lock, Window repairs, TV Aerial, Stone Chip etc) **11.500**

TOTAL \$100,000

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