

RENOVATION

# WIN-WIN SITUATION

Working alongside tenants to do interior improvements can add value to your investment, writes **Joanna Mathers**.





**TIP: Neutral interior wall colours are vital if you want your rental to stand the test of time and have wide appeal. This room is painted in Resene Quarter White Pointer; Ian Olson chose Resene Double White Pointer for the interiors of his Napier rental.**

**G**ood landlord/tenant partnerships lie at the heart of every successful property investment. Napier-based investor Ian Olson prides himself on fostering such partnerships, he keeps his rents reasonable and holds onto his houses to attract tenants who will stay for the long term.

He also likes to keep his rentals up to scratch. When the tired kitchen in one of his Taradale properties had (in his words) “done its dash”, he made the decision to replace the entire thing. He also decided to repaint the interior walls with colours that would be practical and enduring; his tenants have worked alongside him to create a home with lasting appeal.

Olson initially approached his local Mitre 10 Mega store for a plan and quote to replace the kitchen and all its appliances like-for-like. While they were helpful, he ended up using Kitchen Studio in Hastings for the job.

**‘I believe it is important to keep your properties in good condition to attract the best tenants’**

**IAN OLSON**

“They initially came up with a figure of \$18,500 for the kitchen which included: the bench, under-bench area, hobs, dishwasher, sink, stove, tapware and all installation costs,” he says.

Olson “doesn’t have loads of money” so went back to Kitchen Studio and asked for a discount. They came back with a figure of \$15,000, which he accepted immediately.

The tenants were excited about the prospect of a new kitchen, and keen to roll up their sleeves and get involved. The kitchen cabinets, stove and sink needed to be removed before the fitout, so Tom (a man in his 60s who lives in the home with his partner, her daughter and granddaughter) took on the job himself.

“The work was scheduled for a Monday, and by the Saturday prior Tom had removed all of the old kitchen. He took away all the old cabinets and cleaned the entire space. He did a really great job,” says Olson.

## RENOVATION



**Kitchen after: The tenants have a new kitchen to enjoy, new paint on the walls, and Olson has added value to the property.**

He also has nothing but praise for Kitchen Studio: "Their work was absolutely outstanding."

"The consultant at Kitchen Studio in Hastings was Liz Ensor and she was fantastic with the concept drawings and service. The electrician they used came in on Sunday so the wiring would be ready on the Monday when the installation was to take place."

When the new kitchen was in place, Tom proposed that he paint the interior walls of the 1940s bungalow, with Olson paying for paint. He readily agreed, choosing Resene Double Alabaster semi-gloss for the ceilings, with Resene Double White Pointer for the walls.

Olson did some of the initial painting (in the kitchen) himself; Tom then did the second coat and carried on painting the hallway that ran off the kitchen. He continued with the interior doors, then enlisted the help of his extended family to scrub the ceilings with sugar soap before painting them himself.

The work didn't stop there. A couple

of fenceposts in the backyard had fallen down and Tom (ever keen for a project) suggested that he fix and paint the fence.

"It was great," says Olson. "I just picked up some paint, dropped it to the house, and Tom did the rest."

The cooperative approach Olson has chosen to take with his tenants has yielded great results for all. The tenants have bright, clean interiors and a new kitchen to enjoy, and Olson has added value to the property.

"It hasn't been valued since the renovations were done, but I'd estimate we've added \$50,000 to the place."

He's also been able to put up the rent: "It was just over \$16,000 a year and now it's gone up to \$18,200. It's modest, I know (it's not Auckland) but as I bought the place for \$110,000 around 20 years ago, I'm pretty happy."

Olson's investment philosophy is

**'I just picked up some paint, dropped it to the house, and Tom [tenant] did the rest'**

**IAN OLSON**



**Kitchen before: Tenant, Tom, removed the kitchen cabinets, stove and sink before the fitout.**

simple, and it's working well for the long-term investor whose been in the game for over two decades.

"I'm a buy and hold investor. I believe it is important to keep your properties in good condition to attract the best tenants, who will then take care of the place as if it was their own."

## THE NUMBERS

**Cost of kitchen** \$15,000

**Cost of paint** \$206

**Cost of labour**

**(excluding kitchen)** \$0

**Increase in value** \$50,000

**Increase in rent yield** \$2,000 pa





## MAKING THE RIGHT PAINT CHOICE

If your tenants are keen to paint your rental, it's important to ensure you choose a colour that will appeal to all. Karen Warman from Resene has some tips:

- Most landlords decorating rental properties are aiming for universal appeal. One easy way to achieve that is to use popular neutral colours that go well with a wide range of furnishings.
- While neutrals do change with the trends, some are always popular.

Resene Black White and Sea Fog are very popular in urban areas and on modern properties. Older properties and ones in cooler regions work well with variations of Resene Pearl Lusta and Spanish White. In rentals, it's usually best to avoid all white as this shows up marks the most.

- One option for landlords with many similar style or era properties is to choose one colour palette that will work for all. That way when you need

to touch up or repaint, it's easy to remember what goes where.

- To help rooms withstand wear and tear opt for waterborne enamels such as Resene SpaceCote Low Sheen for walls, Lustacryl semi-gloss for trims and SpaceCote Flat for ceilings. In wet areas such as kitchens and bathrooms use paints with a durable finish like our kitchen and bathroom range. They can be wiped clean without damaging the paint finish. ■