

PropertyQuote

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Renovating Your Rental Property



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Some properties require patience, a calm temperament and slow rental growth over time. Others, however, require a firm hand, a quick renovation and a resale to ensure they're generating the profit you need! A property renovation is a good starting point for most landlords, and can make financial sense for almost any run-down property. Here's our guide to ensuring your renovation goes smoothly and allows you to get your tenants back in your property as soon as possible.

Making Preparations

It's easy to think you can project manage your own renovation project, and there are many landlords who do. However, project managing a renovation shouldn't be taken lightly, and if you're not comfortable with Gantt charts, critical path analysis, long spread sheets of expenses and regular phone calls to contractors you should consider getting someone to help you out.

You'll also need to consider what to do with existing tenants before undergoing a renovation. UK landlords will need to provide alternative accommodation for tenants if the property becomes uninhabitable, such as if it's going to be without hot water for some time. However, if this is an emergency renovation, you may be able to claim on your landlord insurance.

Discovering Structural Problems

Property renovations have a habit of throwing up nasty surprises and, if you're not careful, you could be caught out. Before you start renovations, have a surveying team come and analyse what you can expect to find under the plaster - don't just rely on the land survey you had done before purchasing the property.

One sign of structural problems that frequently disconcerts landlords is cracks in the walls. In many cases, cracks are just harmless signs of natural movements based on the weather and the climate, and are particularly common in plasterboard properties. However, cracks on brickwork or stone that have been repaired yet continue to resurface could be a sign of subsidence or weak foundations: get an analysis done.

Budgeting Your Renovation

Landlords tend to fall into two schools when it comes to budgeting: either they'll pick a figure out of the air and try to stick to it, or they'll meticulously plan every expense before blowing their cash anyway! A budget needs to be well constructed, but it also needs to be well used: it's not just a tool to secure finance, it's a tool to track your spending.

Your expense analysis should be detailed but rather than leaving one large 'contingency' fund at the end, try to have contingency for every single item. It's much more realistic to presume individual fittings will go up in price, and doesn't give you the flexibility to simply dip into your contingency as and when you please.

Contractors and Builders

Unfortunately, one of the most difficult parts of getting a renovation done is organising all the contractors to be in the right place at the right time. A project manager will happily do this for you, but if you're well organised you can do it yourself. The key here is to ensure you keep communication open with everybody - it's not just a case of making sure people turn up on time.

It's crucial, firstly, to talk to your contractors about their expected deadlines and what they need done to finish the work. A renovation is a complex and intertwining process and a delay of one or two days from a contractor can delay your next step by three or four. Set out a plan, print it out and make sure all the contractors have a copy, and it's always wise to confirm that a contractor will be coming a day or two in advance.

Finishing the Décor

Décor is certainly something which most landlords like to do themselves, and it's possible to do a great job. Unless you have a specific market or a particular tenant in mind, it's best to stick to neutral colour schemes with simple carpets or wood floors. Tenants will also notice fixtures and fittings: make sure in particular you spend a good amount on a solid front door. It's the first thing they'll notice!

Although it's wise to go neutral, that doesn't mean your renovation has to be dull. Touches like artwork, vintage sofas or a drinks cabinet can be the sort of things that will make a property stand out to your tenants. Little extras are also a fantastic way of justifying a £25 or £50 rent increase a month, so they could quickly pay themselves back.

Finally, it's of the utmost importance to keep your renovation on time and within budget. You need to be realistic about how long work is going to take, but remember that every day the builders are in is a day where you're not letting your property and could be losing out on income. For landlords, it's best to keep renovations short but to take on plenty of repair tasks to future-proof your property for the next ten or fifteen years.