Top tips to keep in mind when buying to renovate

By Paul Stevens

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It's a thought that goes through many buyers' minds when looking at how to stretch their budget: maybe I should buy a cheaper house and fix it up? If you're considering doing this, here are some pointers to bear in mind.

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Firstly, major renovations are not for the faint-hearted, especially if you are thinking of doing them yourself. Be honest: Can you live with the mess for what might be a year or more, depending on the work required? Are your skills up to the challenge? And if not, can you afford the professionals required to turn your tumble-down into the dream home you envisage?

Buyers looking into such opportunities, should be unemotional as they consider each property: Don’t get carried away by the dream of what that cute Victorian will look like when you are finished sprucing her up. The very first step is do a thorough inspection and be prepared to walk away if the work required is too great.

John Graham has a handy list on his HouseCheck.co.za website of the 10 most obvious issues you should be looking out for. These are:

- Poor drainage (storm water flows, guttering and downpipes, damp),
- Faulty electrical, plumbing and gas installations,
- Leaking roof,
- Defective insulation,
- Poor maintenance,
- Structural damage,
- Water damage,
- Evidence of wood-destroying insects or fungi,
- Poor ventilation, and
- Hazardous materials (including mould).

A good estate agent will point these things out to you, but they may not even be aware of them, so consider getting HouseCheck to do an inspection.

Implications of an older house

Bear in mind that the fixer-upper you're considering may well be an older house and that can have serious implications. If a building is older than 60 years, it will generally be protected under Section 34 of the National Heritage Resources Act. You will need to apply and pay for a permit for any alterations and additions - this can be done online by creating an account on the South African Heritage Resources Information System, or SAHRIS.

You'll find useful instructions on the SAHRIS site, and on Youtube. The documents you will need for this application include existing and proposed floor plans, elevations, sections and a site plan, photographs of the building to be altered and adjacent buildings, the title deed number, details of what alterations you wish to make and a motivation, any historical or architectural significance of the property, the context, i.e the suburb/area in which it is situated, and consent from direct neighbours.

Authorisation needed for any alterations

Even if the home is less than 60 years old, you will need to get authorisation for any alterations, even minor building work, from your local authority (and each municipality seems to have slightly different rules). Everything you build on the property except 'minor building work' requires plans. For this reason, it is essential that you also remember to ask the seller whether they have approved plans for any building work they've done.

Once you have your plans and approvals in place, it's time to choose your contractors. Discuss the work together and get an estimate of the cost. Use the same detailed written instructions to secure quotations from at least three reputable professionals. It is important to brief each them on site so they can take the context and requirements into account. When choosing a contractor, it's a good idea to start with the membership lists of the Master Builders in your region.

Selecting a contractor

Master Builders associations represent members of the building and construction industry in South Africa. Their members are required to possess "the necessary technical qualifications, knowledge and practical experience - or to employ, in a position of responsibility, a person or persons therewith - to ensure that all building projects are carried out in a workmanlike and economical manner."

When deciding which contractor's quote to go with, remember that there's a big difference between a cost estimate and a detailed, written offer to carry out the work. Don't sign anything until you are sure that your builder's offer is firm and clear and covers all your requirements," Master Builders SA advise.

"Ensure that the question of VAT is clear on the quotation. If the work is extensive, make sure that all quotations are based on model contract conditions. When you've chosen your building contractor, make sure you confirm your acceptance of the quotation in writing."

There are genuine opportunities out there for people who are prepared to put in the hard work of realising the value offered from improving a home that is outdated or has not been well looked after. If you are up for the challenge, remember to think like an investor when you're looking at properties for sale. Ensure that the work you plan to do will not exceed your budget, or overcapitalise the property. It comes down to doing your homework, getting good advice from a professional, experienced agent, and then selecting the right people and materials to get the job done.

ABOUT PAUL STEVENS

Since 2013, Paul Stevens has been the CEO of Just Property Group Holding (Pty) Ltd which controls an international group of property franchises specialising in residential sales, rentals and management. He joined as a franchisee in 2003 and now, as CEO, drives the strategic direction of the Just Property brand with his charismatic optimism. He is also actively involved in the evolution of the South African property landscape, working closely with high-level industry stakeholders.

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