

Do Granny Flats Add Value?

The idea of adding a backyard structure can be very enticing whether it be for separate living quarters for an ageing parent, a private place for younger members of the family, a live-in nanny or, perhaps, a private office or study. But does it add value to the property?

The quick answer is that providing it is aesthetically pleasing and in sympathy with the house and the backyard, it will add value to the property. As such, it provides a means to get the maximum realisation from existing services. As a workshop or bedroom, for example, it might well enable you to have a greater interaction between the garden and the house.

However, building designer David Mulhall says building a separate structure is generally only wise if an extension isn't possible or compromises a renovation. He believes people need to assess the merits of building a garden studio because they only appeal to a small segment of the market. Mulhall says owners should consider renovating or extending their property before starting any backyard construction.

The key to any outside structure is to approach it in an identical fashion as any building project. Remember, too, to be aware of all the applicable building regulations, especially those dealing with dual occupancies.

However, companies who make relocatable granny flats are reporting a strong demand. Alan Anderson of Premier Granny Flats says: "We've done quite a few recently where parents have put a granny flat in the backyard and moved into that and the young family's moved into the house."

Granny flats are also popular with families who have a dependent person including the elderly or a disabled family member who want to live close but not under the same roof.

Source: "Out back and in front", *The Age*, 10 May 2008.

Tips for a Successful Renovation

With construction of new properties at low ebb, many owner-occupiers and investors are turning to renovation. While the trick is not to over-capitalise, hiring an architect can keep your renovation on track.

In a typical three-month period Australians are spending \$950 million to modernise or extend up to 10,000 existing dwellings according to Housing Industry Association figures. That works out to an average value of \$96,000 per job.

The first thing to do is to determine an overall budget for the job. Be realistic, too, because everyone's finances differ. Talk to your local agent before engaging a builder or architect to make sure you don't overshoot the market by spending too much.

You'll want to make sure you add marketable value, so that you can recoup your expenditure when you go to sell. The location of your property needs to be taken into account. If, for instance, you have an inner city property, people may not be interested in a three-bedroom family home with a study where the majority of buyers are under forty with no kids.

According to David Hallett of Archicentre: "Unless renovating for a quick resale, devise a long-term Master Plan for the house." Don't make the common error of plunging into a kitchen or bathroom renovation and in three years doing a bigger renovation.

"If the new \$15,000-\$30,000 kitchen and bathroom is in the wrong place, it can compromise any later design work or turn out to be a complete waste of money," Hallett adds.

"As anxious as you might be to start, work your way through the Master Plan rather than having to undo expensive work."

Hallett says an architect's fee is well worth the money. Architect fees can add 5-15 per cent to your budget depending on the depth of service provided. But their services can eliminate headaches and save you more than their costs, while providing a superior final product.

The first thing an architect can do is to provide a realistic design-for-budget while actually documenting the materials and fine details a builder needs to know in order to competently price a job. Plus, an architect saves you valuable time by helping you through the ever-changing permit processes peculiar to every local council. As Hallett points out: "Architects do it for a living. They're familiar with all the traps."

"It's not a matter of scale," he adds. "The skill of architecture is to actually come up with innovative solutions that minimise wasted space and that maximise usable areas."

With the trend towards more casual indoor/outdoor living, a good floor plan is important. Architect Cameron Neil points out how uninformed alterations and additions can add "dysfunctional areas" into a house when what is needed are "spaces that flow and interact well with each other" including spaces that have a relationship with the garden.

Hallett also advises to get all the proper permits. "You can't get the permit process started early enough, since most take from three to six months to pass through council planning departments." Plus, there are very few building works that don't require one, two or three different planning or building permits.

"All have a bearing on what you can and can't do, particularly in heritage areas," says Hallett.

Architects will guide you through major decisions that have broad ramifications like whether to go upwards or outwards? There are real differences, says Hallett. "The advantage of going up is preserving the garden—perhaps for future extensions or a pool. Plus, there might be opportunities for a view."

But there are disadvantages, too. Going up adds an extra 20 per cent to the building costs. “It’s an informed decision. Going up might be a good idea but it might also delay the building process.”

Other major decisions are the detail and finishes. Are you planning to stay or sell in the short term?

Architects can contribute that x-factor that really attracts the buyer by adding simple and sometimes low-cost detailing that gives a house an individuality and achieves a sense of timelessness. “You can set yourself a constrained decorating palette but have a statement within it. Beautiful joinery or stone work. A budget is about coming up with the ideas that can be accented...Clever use of space is much more valuable than sprawling rooms,” Neil adds.

Source: “Secrets to a good renovation”, *The Age*, 17 October 2007.

Be Decisive When Selling

You are either in the market or you are out. Nothing will happen if you’re half-hearted in your attempt to sell.

Know what your goals are and your timeline for accomplishing them. Make your agent your business partner. Advise him/her of your plans at the beginning of the sales process. This will help determine how you market the property and will even help shape the final terms of your sales contract.

Keeping your intentions secret from your agent will hinder their success rate. Sellers often get cold feet at the tail end of negotiations and the sale falls through. Don’t let this happen to you. You’ll only lose money and waste your time and theirs.

To help you be decisive it’s a good idea to get an independent appraisal on your property from a market valuer. This will tell you the true state of the market in your locality. You can’t afford to be over-optimistic. You’ll set your price too high and it will sit on the market longer than necessary. In the end, it will sell for less than if you started at the right price.

Give your agent time as well to create interest in your property, and be prepared to listen to what the market is telling you.