



NEWS RELEASE

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New South Wales homeowners told to research before renovating

The post-GFC economic climate has created an ideal market for home renovations but according to Suncorp Bank it's worth New South Wales residents doing their sums before they splash any cash.

An independent survey commissioned by Suncorp Bank* found one in 10 Australians who've renovated their homes admit to blowing their budget.

Suncorp Bank Regional General Manager for NSW Regional Stephen Morgan said a slower economy and relatively quiet housing market had created a more competitive environment for tradespeople for smaller renovation jobs.

"Homeowners could take advantage of the better market for tradespeople but in order to avoid wasting thousands of dollars it's a good idea to do your financial homework before calling in the builders," Mr Morgan said.

The survey found 67% of New South Wales people faced with a decision about whether to renovate or relocate chose to renovate, 28% of those chose to renovate because they didn't want to go through the hassle of moving house.

Mr Morgan said if avoiding hassle was the major reason for choosing to renovate, homeowners should tread carefully.

"Renovating can be a messy and time consuming experience and it's often not the best investment to pay big dollars to have the best house on the street, especially if its value is likely to remain the same as the others around it," he said.

The survey also found New South Wales residents were more likely to seek advice from their friends (44%) or the internet (40%) than a real estate agent (30%) or financial advisor (21%).

"While a friend's advice can be invaluable, consulting a professional expert who understands the local housing market should be a priority," Mr Morgan said.

"Housing markets are more conservative than they were two years ago and it's important to take that into consideration too.

"It's also a good idea to seek financial advice on how to pay for the renovations. If you can't afford to spend the money up front, speak to your bank about taking out a loan with a repayment plan that best suits your lifestyle. Extending your mortgage or taking out a personal loan are some of the options."

Three Important Home Renovation Questions

- 1. Why do you want to renovate?** Is it for long-term lifestyle reasons, such as creating space for a growing family or to add value to an investment?
- 2. How much will your house be worth once the renovations are complete?** If you're renovating to add value in the short term make sure you don't pay out more than you're likely to get back.
- 3. Who have you asked for advice?** Seek the advice of friends and neighbours but make sure you also consult a few experts, such as local real estate agents, accountants or professional financial advisors.

* The independent survey commissioned by Suncorp was conducted by Pure Profile.

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