

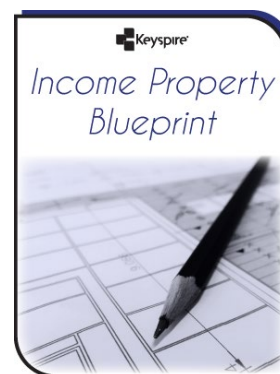
## Module 3 – Lesson 2

# Renovations Overview

OPTIMIZE



## Week 28



A powerful way to add value to your property is through renovations. When searching for a property, look for keywords such as “handyman special,” “needs TLC,” “needs work,” or “as is.” Listings with these keywords generally mean that the property needs work and there’s room to increase the appreciation.

Let’s practice looking for properties that require renovations. Or if you’ve already found a property that requires work, enter those details here.

### 1. Find a property that requires renos

Remember, look for keywords that indicate the property needs work or look for properties with a purchase price lower than what other renovated properties are going for in the same area.

- Property address:
- What keywords are included?
- What is the purchase price?
- What is the After Repair Value (ARV) for comparable properties in the area that have been renovated? Remember, a list price and an ARV are two different things. A list price is what the property was listed for on the market. However, the ARV is what the market values the property. For instance, a property could be listed for \$450,000 but actually sold for \$500,000 (the ARV).

If you’re in Canada, work with your real estate agent or use websites like Zolo to obtain the ARV of comparable properties. If you’re in the United States, this information is readily available for you on websites like Zillow or you can also work with your real estate agent.

For Sale Property 1: \$ \_\_\_\_\_

For Sale Property 2: \$ \_\_\_\_\_

For Sale Property 3: \$ \_\_\_\_\_

### 2. Research rental comparables

Look for properties in the same area that are available for rent. You want to know how renovated these properties are and the rent they are asking for. When looking for comparable rentals, look for rentals with similar number of bedrooms, bathrooms, and square footage.

|                                        | Property 1 Address: | Property 2 Address: | Property 3 Address: |
|----------------------------------------|---------------------|---------------------|---------------------|
|                                        | _____               | _____               | _____               |
| Rental price                           |                     |                     |                     |
| Flooring type                          |                     |                     |                     |
| Kitchen appliances:<br>number and type |                     |                     |                     |
| Light fixtures/potlights               |                     |                     |                     |
| In-suite laundry                       |                     |                     |                     |
| Storage                                |                     |                     |                     |
| Parking                                |                     |                     |                     |
| Other notes:                           |                     |                     |                     |

### 3. Come up with renovation ideas!

Based on your findings, what renovations does this property require to receive optimal rent amount?

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

### 4. Ask the community!



Ask your community: "When renovating an investment property, what are the usual items on your list for optimal rent amount?" For many of us, our community is the Income Property Labs Facebook Group Community. To access the IPL members only Facebook group [CLICK HERE](#). Not a member of Income Property Labs? [CLICK HERE](#) to claim your 30-Day Free Trial!