

Character homes under \$250K attracting renovators

Old and cheap the 'hottest property'



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OLD and neglected Ipswich homes are in hot demand as renovators rush to snap up character homes in classic areas for less than \$250,000 in the face of rising prices.

Buyers are zeroing in on areas where the rental market is extremely competitive and splashing some cash to rejuvenate a bathroom, or a kitchen, which can turn a run-down cottage into a desirable renter.

There are about 250 homes in the region on the market for under \$250,000 right now, but real estate agents say that's the bottom end of the market and within two years, those prices won't be seen again.

New figures released by the Real Estate Institute of Queensland yesterday (Wednesday) show the average price of an Ipswich home has risen to \$324,000, up \$4000 from the previous quarter.

Adding a fresh bathroom and modern features to an older home can instantly increase the property's value by \$50,000 and real estate agent Darren

Boettcher said he was fielding enquiries from would-be renovators every day.

"People are really looking for something they can put their hands on," Mr Boettcher said.

"They are specifically looking for something in that \$230,000 to \$250,000 range, namely those post-war homes that haven't been touched, otherwise they would be worth \$280,000 to \$300,000."

The hot suburbs are Silkstone, Eastern Heights, Woodend, Sadliers Crossing, Coalfalls, East Ipswich and Ipswich CBD; places where run-down character homes can still be picked up cheap.

Meanwhile builder Mark Berry is being kept busy renovating.

He said that often in the older homes, renovators would work to keep the original charm, although that could be more costly.

"The older style timber work is more expensive, plaster boards are cheaper than the character VJ walls and floorboards are more

expensive than what you see in a more general brick

venerer home," Mr Berry said. Many of Mr Berry's clients are owner occupiers, rather than investors looking to rent out the refreshed houses, and that on average, extensions could cost upwards of \$150,000.

He said the average cost of renovating a bathroom was \$10,000 to \$15,000 while a kitchen could cost anywhere between \$8,000 and \$20,000.

FIVE TIPS FOR GENERATING WEALTH FROM EVERY RENOVATION:

1. Avoid anything structural and stick to existing layouts to keep costs down.
2. Know which areas will add the most value. It's important to know that the three main areas that increase property values are street appeal, the kitchen and the bathroom.
3. Buy and then renovate at the lower end of the market.
4. Time is money so only buy properties which can be cosmetically improved in 3-5 weeks.
5. Use your creativity wisely.

(Courtesy of Dream Design Property founder Zaki Ameer)