

## Avoid Renovation Pitfalls- Experts Share their Advice

**Vancouver Island, BC – July 8, 2013** According to a recent national survey, four in ten Canadians are planning on doing some significant renovations to their home in the next two years (*Yahoo Finance, May 21, 2013*).

On Vancouver Island, home renovations are also heating up, given the area's slower housing market, the low interest rate environment, and the removal of the HST. "These conditions are leading people who would otherwise consider buying to get what they want out of a house to look at getting it through a renovation instead," says Greg Scott, branch manager at Coastal Community Credit Union's Southgate branch in Nanaimo, BC.

Through often a wise investment, home improvements can easily become stressful, expensive and burdensome. Islanders can avoid these pitfalls if they make informed decision-making and careful planning a key part of their renovation projects.

When it comes to the first step of the renovation, determining your budget, be careful not to overspend. "Find out what your home is worth in the current market, and what it would be worth with the renovations," advises Rob Grey, an established Nanaimo realtor. "You might find that your return on investment isn't what you had planned." And if you're looking at getting the most out of your reno, "kitchens and bathrooms have the best ROI," he says.

Doing your homework is also important. "Check local bylaws and building requirements, and check out the references of your contractor and sub-trades too," says John Verrier, owner of Comox-based Avril Homes Ltd.

To keep from using high interest solutions like credit cards or retail financing, explore all your options, even if you have limited home equity. If you're an about-to-be homeowner, "you can still do improvements on your purchased home through the Canada Mortgage and Housing Corporation's *Purchase Plus Improvement Program*," says Silas Sandham, lending representative at Coastal Community's Southgate branch. "The Program gives you access to funds needed to complete the upgrades, even if you don't have the required equity."

With a renovation plan and financing in place, there's still more to do before you raise that hammer. "You'll need to inform your insurance broker about your intended renovations before the works starts," says Gen McNamee, insurance representative at the 4<sup>th</sup> Street office in Courtenay. "It's our job to ensure you're properly covered and have sufficient limits. Plus, your updates are ultimately adding value to your home, so they need to be documented by your policy holder."

At the end of day, remember that a renovation is also part discovery, part adventure. "Take pictures, celebrate reno milestones, or sign your name somewhere special," adds Verrier. "It's short-term pain for long-term gain."