

RENOVATION GUIDE

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PROPERTY SENSE
REI Wealth Creation

BASIC CONSIDERATIONS:

Whether you are purchasing a property or renovating your own home to sell it, here are some helpful ideas that add value and appeal.

- 1 - **Closets in Bedrooms:** All bedrooms should have closets. Otherwise, it's just an office.
- 2 - **Bedroom Windows:** All bedrooms will need to have windows. Check with your municipality to ensure the windows meet the local minimum size requirements.
- 3 - **Maximize Storage:** This is especially important for smaller units. Take advantage of all opportunities for storage space. Like under stairs or in attic spaces. It adds value and prospective purchasers or renters will appreciate it.
- 4 - **Spray Foam Insulation:** If you are renovating a basement, spray foam insulation is highly recommended. For the added cost, it provides significantly better humidity and climate control protection.
- 5 - **New appliances:** Again, even if you are just selling your home - selling it with updated appliances is an easy way to add value. If you are renovating to rent, great looking appliances give you a great advantage over other rental units.
- 6 - **Window coverings:** This is likely more important in a rental reno than a sale. Adding window blinds protects you from tenants who "try" to do it themselves and eliminates the risk of them creating damage and making a mess.

BUILDING CODE AND LOCAL BY-LAWS

An article like this couldn't possibly replace the voluminous building code or the numerous municipal variances. There are however some overarching general requirements when making major renovations.

- 1 - Soundproofing between units: Even if this isn't a requirement in your area, do it anyway. It's a selling feature and, if you are renting, your tenants will appreciate it.
- 2 - Fire separation between units: Check with the local fire department for the rules in your area.
- 3 - Interconnected smoke/CO alarms: There are wireless and wired models.
- 4 - Parking: If you are building a basement apartment, you'll likely need a double side-by-side driveway so that one tenant will not hinder another tenant's access.
- 5 - Egress: In case of fire, tenants will need to be able to escape through a window. There are size requirements - typically minimum 15 inches in height. Also, typically these must be in all bedrooms but it depends on the municipality.
- 6 - Hot Water: If there are multiple living units, you'll need to install a mixing valve on the hot water tank to control pressure between units.
- 7 - Bathroom Ventilation: All bathrooms will need external ventilation (not just a window). Consider a timed switch so tenants will leave it on long enough but not forget about it.
- 8 - Ceiling Height: This should be one of the first things you check before considering a property as a rental unit. The height requirement will vary by municipality. In general, the requirements will look something like this; min 78 inches in 75% of square footage.
- 9 - Minor Variances: If you are changing the use of a building, say from single family to duplex, be aware that any exceptions (setbacks, parking, encroachments... etc) will not be grandfathered. Typically these will likely be approved with a minor variance but these will take time and money; maybe \$1,000 to \$1,500 and 3 - 4 weeks to get approval.

BEST WAYS TO CREATE VALUE IN A REHAB

There are visual and functional things you can do to a property that add value and bring “the most bang for your buck”.

- 1 - **Add second unit:** Create a legal apartment in the basement. Make sure zoning permits and contact the local planning department for advice on what is and what is not permitted.
- 2 - **Kitchen:** One of the best return on investments you can make in a property is to upgrade and modernize the kitchen. The kitchen is the social gathering place of most any home. Make it look good by replacing or at minimum refacing. Consider three types of lighting: potlights, under-counter lights and task lights.
- 3 - **Bathroom(s):** Second to kitchens, people love their bathrooms. Don't be stingy here. Ensure good finishes. Have at least one bathtub if you have more than 1 bedroom to make the unit appealing to young families.
- 4 - **Bedrooms:** Reconfiguring to add a bedroom always adds significant value.
- 5 - **Cabinets:** Fix all damage and upgrade fixtures to ensure they are modern. You can usually avoid the high cost of custom cabinets and use Big Box cabinets with high quality counter tops.
- 6 - **Windows:** Install maintenance free windows. They will last longer, provide better insulation and they will look better. Definitely replace any windows where the seal has broken.
- 7 - **Flooring:** Although hardwood is great in a sale, they really don't hold up well in a rental. Instead, consider high quality laminates, ceramic tiles and vinyl. Heed the “don't cheap out” advice here. Cheap laminates look cheap and they don't last.
- 8 - **Baseboards:** Make the baseboards consistent throughout the house. Keep the design/profile simple to make it easier for any future renovations.
- 9 - **Toilets:** Even if the toilet(s) are functional, it may still be a good idea to replace them. Here are 3 things to look for: Do they flush properly, are they high enough (comfort height), and do they have the desired elongated bowl.
- 10- **Dishwasher:** Everybody loves having a dishwasher. Or, more aptly, everybody hates not having a dishwasher. It can make or break a rental.
- 11- **Separate Laundry:** Depending on the layout, this can be a significant expense but, it's a huge value add when it's possible.
- 12- **Landscaping:** Curb appeal is essential to attracting the right purchaser or tenant. Clean up all debris, remove any overgrown plants or trees, and ensure the lawn is cut.