



# Checklist: Renovating for Optimal ROI on Your Rental Property

Renovations are a powerful tool for improving the value and rental yield of your investment property. However, to ensure the best return on investment (ROI), renovations must be targeted and align with market demands. Below is a comprehensive checklist to guide your renovation journey, including detailed considerations for bathrooms and kitchens.

This guide is general in nature and does not account for your specific situation. Always seek professional advice, such as from a financial adviser, before making investment decisions.



LeahJay

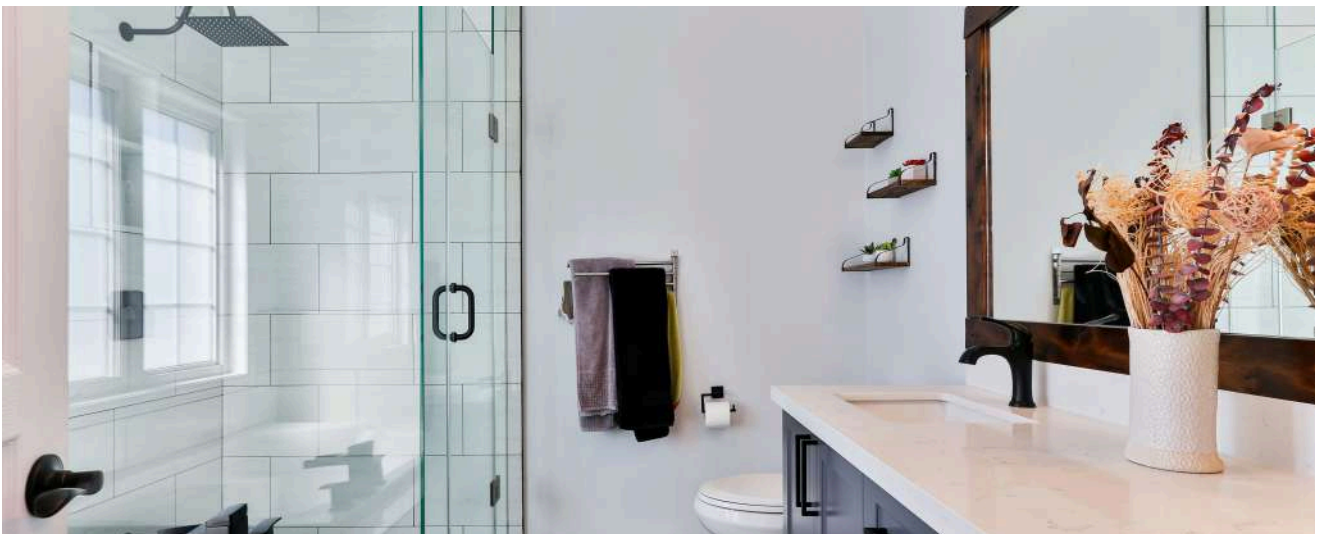
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# 01 Focus on Key Areas

## Bathrooms

**Bathrooms are one of the most influential areas when it comes to tenant appeal. Here's how to maximise ROI in this space:**

- **Upgrade Fixtures**  
Invest in modern and durable fixtures such as water-saving showerheads, mixer taps, dual flush toilets and sleek vanity units.
- **Add Storage**  
Consider installing built-in storage solutions like mirrored cabinets or floating shelves to improve functionality.
- **Re-grout and Seal**  
Refreshing tiles with new grout or sealant can make an old bathroom look brand new without significant expense.
- **Consider Accessibility**  
Incorporate features like walk-in showers or grab bars if targeting a wider tenant demographic, such as retirees or families.
- **Energy Efficiency**  
Install energy-efficient exhaust fans and lighting to appeal to eco-conscious tenants and reduce running costs.



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# 01 Focus on Key Areas

## Cont.

### Kitchens

**Kitchens are another high-impact area that tenants value. Even minor upgrades can significantly boost tenant satisfaction and justify higher rents.**

- **Modern Appliances**  
Include energy-efficient and stainless-steel appliances, which tenants often see as premium features.
- **Benchtop Upgrades**  
Replacing old benchtops with durable, modern materials such as engineered stone can make a big visual impact.
- **Ample Storage**  
Incorporate additional cabinetry or pantry solutions to cater to tenant needs.
- **Open Layout**  
If feasible, consider opening up the kitchen area to create a modern, open-plan space that appeals to tenants seeking a sense of roominess.
- **Durable Finishes**  
Use low-maintenance, high-durability finishes on cabinetry, splashbacks, and flooring to reduce wear and tear.



Dishwashers are now seen as a 'must have' even in the smallest of kitchens, there are good slimline or draw options available for smaller spaces.

**- Pippa Rose, Lead Investment Services Manager**



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## 02 Budget Planning

- **Set a Realistic Budget**  
Research local rental markets to determine what level of renovation will meet tenant expectations without overcapitalising. For instance, properties in premium suburbs may justify higher-end finishes compared to budget-friendly options in other areas.
- **Prioritise Impactful Changes**  
Focus spending on features that directly increase tenant satisfaction, such as air-conditioning, modern bathrooms, and kitchens, rather than cosmetic changes alone.

Talk to Leah Jay Investment Services to discuss your thoughts and determine budgets so ensure you don't over capitalise.

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## 03 Obtain Necessary Permits

In NSW, permits are required for renovations that involve structural changes, plumbing, or electrical work. Key considerations:

- **Structural Changes**  
For renovations like knocking down walls, check with local council regulations.
- **Plumbing and Electrical**  
Ensure all work complies with NSW building codes and is performed by licensed professionals.
- **Approval for Significant Changes**  
Some alterations, such as adding a new bathroom, may require Development Approval (DA) or certification from a private certifier.

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## 04 Timeline and Contractor Selection

- **Set Clear Timeframes**  
Work closely with your contractor to develop a timeline that minimises downtime for the property.
- **Vet Contractors**  
Choose tradies with proven experience in investment property renovations. Check reviews, request references, and inspect past projects if possible.
- **Factor in Delays**  
Build some flexibility into your timeline to accommodate unforeseen issues, such as supply chain delays or weather interruptions.



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## 05 Enhance Curb Appeal

- **Landscaping**  
Simple landscaping updates, like fresh mulch, new plants, a new fence and an maintained lawn, can instantly improve the property's appearance.
- **Exterior Painting**  
A fresh coat of paint can modernise an older property and make it more attractive to tenants.
- **Outdoor Living Spaces**  
Adding a deck, patio, or pergola can create additional usable space that appeals to tenants seeking lifestyle-oriented properties.

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# 06 Ensure Compliance with Rental Standards

In NSW, rental properties must meet minimum standards under the Residential Tenancies Act. Ensure renovations comply with:

- **Safety Requirements**  
Smoke alarms, secure windows, and lockable doors must meet legal standards.
- **Heating and Cooling**  
Consider installing reverse-cycle air-conditioning, which has become an expectation in many rental markets.
- **Water Efficiency**  
Fixtures must meet minimum water efficiency standards for tenants to pay for water usage.



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INVESTMENT SERVICES CASE STUDY

# Renovating an Investment Property

## THE CHALLENGE

John and Alice purchased a three-bedroom, two-bathroom property in Cooks Hill in 2012. After 12 years the property had been well maintained but it had yet to undergo significant renovation, which limited its potential. John and Alice took a proactive approach, eager to explore the benefits of a renovation plan recommended by Leah Jay.

Works undertaken –

- A new, relocated kitchen
- A new bathroom with a skylight
- Sanded and polished floorboards
- Interior and exterior painting
- New lighting and electric fans in each room
- Built-in wardrobe in the bedroom
- New outdoor steps and retaining walls

## THE RESULT

The renovations were transformative. After a renovation investment of circa \$150,000 – \$165,000 (around 6.3% of its initial value), the property's value increased from \$1.7m to about \$2.1 to \$2.2 million. Additionally, the weekly rental income surged from \$750 to \$950.

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# 26%

Increase in rental return from \$750 to \$950 per week

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# 29%

Increase in estimated property value from \$1.7m to \$2.1-\$2.2m

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# 30%

Approx Return on investment based on the total cost of the improvements.



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# How Leah Jay Can Help

By focusing on high-impact areas like bathrooms and kitchens, sticking to a realistic budget, and ensuring compliance with NSW regulations, you can maximise the ROI on your rental property renovations. Strategic improvements not only enhance tenant satisfaction but also contribute to long-term capital growth.

Let Leah Jay help guide your property renovation decisions with our expert advice tailored to your investment goals. Contact us today to learn more.

**Contact us to get started**

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**LeahJay**