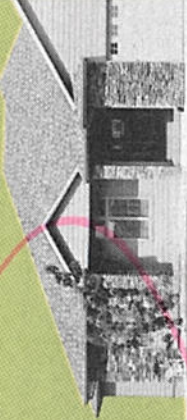


Renovators risk losing hundreds of thousands of dollars because reality TV shows about home improvement don't show the full costs, a Sydney-based buyers agent says. "The programs also don't show the hidden costs associated with renovating which quickly add up such as finance costs, holding costs and council fees," says EPS Property Search director Patrick Bright



Roll on or track off?

Deciding to sell or stay and renovate can be tricky, writes **Karina Barrymore**

RENOVATE or relocate? It's an age-old question, but despite the pros and cons of staying or going, the best decision ultimately hinges on that golden rule of real estate: location, location, location.

There's no point putting the polish on a property in a poor location. No matter how much you spend on a renovation, it won't compensate for a bad position, poor aspect or a neighbourhood from hell.

But for households already in, or close to, their ideal location, renovating wins hands down - tens of thousands of dollars in wasted buying and selling costs can instead be used to create your dream home.

However, a depressed and uncertain property market has thrown extra intrigue into the debate, according to accountant Geoff Steer.

"Relocators may have to take less when selling in this market and renovators need to be careful not to overcapitalise, with prices steady or falling in many areas," says Steer, a

renovation will increase the value of your house for when you sell in two to five years? Or are the changes for your own enjoyment that will make your home more comfortable over the long-term," he asks.

"In most cases, renovation is going to give you better value for money, as long as you keep the costs under control and ensure that the changes you make will contribute to increasing the value of your property."

For example, if your home is worth \$350,000 and you can add \$100,000 to your mortgage, then your choices are selling and buying a new home, which will eat up about \$40,000 of your extra borrowings, or ploughing the full \$100,000 in to a renovation, the broker says.

But how do you know if your renovation will increase the value of your home?

"It's not an exact science but there are a few golden rules that will help," Musolino says.

"First, step back from your design and look at it with a critical eye. Bright red walls might be the perfect look for you but unique or exotic designs won't appeal to the average homebuyer.

"Renovations should be in a

