

GIVING THE CAR A HOME

If you have the space and the budget, adding a garage or carport on to your property can be a great way to increase its value. **Miriam Bell** looks at what investors need to consider when making such a move.



ADDING A GARAGE WILL USUALLY MEAN YOU CAN CHARGE MORE RENT.
- RICHARD EVANS

OFTEN OVERLOOKED AND TAKEN FOR GRANTED, the humble garage is actually a desirable property feature. Not only does it provide a home for the car, but it also provides storage space. For this reason, investors looking to boost the value of their portfolio should consider adding a garage, or carport, on to properties that don't have them.

A surprising number of properties don't have off-street parking, let alone covered parking space. And yet most people want it. Rotorua Rentals co-director Richard Evans says garages are one of the top three features tenants look for in a house, yet they are comparatively rare in rental properties.

"This means that, for a landlord, having a property with even a modest garage on it is a real bonus," Evans says.

Not only does having a garage improve a property's attractiveness with potential tenants, but it adds value to property. Therefore, adding a garage can boost rental returns, as well as increasing equity and return on investment on resale.

THE POTENTIAL

Regarding rental properties, Evans says he believes adding a garage on to a property if possible is a no-brainer. Having a garage is important to tenants, particularly as they offer additional secure storage space, he says.

"Adding a garage will usually mean you can charge more rent. But it also guarantees higher occupancy levels and they are likely to be much more stable tenants. Which is important as it is not just about getting higher rent, it is about getting a constant stream of rent. And it's easier to justify rent increases if you have a garage."

Realestate.co.nz national property management specialist Vesna Wells says that, nationwide, tenants tend to be willing to pay more for a garage. "For example, LPM Wellington's Shayne Thurston tells me that in central Wellington, having secure garaging can lead to additional rent from \$50 to \$100 per week," Wells says.

In Christchurch, Harcourts Holmwood Property Management's Caroline Register reports that tenants can expect to pay a higher rent with garaging than without, Wells continues. "While Paul Lochore of Lochore's Property Management North Shore says that in North Auckland, being able to offer garaging would add an average \$30 per week to the rental return."

Wells says the amount of additional

rent that can be achieved, along with the potential capital gain, should form part of the decision on whether to build a garage.

THE LOCATION

Before rushing into a garage addition, it is important to consider how prevalent they are in both the street and the suburb the property is in. The general look of the surrounding area can have a significant impact on the type of garage you select and, potentially, on the amount you need to spend.

Mark Trafford, of Maintain to Profit, says you might not worry too much about fitting in to the area should you add a garage in South Auckland, but it's a different story if your property is in a suburb of old villas.

"In such an area, you need to be careful that you don't add something that isn't in character or that detracts from the look of the area," Trafford says. "It's all about the value of the property. And it's horses for courses. This is important from a resale point of view."

Considering what sort of garage is appropriate for the area is important, Evans agrees. "For example, a kitset garage might be ideal for a mid-range subdivision, whereas in a leafy, more upmarket suburb it might be better to get one built."

THE PLANNING

Location also affects the relevant council requirements. Trafford says that, while the consent process is a relatively simple one, different areas have different requirements. "In some parts of Auckland, this occurs almost street-by-street," Trafford says. "But if a garage is out the front of other houses in the area you are more than likely to be able to build one. Once again, it is about the look of your street and the surrounding area. Which means it's often a case by case thing."

Before starting, you need to understand whether you can actually build a garage, and then look at building requirements, he continues. To find out, phone a specialist company, a builder, an architect, a draftsman or the council for appropriate advice.

"Don't just assume that you can put a garage on to your property, because the council can come along and remove it. I have seen them do it. With free standing structures like garages you need to get permission and go through the relevant consent process."

It is possible to talk to a council planner at a pre-application meeting about the requirements you need to observe.

Once council requirements have been

RENOVATION: GARAGES



No one is going to complain that the garage is too big. Extra space for storage or bikes is a good idea and keeps these items out of the house.



Just because it's a garage doesn't mean it can't have personality.

established, the next step is to decide what type of garage, or carport, is the best option for the property.

Along with the look of the surrounding area, this decision is likely to be determined by cost, the amount of space available, and whether a multi-purpose space is needed.

Evans thinks that, first and foremost, garages are a better option than carports because they provide additional security against theft and better protection from weather conditions.

A garage doesn't need to be an elaborate creation, he says. "A simple Skyline-type garage will suffice. It just has to be lockable and weatherproof. Having additional storage space, a concrete floor, power and the like, that's all great but it is not critical. You need to weigh up what works for you to include in the garage."

He has a preference for hardier and more durable timber, brick or concrete block garages.

"Aluminium garages can be easily dented if accidentally hit by something," Evans says. "Such dents are obvious and quite difficult to repair. In comparison, with a timber garage, if something gets damaged it is much easier to replace a board or repair the damage."

Many specialist companies – KiwiSpan, Total Span, Versatile and Ideal – offer a selection of designs to build from as well as more affordable kitset garage options, resulting in a wide choice of prices and products.

DON'T JUST ASSUME THAT YOU CAN PUT A GARAGE ON TO YOUR PROPERTY, BECAUSE THE COUNCIL CAN COME ALONG AND REMOVE IT. I HAVE SEEN THEM DO IT

—MARK TRAFFORD

Trafford says such companies are garage specialists and will give a fixed price for the type of garage you want. That price will include consent costs – and they will help you with the consent process, too. "It might seem as though it will be a cheaper option, but your average builder can't come in and build a garage anywhere near as efficiently and cost-effectively as a specialist company can," Trafford says.

If you want to develop a basement or attach a garage to your house, it will cost more than a free-standing garage, he notes. "Also, if you are not bothered about the materials the garage is constructed from, it will cost less."

In Wells' view, an investor's choices should depend on the costs involved and what will best suit the house for the maximum capital gain. But the target market for the property you are offering for rent will also help define this, she says.

"If it's a four bedroom family home, the likelihood is they have items that need storage, such as toys, and the tenants are likely to have a couple of cars. If it's a two-bedroom unit,

generally a single garage would suffice. Double garaging does seem to attract more interest from tenants than single or no garaging."

THE PRICE TAG

The broad array of garage options to choose from means costs can vary considerably. Evans and Trafford suggest, however, that around \$10,000 is the sort of price for which an investor should aim.

Investors should be careful they don't exceed the overall budget they have calculated for the property, Evans says. It is essential to build the cost [of adding the garage] into the budget and to think about what is affordable to add that will boost value without over-capitalising.

"It is worth shopping around a bit. You never know what you might find. For example, I know a landlord who found a garage for sale and relocated it to his property. He managed to do the whole thing for about \$3,000, although he did have building skills which helped."

The full cost of adding a garage includes the consents, the plans and the construction. Trafford says these costs are unavoidable, so price it up accurately and then consider by how much you can increase the rent.

"If it is going to cost you \$20,000 to build and then you are going to get \$20 more a week, you will recoup the costs in about 20 years' time. If you get \$30 more a week, it will take less time. You need to

think about that sort of thing."

In terms of calculations, it is worth remembering that the addition of a garage increases the value of a property immediately. For example, Trafford estimates the value added can be double the cost.

"But make sure you do your figures properly," he continues. "Think about the value that will be added, the returns and how long it will take to recoup costs. Look at it from an investment point of view not a cost point of view."

THE MAINTENANCE

Selection of materials when building a garage can make a big difference to future maintenance requirements.

It is best to use durable, long-lasting

materials – including PVC for the guttering, Trafford says. "Also, don't over-complicate the structure when constructing it because that boosts maintenance needs."

Once built, ensuring a garage is maintained properly requires common sense and regular inspections. Gutters need cleaning, timber needs checking for rot, paint work updated as needed and doors and locks should be functional.

Wells says employing a professional property manager to look after your investment properties is a great way to ensure routine inspections and general maintenance.

THE VERDICT

Adding a garage to a property may be more complicated than it initially appears. Costs can

CHEAP ALTERNATIVES

When it comes to attracting tenants, off-street car parking with a carport is better than no off-street car parking, Realestate.co.nz's Vesna Wells says. Yet even a carport can be reasonably costly.

But a cheaper, alternative way for an investor can provide tenants with covered off-street parking. Waterproof shade sail carports can be durable and long lasting; don't need consents; and range in cost from, approximately, \$1,800 to \$4,500. Companies like Shades4U, Total Cover, and ShadePlus will design, manufacture and install a shade sail carport to individual specifications. .

be significant and it is necessary to navigate the consent process.

However, the investment pays dividends. Not only will having a garage increase the value of a property, but it will make it more attractive to good tenants and is likely to boost rental income. Therefore investors who add one will reap the rewards. ■