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At this point where you're still doing some upgrades and still decorating a bit, I'm sure, do you have any lingering concerns or just what are you and your husband thinking about now in terms of the house in the next few weeks or a couple of months?

Lindsay DeAlba:

So we both have different perspectives on house renovations. We have our budget set aside in our account and it's kind of ready to go. And I think my husband likes looking at that money in the account thinking it's going to stay there. But my perspective is it's there for a reason. Let's get things going. What is better? To knock everything out really quickly or to slow'

... to knock everything out really quickly or to slowly do the projects and put the money in the bank? I know how I would answer it, but I'm always curious to hear what professionals think.

PART 1 OF 4 ENDS [00:12:04]

Nadeska Alexis:

I think that's a great question because on one hand, it's really important to budget and have your rainy day fund, but on the other hand, you want to improve the space and make it enjoyable for you while you live there. So congrats on the home, I love this dark colored wall behind you and I hope you find some amazing more things while you're thrifting over the next few months to decorate.

Lindsay DeAlba:

Thank you.

Nadeska Alexis:

Thrifting some home decor can definitely help to save you money, and it sounds like Lindsay and her husband are also willing to do a lot of the renovations on their new home themselves. That will certainly save even more money, but it's really important to know when to call in professional help and there are no better professionals to call than my next guest. Joining me again on Lindsay





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I wish it was that easy to be smart when I was in high school.

Drew Scott:

I know, he's still working on it.

Nadeska Alexis:

Well, those are some really great small and easy fixes like you mentioned, that just make your everyday life easier, which is really important after you just buy your first home and you're dealing with so many other issues. And in terms of scaling







Nadeska Alexis:

Don't worry. She's in another room with grandma right now, so she's okay. So we spoke about permits and HOA rules, all important things to consider. And finally budget. This is always the big one. Of course, your budget is going to depend if you're buying a condo or a co-op, it's going to be less work than buying a single family house for example. But how should you approach this aspect? When should you maybe have a contractor come in and give you an estimate? How do you really know what you're walking into?

Jonathan Scott:

Well, the big thing is numbers never lie. And I think the hardest thing for first time buyers is to take the emotion out of it because this is a really big emotional step for anybody, buying your first home, take the emotion out of it, approach it like a business decision. And part of that is if you're buying a house that you know you're going to need to do a major remodel on or maybe even just redo the whole kitchen, have it as a part of your purchase, you want to have someone come in and quote on that work as a condition so that if for some reason it turns out that the numbers are all thrown out of whack, the kitchen's going to cost three times what you thought it would then that you can walk away. And this is in the house for you. But it's very important.

We usually say get three quotes from three reliable contractors, but don't find yourself in a position where you've committed to this house, you've bought this house, and all of a sudden, ah, I didn't quote or I didn't get advanced quotes on the work and now I don't know how I'm going to pay for it.

Drew Scott:

I find one thing that's really fascinating to me because we've dealt with so many homeowners over the years that you'll find homeowners that think that they can handle the entire project on their own, but they've never done a construction project before. You would never go into court and try and be your own lawyer. If you needed a lawyer, I would always want to have my home lending expert helping me with my mortgage. I wouldn't be trying to handle that side of it on my own. So why would you not have a contractor or a designer come in and help you prep yourself for success?

Jonathan Scott:

And sometimes I find people, they kick the tires more of a kettle that they're buying at the store as opposed to a house. This is your biggest investment. Get into this house. Look in the mechanical room, do an inspection. If it's a house that has very specific issues or the community's known to have very specific issues like termites or something like that, also bring in a termite expert or an engineer if there's some sort of structural issue. Do this before you actually buy the house because otherwise, we've seen it. One of our episodes of Property Brothers, they knew that there was some kind of issue. It was on a hill, the house was on a bit of a hill in the back and there was some moisture damage and whatnot. It turned out, because they didn't inspect it, it was an \$80,000 expense to restructure that whole back wall and put in all the steel supports and everything that obliterated their budget to renovate. And so it was real hard. Figure these things out before you buy.

Nadeska Alexis:

Okay, and as you mentioned, some people take on projects, DIY projects, or at least what they think are DIY only to find out that it's not. So can you tell me quickly just a couple of projects that really are fine for the average human. You can look on YouTube, learn some things that you can take on without causing too much damage.

Drew Scott:

Yeah, I mean paint is the easiest thing because you can just paint over it again if you don't like it. We also have, even with our Scott Levin collection, we have peel and stick wallpaper. Wallpaper doesn't have to be the mess that it used to be and this peel and stick, it will stay. It's not like it's just going to slough off the wall. We use this for ceilings and walls as well. And so that's something you could put it up and if you don't quite like it or if you're not really good at install and it takes you a few times, you can line it up better and it's not making a mess of the space.

Jonathan Scott:

Yeah, you can remove it without damaging the wall.

Drew Scott:

Yeah, put on bookshelves as well, in the back of a bookshelf.

Jonathan Scott:

Even flooring, there are videos from professionals. Don't just get videos from some influencer online. Get videos online from professionals teaching you how to lay floors, how to do baseboard casing, trim work, things like that. All of this you can handle if you've got the time, make it a fun weekend project. Do one space at a time.

Nadeska Alexis

Extremely dangerous. So any time you're dealing with something that's electrical, plumbing, structure, anything that could be dangerous, fire hazard, you have to use a professional.

Nadeska Alexis:

I don't think you could say that enough times. And even if you budgeted for a project, you got quotes from three reliable contractors like you mentioned, it happens especially in older homes, that once you start doing some structural work, you might run into some issues that you didn't necessarily expect. So in addition to just the actual budget that you got from your contractor, how much did you have in your back of your mind as sort of an emergency fund during your renovation?

Jonathan Scott:

Contingency.

Drew Scott:

Yeah, your contingency, it really does depend. If you have a house that looks like it's a lot older or has a lot more problems potentially that you can see as you walk through, you want to make that contingency more, maybe a 10 to 20% or more if you think you have to. But the main thing is every house can have something. If you're doing a major renovation, you will come across problems. So don't, don't be somebody who is banking on the, nothing goes wrong. Think of a bit of a worst case scenario, and then at the end of the day, if you've planned for it and you have the budget for it and then it doesn't happen, then you can sigh a relief and go on a vacation with the extra money.

Jonathan Scott:

I think that's the thing. A lot of people are like, "Oh, I've /cmaybe



air conditioner went out. It was replaced completely covered by that, whereas that would've been a \$6,000 bill.

And so for an annual fee of, I think I paid \$450 for my plan, it covers a lot of those things that could break down appliances, whatever. But it's good to have that money set aside so that if there is an uh oh moment, you've got the cash to cover it. Because say we had one homeowner who a tree fell, hit the roof, they didn't have insurance on the house, and all of a sudden they had a gaping hole and the next day it rained. Think of that. These are problems where they didn't have the cash to go and fix the problem right away, you have to have that money set aside.

Drew Scott:

Yeah, that's the whole thing. Emergency fund is for the unexpected.





be something that needs to be renovated. Or there's a problem with the price. Every single house will sell if the price is right.

So if you list your house and have no activity, or maybe you have some people look and then nobody comes back, nobody looks, and after a couple weeks you realize no responses, that is a clear indication that there's a problem with the price. So that's why we always say, look at the math. Take the emotion out of it. The numbers don't lie. And fingers crossed, there's some things you renovate that add value and you can get more money when you sell, and there are other things you do that might make it sell faster or look cool, but you're not going to get any more money for it.

Drew Scott:

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Jonathan Scott:

In the wise words of our friends, David and Hillary, you have to decide, are you going to love it or are you going to list it?

Nadeska Alexis:

I love those two. Drew and Jonathan, thank you again so