

# Is it better to build new or renovate?

We've put together the following information to discuss the pros and cons of building new and renovating, to help you make your decision easier.







## **Choosing to build new, or renovate your existing home, can be an extremely difficult decision to make.**

On the one hand - imagine being able to start from scratch with a blank canvas! But on the other hand - what if you didn't have to move from the neighbourhood you love, but could still have a home that meets your needs? It's a tough one. No doubt about it.

And at the end of the day, no one can make the decision except for you. So the next step is to weigh up the pros and cons of each, and work out which will actually be the best way to go.

In this ebook, we've put together some of the most common comparisons people make when deciding whether it's better to build new or renovate.

## 1 Budget

'What will it cost?' is typically the first point of consideration for many homeowners on whether to renovate or build new.

And this is also a question that might as well be 'how long is a piece of string?' As of course it all depends on a range of variables. You may have to go some of the way down the path of both options before you work out which is going to fit best within your budget.

Building a new home can be a bit easier to price up - once you have the plans in place - because there won't be as many variables to consider and you're starting from the ground up.

However, when it comes to renovating, approximate costs can be a bit difficult to get a handle on. Because even if you are able to price up what a new kitchen or bathroom will cost to install, there's all the work involved to get your home ready for those changes.

If your house is deemed 'old', there may be extra alterations needed to bring it up to the current building code. (And often these are unexpected too, only being discovered once walls come off/floors come up).

It's also crucial to understand the concept of 'overcapitalising' when undergoing renovations. If you want to add value to your home (even if you're not planning on selling any time soon), make sure you check that what you are doing will achieve a return on investment further down the track.

So, when it comes to sticking to a budget, building new may edge out renovating - only slightly - because it is much easier to plan for the costs involved. (Although with renovating, you can do smaller spaces at a pace that suits you, without needing to fork out for a full blown mortgage.)

Of course there are many other things to contemplate when trying to decide whether it's best to build or renovate, and we're only getting started.

### Our tip:

*Talk to your mortgage broker first, because there are different requirements when it comes to lending for a new build versus borrowing against your current mortgage to renovate.*



## Location

Those in the real estate biz don't say it three times for nothing. Location, location, location is up there with one of the most important considerations of where we live.

People pay a premium to reside in desired neighbourhoods, or close to particular places and spaces. And if you have a home exactly where you want it to be - near children's schools, family, work etc - it can be difficult having to leave.

And this is where renovating often looks like the more appealing option to homeowners. Because if you are living somewhere you absolutely love, but your house is no longer suitable, then it just makes sense to make the changes needed so you can stay put.

No need to uproot the family, or say goodbye to friends and family. Sure, there may be the option to find a new house in the same suburb, but would it be the right house?

When it comes to finding a section to build on in New Zealand, you'll mostly find them in brand new subdivisions.

Yes, other opportunities do come up in already established locations, but these are a bit more rare (depending on where you are in the country), and will probably come at a higher price.

Some people don't like the look and feel of new subdivisions, and if that is something you can't get past, then it may be an important factor when considering whether to build.

### Our tip:

*Check out where most of the sections are currently available in your town/city, this will help give you an idea of where you could build - and see if you like it.*



## 3 Plans

Here's the fun part of the decision-making process, what do you imagine your new home - whether newly built or renovated - to look like? We're talking 'big picture', not the details (that will come later).

Perhaps you've dreamed about having a parent's wing, love the look of the popular pavilion style layout, want a country-inspired kitchen to house a dining room table big enough for the whole family, or know that a rumpus room is key to harmony in your home - it's about imagining how you can love the house you live in. While also meeting the needs you have while you're carrying out your day-to-day living there.

Making large layout changes with a renovation can be quite costly, but it could be that there is simply not enough room to do an extension with your current home.

However it's worth noting that many sections available for sale these days (unless you're keen on a lifestyle block) are considerably smaller than they used to be. Which means a lot less house actually fits on them anyway - even if they are new.



### Our tip:

*Think about whether the layout of your current home still suits you, and if it just needs modernising. Or could a new build help to reconfigure the rooms and spaces to better fit your lifestyle?*



## Compliance

This is where you come back down to earth. Because while all that daydreaming about your ideal home is exciting - it isn't entirely practical. There are rules (and quite a few of them) for building a new house, or renovating an older one, and they sometimes make a habit of getting in the way of plans.

Getting consent from your local council is a key part of any building work being carried out, and so no matter whether you decide to build, or renovate, you'll need to be guided by what can actually be done.

This tends to rain down more on renovations than new builds, especially when it comes to major alterations - like adding new rooms or taking down walls - because you have to consider structural requirements, site coverage and plenty of other building codes regulations.

But it could just as easily affect a new build, with land covenants providing restrictions for developments, for example you may not be allowed to have a two storey house, ruining your plans for making the most of an amazing view.

So here's your heads up that any serious decision-making about whether to renovate or build new should involve looking at what can actually be done.

### Our tip:

*Building codes and compliance are different in each town/city/region of New Zealand, and if you're thinking about renovating, one of your first conversations should be with your local council to check what you can and can't do.*







## Options

When building new, you're obviously starting from absolute scratch. Every inch of the home can be customised to your preference (within the confines of building code, budget and the footprint of the house).

This includes choosing interior and exterior materials, fixtures and fittings, colours, flooring, wall coverings etc. You may even be overwhelmed at the thought of it!

With a renovation, there are still plenty of options, but just not quite as many with a new home. (Which if you don't like making decisions, it could be a good thing). This is because you'll be working within the confines of what you already have - and most likely doing your best to match it with the character of the house.

However this could actually be a lot of fun because you could do things a little more bespoke (like upcycling or refurbishing old) than you would for a brand new space.



### Our tip:

*Does the idea of starting with a blank canvas sound appealing? There's no doubt a new beginning can be refreshing in order to get everything just right. But a newly built home isn't for everyone.*



## Timeframes

Deadlines. Due by. Cut off. This one is about working out when you want to be free from the constraints of building or renovating - and simply be able to enjoy the home you've created.

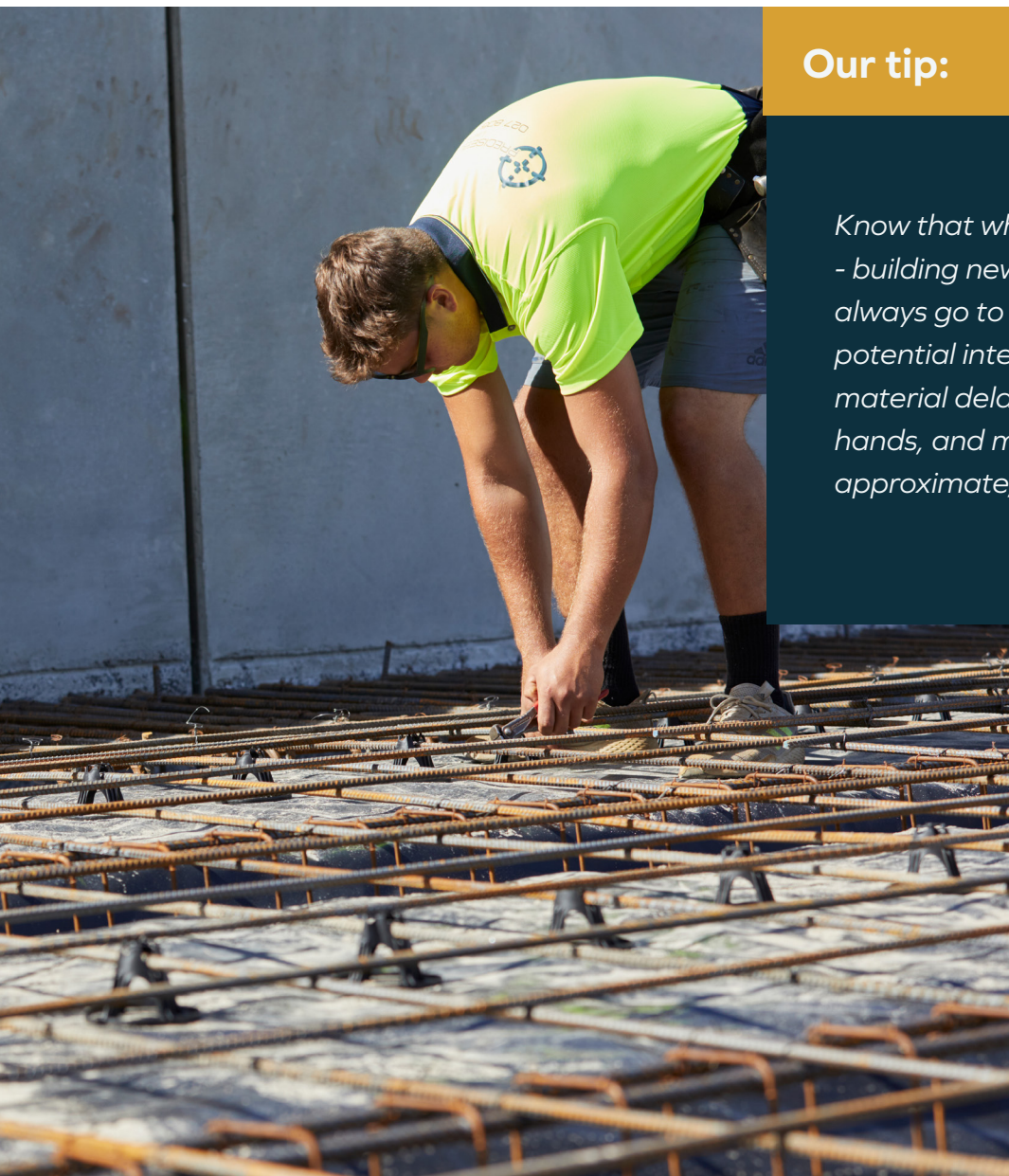
Both options will have timeframes and potential finishing dates, and understanding what these could be may help you decide which option will work best with your future plans.

For this consideration - building new probably takes a hit because there is a lot more leg work and planning before construction can even begin.

But don't forget to factor in that if you are doing renovations while still living in the home, and having to do it in stages due to budget constraints, it could take quite a while too.

### Our tip:

*Know that when it comes to construction - building new or renovating - things don't always go to plan. There are plenty of potential interruptions (like the weather or material delays) that are out of everyone's hands, and most timeframes are always approximate, not guaranteed.*







## DIY vs. NDIY

Would you plan on doing it yourself, or not doing it yourself? Here we're talking about project management (unless you're a licensed tradesperson - in which case, that will help!).

When it comes to designing and building, there are plenty of options out there in terms of someone else organising the whole process end-to-end. You just need to pick what you want and they do the rest.

Makes it all sounds pretty relaxing, right? This is definitely how it can work when building new. It does get a little bit more complicated the more bespoke you go, but it is still doable

However it is a bit of a different story when you live in a house while it is getting renovated, because a lot of it will have to work around you and your family. Meaning you might have to do some of the liaising so it fits in with your schedule.

Which of course can be done, but if you were envisaging being able to continue your daily life without having to think about what's going on on site until it's time to pick up your key - you may find renovating a little stressful.



### Our tip:

*Perhaps you like the idea of a bit of project management, or maybe it gives you a headache just thinking about it. Weigh up what would work best for you.*



## Compromise

Now comes the time to ask yourself - what are you prepared to compromise on. And what is non-negotiable.

Because you may find that when you actually list these things down, a decision presents itself to you, without even having to do the heavy lifting of thinking.

Of course there will also be negotiations when it comes to either choice - unless you have a limitless budget (wouldn't that be nice!) - as there will be things you can afford, and things you can't.

There's going to be a hierarchy of needs and wants, so working your way through them and making the tough decisions is crucial in order to get the right outcome for you and your family.

But don't think of compromise as a negative, it's actually a positive! Because you're still going to get something amazing at the end of it all - a home you will love to live in, custom-made for you.

And whether it is brand new, or totally refreshed, we know it'll be a winner.



**Feel like you've hit a bit of a wall? Sometimes you need the experts to step in. So chat to us - obligation free.**

We'll help you to understand what may be possible when it comes to renovations in your home. And if it can't work the way you would like it to, we can talk you through the building process. ***We do both!***

Talk to our team today  
**027 805 7763**

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