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YSP Podcast Transcript: Episode 085. How to renovate your strata apartment without the need for approval

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Intro: Welcome to Your Strata Property. The podcast for property owners looking for reliable, accurate, and bite-sized information from an experienced and authoritative source. To access previous episodes and useful strata tips, go to www.yourstrataproperty.com.au.

Amanda Farmer: Hello and welcome. I'm Amanda Farmer, and this is Your Strata Property. Cathy Morrissey is the CEO of the Renovation College, teaching entrepreneurial renovators how to renovate properties using a business system that creates profitable returns. Cathy teaches you to throw out the old way and learn the new way to having more, being more, and doing more. Well, that is very intriguing. Today I'm absolutely delighted to welcome Cathy Morrissey of the Renovation College. Welcome, Cathy.

Cathy Morrissey: Thank you so much, Amanda. Now I feel like I've got a lot to keep up with, live up to.

Amanda Farmer: Well, everybody is on the edge of their seats. We all want to learn how to have more, be more, and do more. I really love that. You're hitting all those nails on the head there.

Cathy Morrissey: Yes.

Amanda Farmer: I came across you Cathy, and I know a little bit about your system. When I saw it, I thought, "This sounds like it's perfect for strata." I said to you, "Come on the podcast, let's have a chat about it. I think our listeners are really going to love hearing about this." I'll ask you first of all to tell us a little bit about what that system is. Assuming you agree with me, why do you think it's perfect for strata owners who are looking to add value to their home or their investment?

Cathy Morrissey: Yes. Let's talk about the system, to begin with, and then I'll go into how it can help strata owners. The system began for me way back in 1996, when I purchased an old house. One of the things about purchasing an old house is that you need to think outside of the square. Because in this case, my house was heritage listed, so there's a certain criteria that we must meet for the heritage listing. Then there's also a certain part of what parts of this era should I keep, and what parts can I modernise so that a real family of today can actually live here and enjoy it? Like all old buildings, it had all of these different add-ons and tack-ons, and it was that many different centuries it wasn't funny.

But it gave me a really good sounding board and a grounding for where to get started in the whole renovation thing. Now, I wasn't new to the whole turn something old into something new idea. I'd been doing that for a very long time, but not on this level. That's where I started, right. That was my school. What happened was, as I was researching and starting to learn more about this property, I started to think, "If I renovated this, how do I renovate it for someone that's outside of me?" Right. What does that mean? A renovator is a person that is there doing the work. But the renovated house is a person that actually wants to buy a finished product so it's two different people, right. If I renovate for me, I'm likely to renovate on the mindset of someone that's turning something old into something new.

But, a person that's buying this home, that's not their thing at all. They're actually probably looking for the whole romantic in this particular houses' case, two-story, late 1800s, beautiful English garden, with a lovely veranda, and all the finishes of an old home. There's that, and how much money are they willing to pay? That actually was the journey that I've been embarked on. I did a lot of research in areas for people that were wealthy. I looked at what they did differently to the average person. Then I put a lot of that knowledge into that home. I'd say that I spend 3 to 5 years researching and understanding the marketing because I knew it would sell out one day, that was not questionable. But, would I sell it for the same price as everyone else, or would I sell it for a better than average price?

In 1996, this wasn't really a common conversation at all. Today it's very common. We see the Block, and there are so many shows and so on that are teaching ordinary Australians about renovations. But, maybe what they're not teaching them is how do you do it



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effectively, to the right market, within a budget, and get a better than average result? From that house, I will quickly jump to the end and say that that house made a profit of over \$400,000, about 200 more than the average. It wasn't the only late 1800s building in the area, there was more. Amanda, this was the best part. It still had a 1970s kitchen and a 1950s bathroom.

Amanda Farmer: Interesting.

Cathy Morrissey: What did we do that was different? The first thing was the targeting, right. We really looked at who we would be wanting to sell this to. The second thing was, how do I save money? The third thing was, I know it's very popular to run out there and grab a new kitchen or a new bathroom or whatever, but is the person that's buying my house, is that really what they want? In my mind that was the conflict. I don't think somebody that lives in a late 1800s building really wants a 2016 or 2017 or whatever year kitchen. That was my learning curve, right. That was really the thing I had to understand. Because we live in this tuck away world, like, "That's an old bathroom. It's a 1960s bathroom. Let's throw it out and start again," sort of thing.

But the truth is, people, love that, right. You have a whole world of people out there that love vintage and retro, and certain eras, right. That's how I started. Then I started to do it with other houses. Because I thought, is this something you can repeat? I worked one-to-one with people. I can guarantee you that you can do this in any era house. The trick is to really understand the research part of your area, your era, and who will buy this home off you, right. Those are the three most important things. It is not what new kitchen you put in there or what flooring, or whatever little fancy thing that somebody is selling you on the TV at the moment. It's none of those things, right. If you understand all of the other part first, they tell you what they want.

Amanda Farmer: How do you see this translate across to strata, Cathy?

Cathy Morrissey: Okay. Let's talk about strata for a moment. There's two things that are against you, right. On the exterior, everybody's house has to look the same. That's number one. On the interior, I don't think you're allowed to blow your nose unless you have approval?

Amanda Farmer: Well, yes. Perhaps some owners here in New South Wales might say that.

Cathy Morrissey: Okay. I'm exaggerating slightly.

Amanda Farmer: But yes, you're right. You can't do anything that's going to impact the common property unless you have the consent of the owner's corporation. These days that consent can come in various shapes, sizes, and levels. But yes, if you're doing something that's going to impact the common property, you need to go to your owner's corporation and have a chat to them about it.

Cathy Morrissey: Exactly. That's what you're up against. To me, I thought, "Well, that's great. I love that." Because everything that we had done in all of these properties, 90% of the time there was nothing jackhammered or ripped out, or replaced. It was actually refurbished, repainted, rejuvenated, and kept it ... Let's say its '60s retro look. Actually, just update it with paint and colour, and the right furnishings and so on, and just doing a little few things different. Now, in the very picture that I'm looking at behind you, you have a painted wall, right? Great. If you have a strata building that might have a brick wall, but you want to modernise it because the brick wall looks like it came out of the '80s or something like that, paint it. Paint it. You're not affecting anybody else in that building. You've now actually made your property unique because everyone else is still hanging around with that 1980s brick wall or whatever. You have something that's just stepped out of 2017.

Amanda Farmer: I really love this concept Cathy. It's interesting that when you're talking about your earlier house, you left the kitchen and the bathroom intact. So often we see investors in strata buying into these 1960s walk-ups, and they're looking for the old kitchen, the old bathroom, and thinking, "Hey, I can reap those out, and there's some money to be made here. It's not all that expensive." They buy it up thinking, "Yes, we'll make a decent profit on that." They then face the by-laws, strata manager, the owner's corporation, as you said there's jackhammering, there's re-waterproofing.



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I have seen, I have had clients who've gone through this as investors and said, "Amanda, I've been investing in property for years. I've been renovating, I've been profitable, and now I've encountered strata. I had no idea that I couldn't just reup the bathroom. I couldn't just reup the kitchen." It's a breath of fresh air to me to hear from you Cathy, that we can be doing this in strata, we can be investing and adding value in a way that doesn't necessarily involve major works. We can do it with paints, and as you say refurbish, yes.

Cathy Morrissey: Yes. What would happen I would imagine ... I want to cover two things here with what you just said. A lot of people with that concept of going to get something old and ripping it out, whatever, it's really because we've been taught that. The businesses and so on, they're just sticking it they're kind of sticking it in our faces you know and here's the new tile range. It's sold to us that everybody must have this, right? That's one thing. In our minds, we just automatically think, "Oh my God, I just have to rip all of that out because it's horrible." But we totally missed the fact that we've got something that we can preserve, number one, and number two, there's an exact client that would probably pay you \$20 more a week because you left that 1960s bathroom in there, right? Let's talk about a pink 1960s bathroom for a moment.

Amanda Farmer: As they are. Either pink or blue.

Cathy Morrissey: Pink or blue. What I've done in a number of cases, and all of these products are readily available through Bunnings and places like that, is you can get tile paint. You can paint over those pink tiles. You can just maybe upgrade the taps or the handles, or something simple. Make sure the repairs are done. Sometimes I found when going into those types of ... Just use the bathroom for a moment, those types of things. They have a couple of leaks here or there. Fix all of that. Then just polish it up, right? Keep that whole vintage together. The kitchen the same, exactly the same. You can get transformation benchtop kits, you can get tile paints, the cupboards.

As long as they're intact and they're still okay, there's nothing that little bit of Elbow Grease paint will not make look amazing. Put some maybe modern handles on there, and attract just the client that likes that. There's two things. Your renovation will be chopped into probably \$10,000 instead of, I don't know, \$50,000. That's one thing. Even if you paid someone else to do all of that stuff, it really is not that expensive. The second thing is, I'll absolutely guarantee you, you will get more money in rent. Because you're attracting just the client that is looking for that type of thing. It's fresh, it's clean.

Amanda Farmer: Do you find there's a trend at the moment for that retro look? I'm not all that trendy so I won't presume that ... Are you seeing that with your clients?

Cathy Morrissey: Well, honestly, I've lived in the world since ... I don't want to give away my age, but since I was very young, extremely young, like a child.

Amanda Farmer: A baby.

Cathy Morrissey: There's a certain market that actually loves that, right? I'm talking about maybe 35 years that I have been seeing people upcycle furniture, cars. That's where I started. My ex-husband and I, no kidding, to make extra money, we used to do up old cars. That's where it started. Then we did furniture, and then we went into houses.

Amanda Farmer: I love it, yes.

Cathy Morrissey: It's always been there, Amanda. There's always a niche market that likes that, right. That's the first thing that we need to do with our investors, is to just retrain their minds that you don't have to reup everything and try to turn your 1960s into 2000s. You don't have to do that. You can just take care of that vintage, stay within the strata, save a truckload of money. Still charge a little extra per week rent, because you've just given them something nice and clean and fresh, and what they want.

Amanda Farmer: I love it. I'm excited.

Cathy Morrissey: How easy is that?



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Amanda Farmer: Now, tell me this. How do you find that market that you're talking about? You mentioned it earlier that there is some research to be done, and it's important to do it so you know that you're reaching the people who are going to pay you that little bit extra. Is that part of your system, that you teach how do we find these people that are a good match?

Cathy Morrissey: Yes. That's probably the trickiest part for most people that aren't entrepreneurs. An entrepreneur really understands the whole target market thing. But for someone just venturing into this world ... Because I actually think of property as a type of business. If you're not thinking of it like that, you've got it all wrong anyway. That's at least my version of it. How do they do that? I have to get them in tune with their property, their market, and often Amanda, it's around their affordability. Can I tell you a little story just about a lady that I have in my group? Her name is Tony. She's actually done it three times in buildings like townhouses and stuff like that, that have strata. I'll explain why for her.

She's a single woman, and she can get loans in her area, which is in the Port Macquarie area, for units and townhouses, and things like that. They're in her price range. Tony already has her price range. But then she does this up, makes it look pretty. The agent that sold her that original property, there's a good chance that he knows a lot more Tonies or people that like what Tony does. She just goes back to him with her renovated property, and then together they work so that it's styled to suit that vintage, retro. It's everything. It's the whole thing. You put together mentally a picture of who's going to live here.

Amanda Farmer: She's building her reputation there as well as, "I'm Tony. This is the kind of stuff I do. This is what I like to do. This is what I sell." Then the agent knows that "I've got the person for you. You've got to go to Tony." Yes, I can see how all that would work quite organically.

Cathy Morrissey: That's it. It's not really difficult when you wrap your mind around ... You're just thinking at real estate slightly differently, that's all.

Amanda Farmer: I love it. Now, we're all about solving problems on this podcast, Cathy. Have you got any problems that you find your group comes across when they're dealing with renovations, whether it's strata in particular or homes? What are the big things that are bound to crop up, and how do we solve those when they do crop up?

Cathy Morrissey: Yes, okay. For me, the biggest thing that I see people struggle with is their mindset, learning how to think like a business person. Because I mentioned earlier that there's plenty of shows on TV like the Block, and ... I can't even think off the top of my head, but there's a thousand of them, right? There's plenty of those things where it just seems magical. Where people come in and they do all of this work, and they sell it, and everything is amazing. People look at that and they go, "Yes, I can do that." By the way, anybody can.

But then we come down to, do you have a spare \$50,000 to do a renovation? They're like, "\$50,000." Then all of a sudden, all of those fears start to roll into their mind like, "What if I fail? What if this doesn't work?" The only thing I can say is this, the more that you train your mind to focus on the business side of property, then the better you'll be. That would be the biggest problem that I see in anything that people do around property. It is easy. Let's be honest, it's a great Australian way to own houses. We love all of this. We love renovating. I feel it.

Amanda Farmer: We do, yes.

Cathy Morrissey: Now, we just need to say, "That's awesome, but you need a little bit of business school too."

Amanda Farmer: I like that.

Cathy Morrissey: What I've done in my courses, I've added that into that. We talk a lot about the money. Before anybody does anything, it's all about the money. There's a lot of conversations and there's a lot of pre-works. Yes, that's the biggest problem. Is it solvable? Yes, of course, it is. It's just a matter of really just understanding that there's two things to learn. There's the whole property thing, and then a bit about business.



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Amanda Farmer: Mindset is often the start of any valuable endeavour, I would say.

Cathy Morrissey: It is.

Amanda Farmer: Yes. I'm glad that you're talking about that when it comes to property and development, and yes, I think you've hit the nail on the head.

Cathy Morrissey: Yes, because it's bigger. Well, renovation really, I just said that was small really in the grand scheme of property, \$20,000 or \$50,000 is not a lot of money. But, you just mentioned development. That's a truckload of dollars. You really need to have that business hat on.

Amanda Farmer: I love it. Now, we probably have many listeners who like me Cathy, are sitting here getting very excited about these ideas. Thinking, "I'm going to be on realestate.com looking for these 1960s bathrooms and kitchens."

Cathy Morrissey: I'd be so happy if you did that. That's awesome. Tell me your story then.

Amanda Farmer: Yes, exactly. But what should we do if we're thinking about, "All right. I'm liking the sound of this, it's something I want to explore"? What's the next step for our listeners who are thinking that?

Cathy Morrissey: Okay. I'm a big believer in education, right. Yes, I do if I wasn't educated first in this. But I am big believer that if I wasn't educated first in this stuff, I would probably be not speaking to you today. I would definitely say that, whether you want to do it yourself or not, doesn't matter. I'm not here to judge where you choose to learn. But, you do need to learn. Okay. Spend some time researching your area, the type of house that you personally, it's in your budget and you're going to be working on, who the buyer is, and how do you make money out of that. Because again, renovating can just seem so exciting. Let's go out and turn this thing and make it amazing. But that's not going to sell for the best price. That may not get you a return on your investment.

Just because it's cheap, doesn't mean it's profitable. You really have to understand all of those numbers. For me personally, I kid you not, I really did spend three or so years just studying something that was outside of me. I'm going to assume that everyone else is the same. They don't already know this, so we need to study it. Okay? That's what I would say. I have a course. If you're interested in it, you can do it for strata or homes or anything like that. We're running the course probably in about November. It's a self-learning part, so that means I can jump in any time. But then we also run group calls. There's a group that's there all the time. Even if you did a course today and you weren't renovating for 6 months, doesn't matter, you can just jump in any time and ask questions, or put your property in there, or whatever, yes.

Amanda Farmer: That's a purely online course, Cathy?

Cathy Morrissey: Yes. Everything's online. Yes. All of my students are all over Australia. I do have a section in the beginning for different states. Because there's different building codes and things like that, and everybody needs to make sure that they stay within the law. There's a little bit of that in the beginning, yes.

Amanda Farmer: Fabulous, okay. We'll get the link to that course and put it in our show notes so that our listeners can go over and check it out over to www.yourstrataproperty.com.au. You'll find this episode with Cathy. Scroll down and you'll get the link to Cathy's course.

Cathy Morrissey: Awesome.

Amanda Farmer: Now Cathy, I want to know what books have had the greatest impact on you, and why?

Cathy Morrissey: Well, I'm going to tell you, there was a mentor and his book. I read his book first. His name is Bob Proctor. Has anybody heard of the movie, the Secret?

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Amanda Farmer: Yes.

Cathy Morrissey: Yes, I'm sure you have. Come on, everybody has. If you haven't you haven't lived, okay? Okay. He's in the movie, the Secret. He's the Canadian that actually starts off the beginning of that whole DVD. Now, well before I saw the Secret, I found Bob online. I really loved his teachings, because he talks about universal laws. He talks about why things are the way they are. Anyway, I really loved Bob. In 2010, I had the opportunity to go and spend seven days in Canada with him. I did a course with him. I loved it. It was amazing, yes. I think it changed my life, I really do. Because I had a lot of faith in myself before, but I didn't really understand why things work the way they do.

When you're just with yourself, you can work at your own pace. If you work with other people, you need to speed it up, so that you can help them more, right? Because that's it, their problems are not going to be the same as yours. All of that, and Bob does have a book, which is called You Were Born Rich, right. I might find that link for you and send it to you Amanda. Because Bob actually gives it away on his website. It's a PDF book that you can get for free. It really talks about who we are, how we think, and if we don't like the situation that we currently are in, it gives you that opportunity to take some steps to learn how to change it. He's my hero.

Amanda Farmer: Yes, fabulous. Thank you for sharing that Cathy. It's been a long time since I've watched the Secret. It's funny. The laws of attraction its funny, how things work out. I've only just been thinking recently that I'd love to go back and watch it.

Cathy Morrissey: Go back and watch it.

Amanda Farmer: Because it is something that does feature very strongly in my life that I think about what I've achieved, and where I am, and how I've got here, and those decisions that I've made, the mindset that I've had. It's such a powerful thing to share with others those kinds of resources, that teaching, that understanding, and can really give you a great deal of direction, good direction in your life, yes.

Cathy Morrissey: Absolutely. Honestly, I'm going to say this to any homeowner or any person. I think it works in property too, right?

Amanda Farmer: Yes.

Cathy Morrissey: I truly believe if you have the right energy around yourself, what you're doing, you're passionate about it, you're thinking about how you can help someone else ... That's what I said. If people learn to change their thinking towards who's going to live here, rather than I think, or I like, or whatever, just drop that. Just think about the person that's going to live there, even if it's a rental. Because if you can connect to that, I'll guarantee you, you'll earn more money, in property, in anywhere in life. Because it's a win-win, yes.

Amanda Farmer: Love it.

Cathy Morrissey: I'll send you the link to Bob's book.

Amanda Farmer: Yes. Please do. We'll throw that away in the show notes. We're about to wrap up Cathy. But please, let us know how our listeners can contact you, and if you want to add anything else before we say goodbye.

Cathy Morrissey: They can jump over to www.therenovationcollege.com.au. They can check out the whole site there. I'll give you the other link to the course and so on. I need to send that to you. They can go and check it out and have a look at a few case studies. There's plenty of those over there. I think that's always good if you're new to this to go and see what other people are doing. With that course, what has unfolded, there's a lot of people that love property, hands down, they love it. It might not just be renovating, they might love styling, or interior designing, or whatever the case may be.



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What I find was a lot of people did the course, they went and did some renovating, and whether it's a house or a strata or it doesn't matter. They take it to the next level and create their own business from it. That's something that I think is really cool. Because life really should be about doing something that you love and you're passionate about. If you can do that and learn a skill, and take it to the next level, good for you. Because your life will always be amazing. You'll be able to wake up and do what you love every day.

Amanda Farmer: Fabulous. Isn't that the dream? Thank you so much for your time today, Cathy. I know you're a busy lady, you've got a lot on the boil. I'm looking forward to what's coming next.

Cathy Morrissey: Thank you so much for having me.

Amanda Farmer: No worries.

Cathy Morrissey: Bye.

Outro: Thank you for listening to Your Strata Property, the podcast which consistently delivers to property owners reliable and accurate information about their strata property. You can access all the information below this episode via the show notes at www.yourstrataproperty.com.au. You can also ask questions in the comment section, which Amanda will answer in her upcoming episodes. How can Amanda help you today?

