

Publication Date: 11 August 2022
YSP Podcast Transcript: Episode 324. James gets a 2000% return on investing in his building's cosmetic upgrade

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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.

Amanda Farmer: Hello and welcome to this week's podcast episode. I am your host, Amanda Farmer, and my guest this week is James Burgin.

James is a keen marketer, designer and handyman. He is lucky enough to enjoy the Bondi lifestyle in Sydney's east. James's background includes an applied science degree in design, and recently his professional focus has been in digital and content marketing. Through his marketing agency, Brand Within he supports clients to achieve their goals with education and smart strategies to be found on Google.

Now, one of James's clients and friends is Bernadette Janson. Bernadette is the founder of The School of Renovating. She's also a previous guest here on the podcast together with her son, David Janson. I chatted to Bernadette back in episode number 229. That episode is titled The Dos and Don'ts of Apartment Renovation, where Bernadette and David demystified some common apartment reno questions, including do we really need council approval for the removal of internal walls? And, does a washing machine installed in a kitchen need to be waterproofed? If those types of questions are coming up for you in your building with owners wanting to do renovations, head over and check out episode number 229.

Now the connection between James and Bernadette in the renovation space comes from James enjoying a hands-on role as one of Bernadette's renovation students within some of the projects led by The School of Renovating. James says this experience has given him the skills and the courage, his words, to manage the recent upgrade of the small Bondi apartment block that he lives in.

Now that upgrade is the subject of our conversation here today. James walks us through how the idea of a cosmetic makeover for his block came about, what some of the challenges were in this process and how he overcame them, the significant value add as estimated by real estate agents that have since come through the block, what he'd do differently and what he recommends as a first step for owners or communities wanting to get started with a project like this.

Now you'll hear in this chat, we do talk about some photographs of the finished product. James has generously shared those, including a short video, where he walks through the common areas. We have a link to those photos and that video in the show notes for this episode. You can access those over at yourstrataproperty.com.au/podcasts. You'll see this episode number 324 in the list, click on through, and you'll find the show notes as well as access to the transcript.

I'll take you over right now to my chat with James Burgin.

James Burgin, welcome to the show.

James Burgin: Thanks, Amanda. Glad to be here.

Amanda Farmer: Now James, let me know a little bit about you, about your background and your strata story.

James Burgin: Well, I live in Bondi and even though I grew up in the Northern Beaches in Sydney and I've lived in Melbourne and in the US over the years, but I'm very happy in the Eastern suburbs now. I've lived in two different apartment blocks since being here and this time as an owner, previously as a tenant. So it's been quite an adventure, particularly in this apartment block, I've kind of gotten to be clearer on my ambitions for the overall living environment and how it can be part of my own lifestyle.

When I first bought the property, I remember I lived up the street actually, and I used to drive past it, and then, which is kind of an uncanny thing over the years, that's how I've often bought property just by it being your awareness and then suddenly you end up buying or negotiating, that's what happened this time when the signboard went up.

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But I'd always noticed how the grounds were on the corner and the grounds were just so overgrown, there were trees with fallen branches and the nature strip was like jungle and there was a bougainvillea that was spilling over and spiking pedestrians as they walked past.

So when I moved in it was a bit of a disaster area from the public area, so over the years I've been here about six years now, I've been chipping away at it. Then earlier this year, we got to do a major upgrade on the common areas.

Amanda Farmer: And we're going to get into the details of that so that we can paint a picture for our listeners. Let us know, how big is this building? How old is this building? How many owner-occupiers have you got?

James Burgin: Well, it was built in the 1980s and there's six units in it. There's three, two-bedroom units, one of which is mine, and three four-bedroom units and five of the six units are owner-occupied.

Amanda Farmer: Okay.

James Burgin: And interestingly, when I moved in, we managed the body corporate ourselves.

Amanda Farmer: Right.

James Burgin: I've been listening to your podcast, Amanda, and listening to all the things that we should be doing that maybe haven't been doing, and I was very inspired by the idea of your welcome pack for new owners, which is, I thought, a terrific idea.

Amanda Farmer: Thank you.

James Burgin: As in the show, I think you are familiar with my colleague and friend Bernadette Janson of The School of Renovating, whom I work with. Bernadette has always encouraged renovators to create a welcome guide, like a home guide for the new owners when they sell the property. So I think it was quite simpatico was your concept of the welcome guide.

Anyway, when I came there was no such thing, but I remember back to when I first did my inspections on the property and we have a storage area where there's storage cages for the units and there's a sauna down there and a bathroom. I remember seeing these things and over the years, I've kind of had the experience of the neglect of these public spaces and our garages, which were underneath that, they were kind of grubby. Then the foyer was still the original 1980s, so brown timber walls and ceiling and deep stained mirrors, dark mirrors.

We have a cleaner who's been here 30 years, who vacuums and he said, "Oh, I've been vacuuming this carpet for 30 years," which is, you can imagine. I mean, it was surprisingly not threadbare, so it was a testament to the quality of the carpet. But it was so icky, the whole thing was grubby, the walls were grubby. It had red vinyl covering on the balustrade. I like nice environments, I always had this feeling of when you come home or you have guests come, as nice as your own apartment may be, the welcome environment was not.

The big opportunity to upgrade the property really came because two of our owners who'd been here for, one 17 years and one 20 years, they decided to sell. So I thought, that's my opportunity to upgrade because it will increase, it will make their sale price better, and it will make the whole place better for all of us and so that's what we did.

Amanda Farmer: So tell me this James, was this your idea, is this something that you had to pitch to the other owners to sell to them and get them on board? Or is it something you were all thinking about for some years and the time was right?

James Burgin: We didn't even have a sense of community really amongst the owners.

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Amanda Farmer: Right.

James Burgin: We have a WhatsApp group and that was more just logistics of, there's a blackout or there was a flooding in the garage, it was just dealing with dramas really. Or during the pandemic, everyone had to be told to compact their rubbish more because we were all at home and using more, but it was very logistical.

Amanda Farmer: Your WhatsApp group sounds like my building's WhatsApp group.

James Burgin: But I was friendly with others, we were relatively friendly. We have a swimming pool too, so that needs maintenance.

Anyway, the idea to upgrade was, I just said that we need to upgrade the place. So of course I had two owners who were on board with the concept and then another one who's become an ally, she's now the chairman of the body corporate, I've become the secretary.

So between us we had four, one of them is a nonresident owner, and she pretty much agreed to whatever we wanted and we only had one owner who was negative about the idea. So we kind of knew we had a majority when it came to voting, because we needed to raise a special levy to fund the upgrades. So I put together a budget, which I'd been learning how to do all this through Bernadette and The School of Renovating. There was templates that she was able to provide and guidance.

I'd just been working on a renovation of a property in Newcastle and Bernadette and I would often drive Sydney to Newcastle to work on this and manage the trades. So as you would know, it's very easy to have one master builder to say, do the whole thing, which of course would've been really expensive. Whereas what I've been learning how to do was to actually source the trades and the relevant skills myself and put together the quotes, the other owners, they wanted to see three quotes.

So I went onto Hipages or in one case Airtasker, plus a network of local handyman people that I knew. We had a plumber and an electrician who'd serviced the building over the years, but that meant that we could put together the project much more cost-effectively.

So what we did on this six -unit building is we repainted the outside and it's a brick building, so it doesn't need the whole thing repainted. But it was well overdue for repainting when I moved in and so painting was part of the quotes.

Then there was the new carpet in the stairwell and the painting of the stairwell and redoing all of the lobby, mostly with paint, but stripping old mirrors and retiling, it had 1980s tiles as you can imagine. Everything was just, like the lighting, light fittings, everything was kind of really daggy, it was just like yucky.

So I was out to Bunnings frequently and I was establishing all my trade accounts, which I know how to do to get the maximum discounts on things. I really did the design, I'm just about to start my own apartment renovation here, so I had an architect that I'd worked with to help me with the design of the apartment. I used him to do some drawings of our lobby area that I could show the other residents, and that was really what had them fully on board.

After that, the special levy that we'd raised between us was \$50,000.

Amanda Farmer: \$50,000 in total or each?

James Burgin: In total.

Amanda Farmer: Right.

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James Burgin: Which is kind of like ridiculously cheap.

Amanda Farmer: Sounds like it.

James Burgin: For what we attempted to do and have achieved. I had about, oh, a couple of thousand dollars in the budget for landscaping, and in the end, we ran out of money for that, but we had a working bee on two different days and I'm happy.

So if it makes me happy, then get agave plants from Facebook marketplace. We moved a lot of dracaenas which were in pots around the back of the property, we planted them out in what I now call the dracaena forest near the front door, so we did a lot of simple stuff which had a big impact.

Amanda Farmer: Now you've done that for \$50,000 clearly with your guidance, your expertise, your skills, James. You mentioned there, some buildings may take the option of engaging a builder who can oversee the whole lot and organise the trades. Did you at any stage consider that option and did you get quotes for that option?

James Burgin: Well, I didn't consider it for the whole thing, but because I needed some comparisons, I got some quotes where people ... Like I got one company that quoted on painting and tiling, so that's multiple pieces together. And I mean, we were looking at like, just for some of these quotes \$70,000 for tiling and painting and that didn't even do lighting or cleaning.

We gernied the entire brickwork of the whole property and all the paving and the pool area. I mean, we put a lot of the landscape in, so I did get comparison quotes, but I didn't get one master builder to quote on everything. I did have very thorough scopes of work written up, which I learned from Bernadette, so I could compare apples with apples. I had about four or five painting quotes.

But in the end, I had one unsuccessful painter who worked with us for a week or two, and I'd used him on another project, but he wasn't working out, so I moved on and I fired him. Then late at night I thought, I can't stop this project, and late at night I went on to Airtasker and at 11:30 I engaged a Korean painter to turn up the next morning, and he was fantastic. We did short-term on Airtasker and then we took over and paid him directly, but he worked with us to finish the project, which was over a number of weeks, so that was really the only sort of glitch.

I had another kind of low-cost worker who had to get his own white card to get all professional for our insurances, which he did. And he was kind of our labourer doing lots of work, but I was really the project manager. I worked damn hard.

Amanda Farmer: Well, that's one of my questions James, you mentioned working at night. I know you've got another business and other properties. Was this a labour of love or do you see this as an investment? How do you justify doing all of this hands on work?

James Burgin: It was definitely a labour of love, but I knew that it was worthwhile because this is not going to be my forever home. I thought I'm taking this opportunity now to upgrade our building. I did have a real estate agent come, actually, a colleague of Bernadette's, give me an opinion that the work we're doing would raise the value of every property by between 5% and 10%.

So if we're looking at Bondi and a Bondi apartment, they're in the one and half million to two million, that's got to be a minimum of \$80,000 uplift anywhere up to \$200,000 and we were putting in, I think it was about 8,000 each.

Amanda Farmer: Nice one.

James Burgin: And so it was not a hard sell to the other owners, especially because we had two that were selling, so that was the opportunity.

So my labour of love was self-interested, and the other good thing that's come out of the project is that we now are a community and we're collaborating with each other and there's much more camaraderie, there's much more friendliness in the building. I

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remember we had our strata rules up on a dusty set of framed prints in the lobby, which just looked horrible and of course, no one would read. So I took them down and I scanned them and put them into a document. Then I created a new notice board, which was on the first level of the stairwell, which everyone would walk past, because I wanted to use the lobby as a nice welcome space, not too much on logistics. So I put a notice board up, a pin board with which we've had photos of our working bees and the rules and regulations are up there now, and there's a Post-it note so anyone can leave messages, so that made a little focus and when we did the lighting, I put a spotlight on that.

Then the other thing I did over the general look was, I'm a keen photographer, and so over the years I've photographed around Bondi and I got a whole series of my photographs and turned them all into black and white prints, framed them with the cheapest frames I could buy from Ikea, and they're all the way up the stairwell as well as large ones in the lobby. I'm really proud of the result and everyone loves it.

Amanda Farmer: I can imagine. I would love, bearing in mind you're a keen photographer James, I would love some photos of your building if you don't mind.

James Burgin: Sure, of course.

Amanda Farmer: I don't know if you have any before and afters and maybe we can share a link to them here.

James Burgin: I do have before and afters.

Amanda Farmer: That'd be amazing.

James Burgin: I do have before and afters, and interestingly when I first moved in and I had the carpet redone, and I found the commercial carpet place from the apartment that I'd rented before, I went back to them and they gave me the best quote of all for the carpet. So I took photographs of the workers when they were there and they had little competition, their company, leave us a Google review and you'll be in the running to win a Bunnings voucher. I thought, I'm going to win that. So I took photographs and gave them a glowing review and put the photos up, and now I know a thousand people that have seen those photos on their Google listing and I won the \$100 Bunnings voucher, so happy days all around.

Amanda Farmer: Good on you. Now you've said James, that each owner had to pitch in about 8 grand for this project. Was there any pushback around that? Was anybody late in paying that special levy?

James Burgin: Yes. We had some slow players, one voted against it, but then within a couple of weeks, he'd agreed, oh yes, I'm up for it.

But then, I mean, there were some challenges. I mean, one of the owners' wives would send me, I've never had longer text messages in my life, of complaints and trying to sub manage the project. One of the interesting things that we did was for tiling, you can either strip the tiles with a jackhammer and take them all out and start again, or you can put tiles over the top. So when you put the tiles over the top, that means the step height is going to be a little lower, which this person was complaining that won't be legal and you can't do that. So I started measuring every step just to check, and they weren't all even.

So my solution was I created two thin pieces of plywood for the first two steps, so I evened out the height taking into account the new tiles and they work out perfectly. In fact, we'd all been walking over a very low step that went into the garage, no one had ever noticed it until this issue came up. But I found the solution. But that was the sorts of things that we had to deal with, and I bore the brunt of those sorts of complaints and challenges and people wanting to sub manage.

Amanda Farmer: And those who maybe weren't on board at first, they're now in the camp that loves it?

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James Burgin: They love it, everyone loves it, so we kind of achieved our goal. I wouldn't say we're like, we're not borrowing cups of sugar from each other every day, but now definitely, we are visiting each other more so, so that's a really good outcome.

Amanda Farmer: And did your two owners who intended to sell, have they now sold and realised that nice uplift?

James Burgin: They've both sold and one of them has exchanged and we've got new owners and I'm very happy to say that this new owner loves gardening, so I think I've got an ally to help me with the landscaping. I saw in his storage cage there was a level and a toolkit and I thought, wow this is a good sign, someone who's got a level is, I think, my kind of guy, so they've moved in.

Then the other one, they exchange at the end of August. So it's a bit of a change, we have a close community, if only it had worked out the one who had the four-bedroom, who's moving at the end of August, he would've loved to have bought the two-bedroom.

Amanda Farmer: Right.

James Burgin: But because their auctions were wrong way around, he missed out. So, it's just a change of community I guess you just go with the flow.

Amanda Farmer: Nice. Is there anything James, that you would have done differently with this project now with the benefit of hindsight?

James Burgin: Got a higher budget.

Amanda Farmer: Right.

James Burgin: Definitely. I mean, I put in about 20% extra.

Amanda Farmer: Right.

James Burgin: And we still burnt through that, so there's still a slight debt to me, which is in the minutes and I'll get that back over time, but I would've increased the budget a bit.

The other thing we were doing was we were actually doing a lot of postponed maintenance on the building, like gutter clearing and roof repairs, and all those things ended up being paid for during the renovation it made sense. But that also ate into our, we've got very little money in our body corporate funds, it's time now to increase our quarterly levies.

So those sorts of things, we probably would've been a bit smarter to have the budgeting and overall management of the property instead of trying to do everything. I mean, I really was keen, I thought this is my chance if I don't do it now, when will I do it? And so I was kind of really pushing for things to go in. Like we've got new lighting in the garage, it was dingy. Do we really need new lighting? I mean, they were crappy old fluorescents. But now we've got the whole place on sensors instead of those old push button timers. We upgraded the legal requirements of the exit lights and those sorts of things, it was all done, so I think we'd probably spread it out a bit more. I think also I've learned to have an annual budget for upgrades and maintenance.

Amanda Farmer: Yes. Do you remain committed to self-management?

James Burgin: Well, I took on, I said I don't want to be chairperson, I'll be secretary because I said, the secretary, all they did was sign checks. And the other person who was willing to be chairperson, she's been here for a long, long time and it used to be her grandmother's place.

Amanda Farmer: Right.

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James Burgin: She said, "I'd rather save the money." And so personally I don't really want to be on the committee. I do enough around the place without having to have that extra admin role. And we've agreed to do it and revisit the decision in six months' time.

One of our residents did some research into getting strata managers on board, which of course would cost us more, but I think we'd be, I don't know, personally, I'd rather pay the money.

Amanda Farmer: Well, you are the one doing all the work, James so I understand that.

James Burgin: Well if I just did the lawn mowing, but I feel it's a burden. But you know, Amanda, we had a little breakthrough yesterday because we've had a chequebook, and it's so old-fashioned.

Amanda Farmer: Yes.

James Burgin: I mean I don't personally have a chequebook.

Amanda Farmer: No.

James Burgin: And so my colleague and I, we had paperwork and stuff to put ourselves on the account and be signatories, and so we thought we must be able to do it, that we could pay the money directly from the accounts. So we went along to the bank thinking this would take ages and oh my goodness, we would get lots of paperwork. Half an hour later, we were both signed up, both of us had got on the account but had no access to paying anything. Now we're both signed up, and one of us initiates a bill to be paid online and the other one has to approve it, which is exactly the same as two signatories on the cheque book and that's such a breakthrough. So, little things like that, we're getting into the 21st century with body corporate management.

Amanda Farmer: Yes, that's right. James, there may be some listeners who are excited and inspired by your experience in your project. If they're thinking about something similar in their building, what would you suggest should be their first step?

James Burgin: I mean you have to start talking to people, I mean there has to be some lines of communication. I often hear horror stories of strata and you share some of those on your podcast.

Amanda Farmer: Ah, there's a few.

James Burgin: But you know you need your allies, and I certainly had my allies to envision what you want to do and then you have to bring a proposal. So the initial, all we did in the first meeting was suggest the idea and agree that we would have three quotes for what needed to be done. So then I just went to work and created the whole scope of work document that listed out everything. I took photographs all around the building of all of the stuff that needed to be attended to. And I had a Google doc with our scopes written up thoroughly from which I could get comparable quotes because I know some people will bring in, like if you're getting a kitchen renovated, bring in three different people to get a kitchen quote, and then you end up getting three quotes and you can't compare apples with apples, because they each had a different idea that they'd tell you what you needed to do.

So I knew about that, and I had specific scopes, which I shared and was able to bring back and put together a budget. So I think you have to get your allies, you have to build up what you want to do. I would say probably, pick your battles.

I mean, I would love to remove our front fence, for example, it's a brick fence and it's got some trees that are pushing it and it really needs to be repaired or demolished, I'd rather replace it with landscaping but I'm not going there anytime soon. But in due course, that would be another one to do, so I think we kind of align on that, and probably now we're meeting more frequently, we can have a plan of what we're going for in terms of overall building upgrade because it definitely makes a difference with property value.

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Amanda Farmer: And you're all proud of what you have now and proud to have visitors come through, and I'm sure you want to maintain that and even continue to improve it where you can.

James Burgin: Absolutely. I mean, it's just more joyful coming home every day now. I mean, this is a walkup block and I'm on the top floor, so it's a staircase of three levels. And now there's photography all the way up with nice colours and the new balustrade and I removed some of the old curly stuff that was really 1980s and put in some more, very minimal changes, but it modernises the whole thing and it feels good.

Amanda Farmer: Now you've said there James, that a lot of your skills that you were able to apply through this project, you learned through Bernadette Janson and The School of Renovating. Let us know if you'd like, how we can get in touch with that same expertise, and I'll include a link in the notes here. And also any listeners who want to get in touch with you, if you don't mind sharing directly with anybody who's interested, let us know how to make contact.

James Burgin: Okay. Well, my business is Brand Within, so brandwithin.com you'll find me or it's just James Burgin, I'm on Instagram for very casually. And The School of Renovating, we have a particular focus on women in renovating. Bernadette's been very passionate about supporting women to be, or convert their passion for beautiful homes into an income. And so there're hundreds of women who've really been succeeding through her school with incredible education modules to learn the ropes and to convert their desires and passions and love of beautiful homes into an ongoing revenue stream and oftentimes in a way that you can leave your nine to five.

So particularly, women who are maybe in their fifties or beyond who like me, I felt like I left my run too late in terms of getting all my retirement money sorted, but now I've got kind of a bright future and renovating will certainly be part of it, so theschoolofrenovating.com is where you'll find us.

Amanda Farmer: Excellent. I'll put that link to The School of Renovating in our show notes for today. It's been wonderful chatting to you, James. As you alluded to, we're often talking about problems and war stories here on this podcast, so it is a breath of fresh air to hear about your success and the success of your community. I can't wait to see those photos. Please do send them through and we'll share them here under the episode, and I can't wait to see what you do next.

James Burgin: Great. Thank you very much, Amanda.

Amanda Farmer: Pleasure.

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?