

# A Guide to Budgeting for your Home Makeover Project



## How much do you need?

There is no straight answer to this. How much you need depends on so many factors on top of what you need/want to do in your home. Your taste and your own ability to carry out some/all/none of the work will impact your budget.

### The most important question is, how much can you afford?

Whatever you can afford to spend on your project, deduct between 10% and 20% for contingencies. If it's a simple update, 10% should be sufficient. If it's a renovation, put aside as close to 20% as you can manage. Murphy's Law dictates that unforeseen issues will arise, so expect the unexpected and have money set aside to cover them.

## ROI Ceiling

Be sure to factor in your home's current market value, and its potential value after the work is done. Cap your budget for each room at 10-15% of the overall value of your home. Spending more may not see a proportional return on investment.

As a rough guideline/example, if your home is worth €200K, spend a maximum of €30K on a kitchen or bathroom renovation, and a maximum of €20K on other rooms.

## Step-by-Step Process

### AUDIT

#### What is staying? What is being replaced? What new elements are being added?

- Create a spreadsheet detailing everything to be included in the redesign: building materials, fixtures and finishes. Include everything from paint, furniture, and lighting to accessories. This isn't likely to be completed in one sitting – take your time and ensure every item, from small to significant is included.
- Re-order your list according to priority spending. What's a non-negotiable in terms of sourcing the newest and highest quality you can afford? Eg, new heating source, rewiring, essential appliances, new doors or windows.
- Next, mark everything on your list as either a want or a need. (Do you need a new sofa, or do you want one?) Then create a separate column marked 'Desired' and move whatever is a want, and not a need, into that column. Head the original column as 'Essential'. This budget split will help you to remain mindful of how to prioritise your spending decisions throughout the project.
- In the 'Essential' column, remember to include the following items:
  - Labour** – what professionals do you need to hire? What work will you DIY?
  - Accommodation** – can you live onsite during the project, or do you need to move out? What additional living expenses will you incur during the project?
  - Do** you need to store furniture/appliances during the project, with associated costs?
  - Do** you need planning permission? If so, what are the associated costs?
  - Are** there any other hidden costs that you need to account for?
  - Do** you qualify for grants by completing the work, eg upgrading energy efficiency?

## Step-by-Step Process cont.

### RESEARCH:

- Get three quotes for labour, and note the expected costs for each trade you need to hire. Get full details on what's included – and what's not – from each service supplier. Add them to the column beside 'Essential Elements'.
- Price up all your high-priority, non-negotiable elements – again, research a few options and note your estimated costs.
- Price everything else in the 'Essential' column, keeping an eye on the bottom line.
- Total the estimates for your essential services and materials, and deduct from your overall budget. This leaves you with your budget for the 'Desired' elements.
- Begin to research prices for everything else you want to include in your makeover and add the expected cost to your spreadsheet. This is to help you stick to your planned budget when the time comes to shop these elements. Avoid the resistance to start shopping these pieces right away. It's essential to ensure you've covered the costs of the most important aspects of the project before you start spending on the more fun aspects.

## Managing the Budget

- Add a column to your spreadsheet to track your actual spend.
- Keep a running tally on how actual spending compares to what you budgeted for, and therefore what impact it is having on the remaining budget.
- If necessary, reduce your budget allocation for outstanding purchases to ensure you don't run out of money before all essential services and materials are paid for.

## Sample Budget Template

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>Kitchen - Essential</b>						<b>Kitchen - Desired</b>					
2	<b>Item</b>	<b>Price</b>	<b>Qty</b>	<b>Budget</b>	<b>Actual</b>		<b>Item</b>	<b>Price</b>	<b>Qty</b>	<b>Budget</b>	<b>Actual</b>	
3	Plumber	1000	1	1000	1100		Open Shelving	30	3	90	90	
4	Electrician	1000	1	1000	950		Coffee Machine	480	1	480	399	
5	Tiler	1000	1	1000	1080		New Dining Table	550	1	550	600	
6	Floor tiles - per sq metre	30	12	360	320		New Dining Chairs	120	6	720	660	
7	Backsplash tiling - per sq metre	30	9	270	260		Retro Sideboard	900	1	900	880	
8	Tile adhesive	30	5	150	165		New Microwave	200	1	200	250	
9	Grout	20	2	40	40		New Blender	200	1	200	300	
10	Counter Tops	550	2	1100	999							
11	Cabinets	65	10	650	680							
12	Cabinet doors	40	10	400	380							
13	Cabinet hardware	4.25	15	63.75	63.75							
14	Oven	450	1	450	399							
15	Hob	300	1	300	285							
16	Extractor Fan	200	1	200	210							
17	Fridge Freezer	700	1	700	658							
18	Dishwasher	400	1	400	389							
19	Track lighting	260	1	260	289							
20	Under cabinet lighting	25	4	100	100							
21	Dining area pendant light	100	1	100	89							
22	Paint	120	1	120	120							
23	<b>Total</b>			<b>8663.75</b>	<b>8576.75</b>		<b>Total</b>			<b>3140</b>	<b>3179</b>	
24												
25	<b>GRAND TOTAL - BUDGETED</b>			<b>11803.8</b>								
26	<b>GRAND TOTAL - ACTUAL</b>			<b>11755.8</b>								
27	<b>BALANCE</b>			<b>48</b>								
28												

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