

Renovation Planning Guide

Everything you need to know before starting a major home remodel, all in one easy-to-read guide.

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Renovation Road Map

6 Pick a partner

RenoFi is the secret to affording a renovation, and you're on board. You have your financing partner, so it's time to officially choose your best contractor partner.

SELECT THE RIGHT CONTRACTOR

7 Finalize scope

Now that you have a loan option and a great contractor, it's time to finalize your scope and your renovation contract.

FINALIZE YOUR CONTRACT



5 TV makes it look easy

Yes. Like quad-pay, but make it renovation. Did you know that the good folks at **RenoFi** help people actually finance their renovations? Yep. This is true.



FINANCE YOUR RENOVATION

8 Select finishes

Bring your Pinterest board to life! This is when your Pinterest board comes into play. It's time to pick the materials, the paint colors, the fixtures, and all the little details that will make your renovation come to life.

4 Researching and interviewing partners

Choosing the right contractor is nearly as important as choosing a life-partner. (Kidding, kind of 😊.) Get references from friends or family. Interview candidates.

INTERVIEW CONTRACTORS

9 Living through the renovation

Line up your best reno lifehacks! Fire up the food delivery app. Get the playlists going. It will all be worth it in the end. Don't be surprised if the project takes longer than you think.

3 Initial scope

Wanting a bigger kitchen is different than needing one. How can you determine the full scope of your project? Create a list. As you look for an architect, contractor or interior designer, you can explain what you want.

DO A WANTS VS. NEEDS EXERCISE

10 It's all worth it

Celebrate your new reno! The project is complete, your home looks beautiful, and you can finally go back to normal.



2 Let's do this

Sure you've been talking about a renovation for years, but this is THE year you stop talking about it, and just do it.

COMPLETE THE ROI EXERCISE



HGTV binge

Acknowledge it's go time! Too-small kitchen? Stained carpets? Pinterest boards bursting with inspo? Yeah, these three points could all definitely lead to one place: your breaking point.

1

START HERE



What is the return on investment for a home renovation?

On average, you'll get a 70% ROI

If you spend **\$100,000** on renovations for your home, on average, your home will increase in value by **\$70,000**. However, this depends on the type of project, home location, timing, and real estate market.



Project cost **x 70%** = **Increased home value**

Top ROI projects, ranked

1.

Long-term value projects

Despite the changing real estate market, design trends, or even wear-and-tear, these projects will hold their value. This includes projects that add functional space or square footage.

- Addition project



- Finishing the basement



- Adding a bedroom or bathroom



2.

Short-term value projects

Projects that add functional space or square footage, but may not hold their value after multiple decades. If you're selling in the short-term, these projects will provide just as much value as long-term value projects.

- Kitchen remodel



- Bathroom remodel



- Deck or patio



3.

Potential value projects

Projects that are aesthetic-only, luxury upgrades, or out-of-the-norm for most homes. These projects could add value, but it depends on the location.

- Installing a pool



- Backyard landscaping

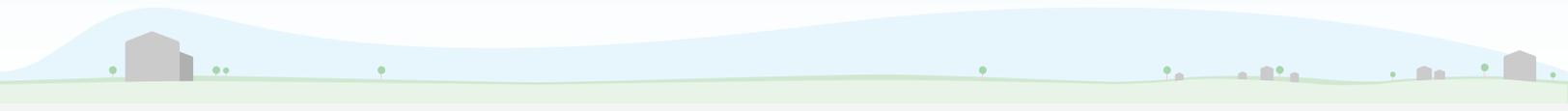


- High-end renovations



Prioritized Wishlist **Worksheet**

Instructions: Go room by room through your house and write down every change you'd like to make. Don't forget the exterior! Next, underline or circle anything on the list that is a "Need" vs. a "Want."



Room Name:

- | | |
|----|----|
| 1. | 5. |
| 2. | 6. |
| 3. | 7. |
| 4. | 8. |

Room Name:

- | | |
|----|----|
| 1. | 5. |
| 2. | 6. |
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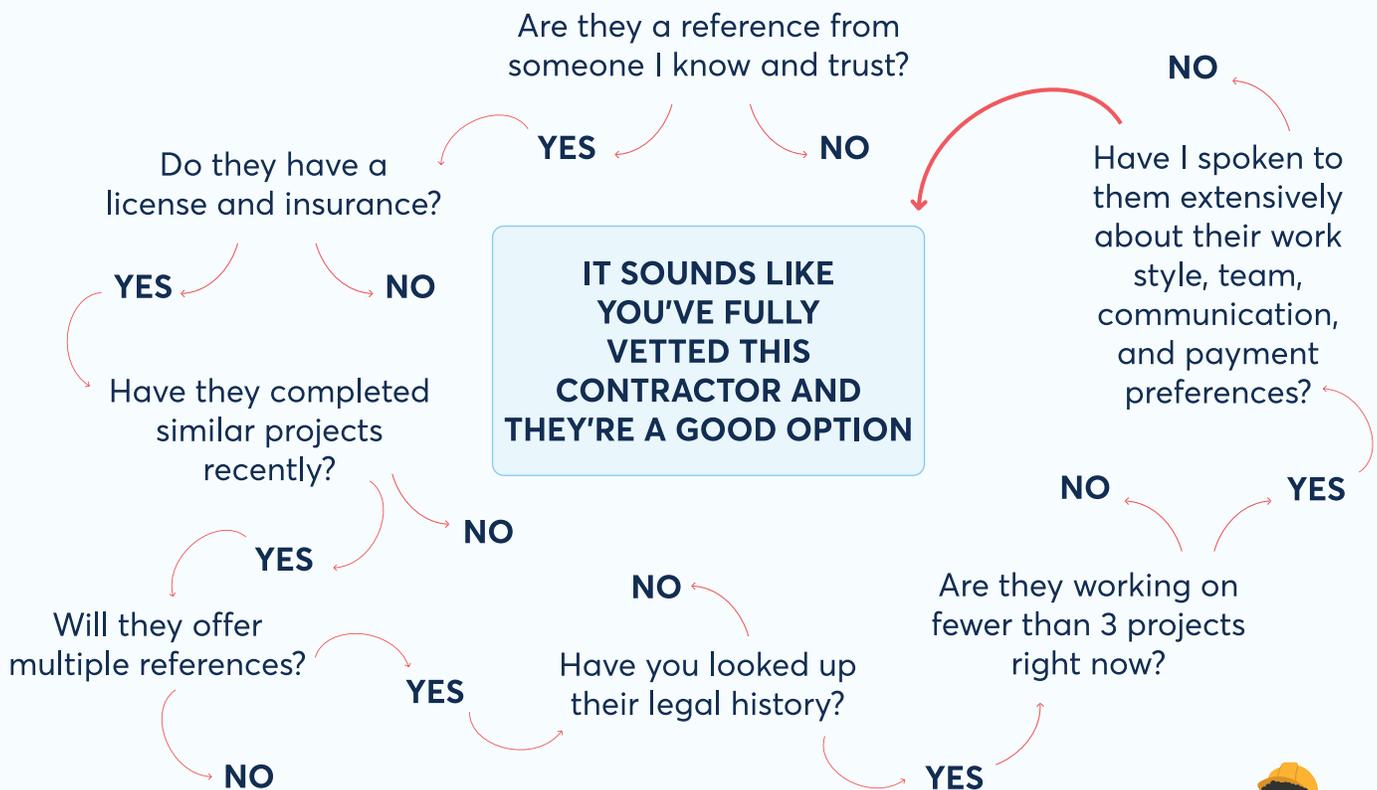


Finding a Contractor

Should I use this contractor for my renovation?

Questions to ask when interviewing a contractor:

- How long have you been in business?
- Who is on your subcontractor team?
- Have you worked on similar projects?
- Can I see pictures of your past work?
- Are you licensed and insured?
- Is there a warranty?
- Can you provide a walkthrough of stages of the job?
- How would we handle mistakes or disagreements?
- Have you ever had a dispute with a homeowner?
- When can you start and how long will it take?
- Will you take care of inspections and permits?
- Will your team clean the site each day?



Renovation Financing Options

Which loan is best to finance your renovation project?

LOANS OFFERED BY OUR LENDING PARTNERS

Borrowing power is based on future home equity after the renovation.

Fixed Rate

Peace of mind of a fixed rate without the need to refinance your first mortgage.

Loan amounts of
\$ 25,000 to \$ 300,000

Rate	Fixed rate
Terms	up to 20 years
Borrowing power	Up to 90% of the AFTER renovation value
Drawing	Full loan amount distributed at closing

No need to refinance your existing mortgage

HELOC

Flexibility of drawing what you need when you need it without the need to refinance your first mortgage.

Loan amounts of
\$ 25,000 to \$ 500,000

Rate	Variable & Fixed rates available
Terms	up to 10 year draw phase, followed by up to 20 year amortization
Borrowing power	Up to 90% of the AFTER renovation value
Drawing	Line of credit, full amount available to draw at closing.

No need to refinance your existing mortgage

RenoFi Cash-Out Refinance

Mortgages up to
\$ 2,000,000

Rate	Fixed rate
Terms	up to 30 years
Borrowing power	Up to 90% of the AFTER renovation value
Disbursement	Full loan amount distributed at closing

*Available loan types vary by state



Renovation Plan Checklist

Project Proposal:

What should be included in your contractor's initial estimate?



Itemized Breakdown of All Materials



Itemized Breakdown of Labor: Will seeding and grading be included if the landscaping is damaged by certain renovations? Who is obtaining the required permits? Etc.



Architect/Engineer Plans (if applicable): Specifically for more complex renovations, involving multiple rooms or structural/foundation changes; or for any project where the local building code requires engineering/architectural plans be provided.



Drawings: Drawings of the renovation with dimensions from your contractor.

Renovation Contract:

What needs to be in your final contract?



Contact Information: Company name, phone number, website, and email, as well as the direct contact info of whoever is managing the renovation. It should always be clear who to call with any questions you have throughout the process.



Change Order Procedures: Find out exactly what your general contractor constitutes as a change order, and what happens if something out of scope is required during the renovation.



Clear Construction Timelines: Not only the projected completion date, but what can be expected daily. What days of the week will the contractor or subcontractors be working? What time will construction start and stop each day?



Payment by Progress Breakdown: Request a clear and fair payment breakdown based on the project's progress. 1) No more than 15% upfront, 2) Ideally, no one payment is more than 20% of the overall budget to ensure there is enough granularity in the payment schedule, and 3) Try to hold back at least 10% for the punch list at the end.



Guarantee or Warranty: Your contractor should have a warranty on their work. It should tell you how long you are covered for, what the contractor agrees to fix if something breaks, and in what timeframe the contractor will return to take care of it.