

Don't Break the Bank!

How to Budget for Home Maintenance

Owning your own home is part of the great Australian dream, but once you have those keys in your hands, what else does it *really* mean? If you want your home to stand the test of time, be a good investment for future sale, and always be a safe place to be, then you need to put the time and money into regular home maintenance. We have said it once, and we will say it again... prevention is MUCH better than cure when it comes to home maintenance. Dealing with small problems early is a HUGE factor in keeping home maintenance costs down, and your stress levels to a minimum. But how do you budget for home maintenance? What do you need to consider both short and long term?

Budgeting Rules & Guidelines

There are a few theories and rules floating around regarding the best ways to budget for home maintenance, but we will just run through some of the major ones. Each of these rules has their downsides, but as a guide, they are worth considering:

- ***The 1 Percent Rule*** – This is a very popular approach and suggests that 1% of the purchase price of your home should be set aside for ongoing maintenance costs. For example, if your home cost \$500,000 you should budget \$5000 per year for maintenance costs. This does not mean you will actually need to spend \$5000 a year of course! Some years, maintenance will cost you next to nothing, whereas other years it might cost you \$15,000 for a new roof. By setting aside a regular amount of money each year, you should never be caught short when you actually need the funds.
- ***The Square Foot Rule*** – This rule suggests that you budget \$1 for each square foot of your home, per year. For example, if your home is 2000 square feet, you should budget about \$2000 for home maintenance. This does make some sense, given the larger your home, the more area you have to maintain!

When considering these rules and how they might help you to budget for your annual home maintenance, you should also keep the following in mind:

- ***Age*** – the age of your property has a huge impact on how much it will cost you to maintain it. Clearly, older homes will have larger components in need of maintenance and restoration (such as the roof, hot water systems etc...).
- ***Weather*** – Where you live has a significant bearing on how much TLC your home will need. Homes in colder conditions are under significantly more strain than those in warmer climates. Having said

that though, Queenslanders don't have a great track record when it comes to weather conditions when you consider our propensity for moisture (think termites, rot and mould), high winds and heavy rains.

- **Condition** – The condition in which you purchase your home (if not a brand new one) also plays a large role. The older the home, the more impact a previous owner's care (or lack of!) will affect your home maintenance needs. However, age and condition are not necessarily related all the time. A younger home which has been poorly looked after can age much more quickly than its older, well-cared-for counterparts.
- **Location** – Where your house sits in your neighbourhood or street is also a factor when budgeting for home maintenance. If your home is at the bottom of a hill (where water drains and collects), for example, you might find your home maintenance needs are higher.

Whichever rule you prefer the sound of, in the end "...a properly maintained home is healthier, safer, prevents larger and more expensive repairs down the road and will help attract more homebuyers when it comes time to sell" (thestreet.com). There is a fine line between routine home maintenance costs and those that can send you into financial stress, but the tipping point ultimately relies on you and your vigilance. Happy budgeting!

Sources:

- www.about.com
- www.mintlife.com
- www.thestreet.com

All content presented in our blogs is advice only, and for the sole purpose of education and information. Brisbane Maintenance Experts are not to be held responsible for any decisions or actions that their readers may or may not take.

© Brisbane Maintenance Experts 2013