



The delicate challenges when selling a tenanted property



Selling a tenanted property brings with it all kinds of challenges, some foreseen and others unforeseen.

The first step in the process is to advise your property manager that you have decided to sell the property. The next step is to find a suitable real estate agent to manage the sale. It makes sense to chat with your current property manager and ask to talk to the relevant sales personnel to discuss the best path forward.

Your property manager knows your property better than anyone else and can advise on:

- the relationship with the current tenants;
- the state of the property; and
- any repairs or improvements needed.

During this process it is important to remember that the tenant will often feel as if their right to privacy and quiet enjoyment of the dwelling has been invaded.

This can be minimised if they are dealing with the managing agency and not forced into making viewing arrangements with a group of potential strangers. The tenant must allow you reasonable access to show prospective home buyers through the property. Please check with our office as certain days and times do have restrictions.

An open line of communication can prevent an unreasonable tenant from jeopardising a sale. Our agency has already built up the relationship with the tenant and we know how important your property is to you and to them. We have your trust and the trust of the tenant.

Our sales team are experts in these delicate situations and can prevent problems that often arise. They would be happy to arrange an appraisal for you if you are considering placing your property on the market.



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Spring's a perfect time for some **property maintenance**

A little spring maintenance done now can make all the difference to both your hip-pocket and your tenant in the hot months to come!

Spring is upon us, and while the warmer weather and brighter days bring a smile to everyone's faces, as a landlord, it's time to get busy on your investment property.

Inside

Safety and compliance are your watchwords when it comes to a springtime spruce inside your investment property. In collaboration with your property manager, consider carrying out safety testing of both gas and electrical appliances - providing peace of mind to both you and your tenants. In winter, heating systems are heavily used and may now require servicing, so having them looked over by a qualified professional will allow you to budget for any repairs necessary whilst minimizing risk. With the hot weather looming, servicing your air conditioning system (or even installing one!) can make your tenant's lives far more comfortable, potentially allowing you to command a higher rental yield too. Also, check for evidence of mould caused by condensation in winter. Mould is not only a concern for your tenants, it's also potentially very damaging to your property if left untreated.

Outside

Does your investment property have a garden or overhanging trees? Consider calling in a

property manager-approved maintenance team to clear leaves and litter from your guttering, preventing blockages and potential fire damage as the temperature climbs. Gutters bursting with leaves can lead to electrical fires and leaks during flash-flooding – a concern for both safety and your finances. Think about having a gardener trim back foliage, mulch and do any 'heavy lifting' in the yard maintenance department – particularly important in terms of presentation if you're going to be re-leasing in the near future.

Property Primetime

Spring is a prime investment season in the real estate world, so if you're looking to expand your portfolio, now could be the time. With a flurry of ideal investment properties coming onto the local market in the coming months, there's plenty of room for you to grow as a landlord. Not looking to buy? No problem. The rental market warms up during spring too, so it might be time for an annual rental review or discussion of lease renewal with your tenant - particularly if you've undertaken the spring spruce-ups we've mentioned!

Speak with your property manager to discuss taking advantage of favourable spring market conditions.



INCREASING THE RENT TO ABOVE MARKET LEVELS IS FALSE ECONOMY

If your property became vacant today, **what rent would it realise?**

Tenants are better educated today and are aware of the going rate for a certain type of property in a given location. This information is readily available to them simply by navigating the various Internet sites available.

In our experience, properties for which investors increase the rent to above market levels have higher vacancy rates than those for which rents are maintained at or slightly below market levels. Therefore, increasing the rent to above market levels is false economy as it results in a higher turnover of tenants, high vacancy rates and lost income.

By increasing rents to slightly below market rent, your tenant is aware that they are not being 'rent gouged' and are therefore more likely to remain in the property. This ensures full occupancy for you and a continuing income stream.

At the end of the day our job is to maximise the income for your investment property. We achieve this by not only increasing rents but also ensuring that you have a steady income stream and lower vacancy rates. Maintaining rents at or slightly below market level achieves both objectives.

