



DECEMBER 2020



Selling an investment property tenanted

Selling a tenanted property brings with it all kinds of obstacles, some foreseen and others can be slightly challenging.

If your preference is to have the property vacant, you have flexible access for inspections and you don't need to consider the tidiness of the property. On the downside, you are not receiving rental income during the marketing and sales campaign.

By allowing tenants to remain in the home, you improve the opportunity for another investor to purchase as they can see that a lease is in place and weigh up if it is a viable investment option for them.

Ultimately, there are benefits to either method – It's important to decide which option works best for you.

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 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.

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.

Honan Landlord Insurance has major changes on their policy and cost, we have engaged with Terri Scheer for alternative cost and product efficiency that may provide more cover as compared to Honan Landlord Insurance. Please feel free to discuss this matter with your property manager.

Our office will be closed 24/12/2020 and reopen 6/01/2021. Due to holiday break, our December EOM statement and transfer will be carried out on 23rd December.



Hendra Wijaya
Principal

RECENT RENTALS

- 2/16 Maroubra Road, Maroubra
2 Bed 1 Bath 1 Parking \$435 pw
- 32/336 Sussex Street, Sydney
2 Bed 1 Bath 1 Parking \$510 pw
- 607/717 Anzac Parade, Kingsford
2 Bed 2 Bath 1 Parking \$550 pw

FOR SALE



56 Brushwood Drive, Alford's Point
4 Bed 3 Bath 2 Car Parking
Auction on 05/12/2020 @12pm



7/17-21A Villiers Street, Kensington
2 Bed 2 Bath 1 Car Parking
Contact Agent for price guide

Clean now, save later

While property managers make it clear to tenants that they must clean their leased property to a high standard before they vacate, condition reports do allow for inevitable wear and tear on a rental property after long leases and multiple tenants.

A property can appear to be scrupulously clean at first glance, but the natural ageing of high-use areas such as hallways, lounge rooms and 'wet zones' (read: bathrooms and kitchens) will still require 'top up' maintenance cleans occasionally.

When necessary, we suggest landlords invest in the professional cleaning of their rental property - which can help postpone major repainting and the replacement of carpets, in addition to adding 'polish' to your property and attracting great new tenants.

Keeping your asset clean and in good repair (while keeping an eye on features that may need updating or replacing due to excessive wear) can help ensure that you consistently garner your optimum rental income.



**PROFESSIONAL
CLEANING A
RENTAL
PROPERTY
CAN HELP
POSTPONE
MAJOR
REPAINTING**



Budget for success with your investment property

Budgeting does not solely apply to balancing the books of a company or a household budget, it is also essential to the successful financial planning when owning an investment property.

Intelligent property investors are very mindful they should prepare a budget to cover all contingencies throughout the lifetime of owning their investment property.

It is vital that careful financial planning is front of mind when considering the purchase of an investment property. That way when outgoings arise, the cost doesn't eat into the investor's personal budget.

contents, landlord protection, public liability)

Factor in rent to cover 2 week's vacancy per annum

7 years Replacement of hot water system

5 years Repaint

8 years Re-carpet

9 years Replace blinds and window coverings

10 years Replace main appliances (such as cooktop, oven and dishwasher)

Failing to adequately budget for such expenses can easily create the potential for financial disaster for highly geared investors.

If you currently own an investment property, it's not too late to start budgeting for any recurring costs and anticipated future expenses that may arise.

In preparing your investment property budget financial experts suggest that you take into account the following:

Quarterly Water and council rates, Strata levies

Annually Insurance premiums (building,

In addition, a delay in undertaking necessary work due to insufficient funds can actually cost more in the long run. Having a preventative maintenance program and budget in place will save you money and stress and may even prevent the loss of a tenant!

It is one of the golden rules of property investment that in order to maintain a sound investment, the property must not only be presented well, it must also be well maintained.

Experience tells us that ticking all those boxes tends to result in the best tenants and the best rent. This can only be achieved with prudent budgeting.



Wishing you all the best over the holiday period and we very much look forward to being of service to you again in 2021.