

FEBRUARY 2021

Tips to boost your rental yield in 2021

Securing strong rental yields from rental income should be the strategy of many property investors. Strengthening this further does not always have to wait until market conditions improve. Here are a few tips to consider:

Adding security

Ensuring that doors and windows have good key locks, and even adding a security alarm provides peace of mind and sense of wellbeing and safety. Tenants can also receive a discount on their tenant contents insurance if the dwelling has better security. This just adds to its appeal.

Refreshing the Property

Adding a new coat of paint to the walls and woodwork, replacing tired or damaged flooring or making other improvement can increase the appeal of the home and can also increase its demand and rental asking price. Don't forget your tax depreciation benefits when renovating. Speak with your accountant on this one.

Replace Appliances

Replacing the tired old oven or adding a new dishwasher always adds to the appeal of a property.

Bullet-Proof the Garden

Let's face it, tenants in general don't like gardening. Therefore, a low-to-no maintenance garden will be attractive. Can the lawn area be replaced by synthetic turf? Can stones or gravel replace lawns and gardens? Can the watering systems be automated? Tenants value convenience.

Street Appeal

Prospective tenants do judge a book by its cover so it makes sense to make sure that the cover looks great. Do the letterbox or fences need new paint or even replacing? Does the garden need a face lift? This doesn't have to cost a lot to look great!

Add Storage Space

Tenants love storage space, especially when they don't need to bring it with them. Installing built-in robes and cupboards that use space in a smart way and adding shelves in bedrooms or in the garage will make the home more attractive. Is there space under a staircase that can become storage space? Be creative!

Richardson & Wrench Maroubra wishes a Happy Chinese New Year 2021 – Year of the Ox to those who celebrate. Hope the days ahead are filled with immense joy and prosperity. We are also excited to re-introduce our owner's online portal where owner can access property information including statements and lease details. You will receive an invitation to join owner's portal in February 2021.



Hendra Wijaya
Principal

RECENT RENTALS

303/679 Anzac Parade, Maroubra
3 Bed 2 Bath 1 Parking \$775 pw
402/747 Anzac Parade, Maroubra
2 Bed 2 Bath 1 Parking \$700 pw
510/18 Park Lane, Chippendale
1 Bed 1 Bath 0 Parking \$420 pw

RECENT SALES



56 Brushwood Drive, Alford's Point
4 Bed 3 Bath 2 Car Parking
SOLD - UNDISCLOSED



7/17-21A Villiers Street, Kensington
2 Bed+study 2 Bath 1 Car Parking
SOLD - UNDISCLOSED

THE IMPORTANCE OF AN ENTRY CONDITION REPORT

When a tenant moves into a property, both the tenant and the property manager are required to complete an entry condition report.

This report is an extremely important document as it is a record of the condition of the premises at the start of the tenancy.

When completing an Entry Condition Report, it is not just a case of ticking and flicking that everything is clean, working and undamaged. The report is then used throughout the tenancy by your property manager as a point of reference as well as at the end of the tenancy.

If you fail to describe the inclusions, fixtures and fittings in fine detail, it can cause unnecessary disputes at the end of the tenancy or lead to a possible financial loss for the property owner.

The more detailed the entry condition report, the easier it will be to over-come disputes at the end of the tenancy, and the better kept your investment property will be over time.



THIS REPORT IS AN EXTREMELY IMPORTANT DOCUMENT AS IT IS A RECORD OF THE CONDITION OF THE PREMISES

DO YOU SENSE ANXIETY WHEN YOU HEAR THE WORD 'VACANCY' WITH YOUR INVESTMENT PROPERTY?



While the aim should be to keep your vacancy periods to a minimal amount of time to ensure steady cash flow, a property vacancy does in fact have an upside. How? If your property is on the brink of becoming vacant it can be a perfect opportunity to assess any potential to add capital value by making some improvements to the property. These improvements may then also allow you to achieve a higher rental amount and more easily attract quality long-term tenants. Some examples include:

The installation of a new oven and/or cooktop

If the oven, cooktop or both have seen better days, installing new appliances is something to consider. A shiny new oven and/or cooktop not only adds capital value but also increases the appeal of your property to prospective tenants.

Installing or improving built-in wardrobes

If your investment property doesn't have built-in wardrobes, then installing them would instantly increase the appeal of your property. If your property has built-ins but they are very basic, you could consider upgrading them by adding more drawer and hanging space. By having built-ins, your property instantly moves to the top of a tenant's shopping list, thereby reducing vacancy periods.

Installing new window coverings

Modern blinds or shutters instantly increase the appeal of your property, even before prospective tenants step inside as they can see the difference from the street. Fresh modern window coverings are another means to increase the income you could achieve and are a long-term value-add to your property.

Installing a dishwasher

Dishwashers are relatively inexpensive to purchase and install. Not only does a dishwasher make your property look more modern, it also enhances the appeal of living there for prospective tenants who like the idea of not having to wash dishes by hand.

Increasing the fridge space

Take a good hard look at your kitchen space. Could the fridge space be increased? Often the difference between a property leasing or not is inadequate fridge space. Make the effort and reap the rewards. It's also wise to give your property manager the dimensions of the fridge space so they can promote this information to prospective tenants.

To increase your property's rental appeal, reduce vacancy rates, increase the rental value and improve your property's capital value consider the above points and use your imagination to think about what else you could do to improve your investment property during a vacancy period.

