



Finding and keeping good tenants

While most investors understand the importance of finding the right location, price and type of property, they can sometimes overlook the importance of finding the right tenant

Attracting and retaining the right tenant for your investment property should be one of your most important objectives when investing in property.

While we all hope to see our investment property deliver strong capital gains, the lifeblood of a successful investment is often the cash flow generated by rental income. Good tenants are therefore an essential component in an overall sound property investment strategy, but how do you find the right ones?

Be thorough

Some investors may decide that it is worth forgoing a percentage of their rental to pay for the services of a professional property manager – and this is a proven strategy for investors across the country – but with the right approach you can ensure that you can successfully manage the process yourself.

When looking to find long-term reliable tenants, whether you're seeking to self-manage or use the services of an agent, start by establishing the following:

- How stable is the tenant's current financial situation?

- What is the nature of the tenant's lifestyle and occupation?
- What does the tenant's rental history reveal?
- Who are the applicant's referees?
- Does the applicant have dependents?

Make sure that when interviewing tenants you are fastidious in checking references and financials. Alarm bells should start ringing if tenants haggle over the bond as this may be an indication of trouble brewing for the future when it comes to meeting their rent obligations.

Once you've found good tenants, the trick is to retain them for the long haul.

The first step is to charge a fair and reasonable rent from the outset. Make sure you are well versed with true rental values in your area because you can be sure that prospective tenants will have a good idea.

A reliable tenant who pays rent on time and looks after your property is an asset to your investment. It's often attractive to landlords to push rents up to increase returns, but be warned: push too far and you may find yourself with a vacant property.

But retaining good tenants for the long haul is not down to the rental alone.

Get service orientated

If you're going to manage your own investment property it's essential that you react quickly to problems with the property as soon as they arise.

That means turning up yourself armed with your toolkit when doors come off hinges and guttering works loose, otherwise make sure there is a good handyman on your books.

It is also important to respect the tenant's privacy, so make sure that you give good notice when you want to inspect the property. Turning up unannounced can be tempting but you are sure to get a good tenant's back up if you look like you're snooping around.

Finally, don't be afraid to let your tenants know that their rent is appreciated. Sending a Christmas hamper can work wonders in retaining good tenants – and it may well pave the way for edging up their rent when appropriate

If you would like more information on your options, give us a call today. Unlocking your investment potential could be easier than you think.