

# HOW DO WE KNOW QUALITY TENANTS REALLY ARE THE KEY TO SUCCESS?

A quality, long-term tenant is critical to the performance of any investment property which is why it is important not to compromise during the application selection process. It can often be a better choice to have a vacant property for a little longer than lower your standards and end up with a troublesome tenant that could cost you money in the long-term. Outlined below are a few handy hints to help investors maximise their rental income.

## **1. Be selective with your tenants**

In a tight rental market it can often be harder to attract quality tenants, but this does not mean you should lower your standards. It is important to always be rigorous in the screening process, which includes rental references, personal references and employment references to determine that the tenants will care for the property and maintain the rental payments.

## **2. Do what you can to retain existing tenants**

If you have quality tenants living in your property, it is in your best interest to do what you can to retain them. Sometimes it is worth negotiating on rent or introducing a few small incentives or tokens of appreciation to keep a good tenant. You should work with your tenant when a dispute arises to negotiate a solution that suits you both (where appropriate), rather than try to dictate terms.

## **3. Be realistic with your rental expectations**

Often prospective tenants looking for a rental property will know exactly what properties are available in their preferred suburbs and the current market rent, which is why it is important to be realistic.

Tenants will always be motivated by the presentation, location and features of a property but at the end of the day, if the price isn't right, they will move on which can potentially result in high tenancy turnovers and increased wear and tear on the property.

If your long-term tenants are moving out and you know the market has tightened, be realistic about reassessing your asking rent before you advertise the property. You don't want to alienate potential tenants from the outset by pricing yourself out of the market.

## **4. Think with your head, not your heart**

Too many investors are unable to take the emotion away from their day-to-day decision making process when it comes to their investment property and think with their heart and not their heads.

That is why it is important for all investors to be objective and take a 'business-like' approach to their investment. Every decision needs to be strategic to maximise your income and optimise capital growth. You always need to look at the big picture and weigh up the pros and cons.

Call us today to discuss further 03 5755 1307

