

Waiting for right tenant a wise move

ON GUARD

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DESPITE what some tenants think, property investors are not all rich landlords raking in the money.

Many investors rely heavily on the rent each month as their major source of income. Others often have large mortgages and rely on the rent to meet the repayments.

Any disruption to cash flow can be disastrous to property investors, so finding and keeping good tenants is the best investment a landlord can make.

Every landlord dreams of finding the ideal tenant. But how do you find long-term renters who will treat your property as if it were their own?

Selecting a good tenant involves a combination of attracting good applicants and then taking the time to properly screen them.

Owning a rental property involves a certain amount of risk. However, this risk can be mitigated if you find the right tenant.

No landlord likes to think their tenant will damage their property or leave without paying the rent but these things happen.

The first step to avoid this risk is to select an appropriate applicant.

The best place to start is to ensure that the property is in good condition.

If you were putting a house up for sale, you would want it to be in the best possible condition to attract the highest price.

Finding a good tenant involves a similar approach. You need to sell your property to potential applicants.

This includes paying attention to the appearance of the home and making sure it is clean, tidy and low maintenance.

The easier it is for the tenant to maintain, the better condition they are likely to keep it in.

Landlords must also aim to set an

appropriate and realistic amount for rent.

Keep an eye on other properties in your area and the level of rent they are asking for.

If you set your rent too high, you may deter quality tenants and reduce the pool of applicants to choose from.

The most important factor in finding good tenants is to appoint a property manager.

Property managers are well placed to advise on an appropriate level of rent and can prove invaluable during the tenant screening process.

Property managers know what is required for a thorough background check and have exclusive access to tenant default databases that list tenants who have absconded without paying rent.

When appointing a property manager, one of the biggest mistakes a landlord can make is to place pressure on their property manager to find tenants quickly.

While most landlords want tenants in their property as soon as possible, it may be worth waiting a bit longer to find the right tenant.

This will help you to attract a wider pool of applicants and will give your property manager sufficient time to screen them.

No matter how carefully tenants are screened, a landlord can never predict what might happen.

What begins as dream tenancy can still turn into a nightmare.

While a thorough tenant screening process is important, landlords could also consider insurance to help recover any losses if a tenant damages the property or absconds.

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Walk right in: many property investors rely heavily on rent for their cash flow, so finding and retaining the ideal tenant is crucial.