

10 THINGS TO CONSIDER WHEN PROPERTY INVESTING



Property investing can be a lucrative way to build wealth, but it's important to do your research, weigh your options carefully, and make informed decisions based on your goals and financial situation.

At Image Property, we believe landlord education is crucial to successful property management. To assist you on your property journey, we have collected some valuable tips to guide you through the process.

1. CASH FLOW IS VITAL

Your rent is your revenue and is vital to ensuring you can manage mortgage repayments, rates, insurance, maintenance, and unexpected bills. Missed or delayed rental payments will affect your bottom line. Focus on increasing your rental returns and ensuring tenants pay rent on time. You must work with your property manager to handle that behaviour or the eviction process if they don't.



2. DO YOUR HOMEWORK

A good tenant will ensure a smooth, stress-free tenancy, but a bad one can be extremely costly and time-consuming. Take the time to assess each applicant's rental history and employment history thoroughly. Take note of feedback from previous agents - a history of poor rental payments or damaging property is unlikely to change. Social media can provide helpful insight into the person you potentially let live on your property.

3. CONSIDER PETS

Legislation regarding pets has changed since October 1st, 2022. Upon receiving a tenant's request to keep a pet, property owners must respond within 14 days and provide a reason for their decision.

The failure to respond in writing within this timeframe will result in the automatic approval of the pet. The RTA has provided property owners with a letter template to assist them in their response. It's important to note that tenants still need to obtain approval from property owners to keep a pet in a rental property. If they're renting under a corporate body, they will also require permission for the pet.

In addition, some corporate body bylaws may have additional pet restrictions, such as the number and size of pets allowed.





4. WHAT ARE THE DIFFERENT WAYS TO LEASE MY PROPERTY?

While a long-term, traditional residential lease gives a landlord peace of mind for an extended period, it is important to remember there are other income opportunities for investment properties in today's market. These include short-term leases through sites such as Airbnb, and long-term furnished property leases. Depending on your circumstances and the property's features, these may be worth investigating or speaking to an agent about.

5. UNDERSTAND YOUR RIGHTS AND RESPONSIBILITIES

As a landlord, you must take responsibility for understanding your rights and responsibilities under the law to ensure you avoid ending up in a very costly situation. When starting, research and understanding the breakdown of responsibilities between tenants, landlords, and agents. If you are self-managing your property, knowing what you can and can't do and what to do when things go wrong is critical.



6. WELL-PRESENTED PROPERTIES ATTRACT BETTER TENANTS

A well-maintained, well-presented, and clean property will attract tenants who will keep it that way. Before leasing, touching up paint, thoroughly cleaning and removing any residual odours is worthwhile to find good quality, long-term tenants. Your property will also stand out for prospective applicants in a competitive market.



7. JUSTIFY EVERY DOLLAR YOU SPEND

Overspending on renovating your investment property is easy and fast to do. With your return in mind, renovating is vital – spend your money where you will get the most significant benefit. Ask yourself what local properties are renting for and the rental return you want to achieve. In doing so, you quickly identify your budget and the areas of the property that require renovation to achieve those returns.

8. INVEST IN THE PROFESSIONALS

A good mortgage broker, accountant, and property manager will make a formidable team in your investment journey. Investing money in professional advice will add value to your portfolio and provide you with hints, tips, professional advice, and help to manage the unseen work of property management.

9. MARKETING IS WHAT KEEPS YOUR PROPERTY TENANTED

Long vacancy periods are costly. It is crucial to minimise these periods and keep your investment productive. A quality marketing plan gives you the best chance of securing long-term, quality tenants. Be comfortable investing in high-resolution professional photos and good advertising packages on real estate portals to guarantee the best opportunity of leasing your property quickly.



10. INSPECTIONS ARE IMPERATIVE

Property Managers understand the importance of regular inspections of their properties to ensure that they are being looked after and that no maintenance issues go unnoticed or unreported. If you are self-managing your property, there is no time to feel uncomfortable about this process. You must inspect the property every six (6) months and watch for any building damages- cracks in the walls, squeaky floorboards, building movement, excessive wear and tear, or the tenants not looking after the property. Furthermore, the property's condition must be a requirement when considering lease extensions or increased rent.



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