

# R&W

## Property Management News

November 2016

# Encouraging good tenants to remain loyal?

The ideal for every residential property investor is to have a tenant that remains loyal (continuing the lease), pays the rent on time and maintains the investment property in good order. The other half of this equation is the investor providing a rental property that is affordable, well-positioned and is in good running order for the tenant.

This is the win/win situation. The investor can control their investment choice and quality but it's the tenant that is the 'unknown factor'.

### How does a property investor ensure their tenant remains loyal?

In order to increase the tenant loyalty and to increase the returns for our investor clients, we manage a number of elements that can significantly contribute to keeping a tenant loyal to an investor.

At the start of the tenancy we set out the tenant's responsibilities to the agreement. With that comes an expectation that the property will be well maintained. We make sure that the tenants understand these terms and their responsibilities. The signature on the tenancy agreement can be read as satisfaction with your rent, the property and lease terms. This clearly sets the boundaries in which the tenancy will operate. Here you have set the expectations straight from day 1 and this will minimise false expectations during tenancy. During the tenancy the efficient management of repairs as they arise will go a long way in maintaining tenant loyalty, such as fixing leaking taps or a broken window shade.



The little things do make a difference and a tenant that is appreciative of a landlord that is responsive to essential requested repairs will pay their rent on time and is more accepting of rent reviews and staying in the property longer.

The benefit of a tenant remaining loyal and continuing the lease in your investment property means less vacancy time (minimise no rent returns), less time and expense to market your property again and again plus there is more certainty that your investment property is being well maintained by a loyal good tenant.

Nurture the professional relationship you have with your tenant as a landlord and you will reap the benefits of a loyal tenant! A happy tenant is a good tenant!



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## Who is today's typical tenant?

Statistics recently released show the current profile of a typical tenant is a female aged between 35 and 49 who earns more than \$50,000 per annum. The statistics also show that less than 30% of tenants looking to rent a property today are men.

The study undertaken by website portal realestate.com.au revealed that less than 17% of prospective tenants today are under the age of 25. It is also interesting to note that over 12% of tenants are also property investors themselves.

When preparing your property for lease, we recommend that you not only take current market conditions into account, but also the likely profile of your incoming tenant. This will allow you to style your property in order to achieve maximum rental return.



## Why we need to ensure your property is compliant in order to minimise your risk

In today's leasing environment there are a number of compliance issues that must be addressed before entering into a Lease Agreement. Some of these compliance issues could be new and therefore they may not have affected you before. Issues every property investor must comply with today BEFORE the property is leased include ensuring the rental property:

- Is smoke alarm and water usage compliant,
- Has window and blind cord safety devices installed,
- Has achieved pool safety compliance (if there is a pool on the property).

While there is a cost to the property investor to ensure legislative compliance, the risk of non-compliance far outweighs the cost to be compliant. Unfortunately a number of property investors today are choosing to ignore the need to ensure their property is compliant, claiming it is either because they have never needed to do it before or because they cannot see the benefit of the cost involved.

By ensuring your property is lease compliant you avoid the risk of having an invalid Tenancy Agreement or worse – facing heavy penalties and having an insurance claim denied in the event of a loss incurred due to non-compliance. Worse still, you could be liable in the event of a public liability claim made against you as a result of a non-compliance loss. As an industry we have witnessed too many cases where this has occurred, for instance when a rental property goes up in flames and the property investor is found to be personally liable if the property is found without compliant smoke alarms in place.

As your property managers, we are faced with the unenviable task of informing you of these additional lease compliance costs. However we cannot stress strongly enough how vital it is to heed our advice and ensure your property is compliant in order to minimise your risk and protect you against the potential of future legal action and additional costs.

Contact your property manager for more information.

## The best reputation in real estate

**Important note:** Clients should not rely solely on the content of this newsletter. All endeavours are made to ensure the content is current and accurate however, we make no representations or warranties as to the accuracy, reliability, completeness, or currency of the content. Readers should seek their own independent professional advice before making decisions.

# R&W

Thank you to all our clients for your ongoing business and support, as a token of gratitude we would like to offer you to join our love local program entitling you special discounts with partnered companies in the area. For more information on this please don't hesitate to contact us.

We would also like to notify our clients in advance that our office will be closed from the 23rd of December 2016 midday and will re-open on the 4th of January 2017.

If you have any questions or concerns please do not hesitate to contact our office on 83475000.



**Hendra Wijaya**  
Principal

### Recent Sales



1 Cowper Av, Pagewood  
Bed 4 Bath 3 Car 2  
\$2,370,000



26 Mitchell St, Chifley  
Bed 3 Bath 1 Car 3  
\$1,700,000



144/116-132 Maroubra Rd,  
Maroubra  
Bed 2 Bath 2 Car 1  
\$910,000