

FROM OUR PROPERTY MANAGEMENT TEAM



GOING ELECTRONIC

Thanks to everyone for your support during our transition from mailing out information to a nearly fully electronic office. Our first month went well and was very successful.

We are now helping save the environment while supplying quick and reliable service.

Please Remember:

We can supply copies should you need them.

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Buy when everyone else is selling and hold until everyone else is buying. That's not just a catchy slogan. It's the very essence of successful investing.

J. Paul Getty

IMPORTANT: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Every effort is made to ensure the contents are accurate at the time of publication. Clients should seek their own independent professional advice before making any decision or taking action. We take no responsibility for any subsequent action that may arise from the use of this newsletter. Published by THE PPM GROUP - www.ppmssystem.com

Tips for Selling a Tenanted Property

Selling a tenanted property is an everyday common occurrence within real estate. However, from our experience we often find that some owners of a property can become so focused on the sale that they overlook the importance of the tenant.

As your managing agent we do understand that when a property is listed for sale the desired outcome is to sell the property for the highest possible price in the quickest possible time. And to achieve this outcome, it is very important that we work with the tenants.

We need the tenant to be cooperative with property inspections as well as ensuring that the property is well presented.

If we get the communication process right with the tenant from the outset this can greatly assist in selling the property.

We need to communicate to the tenant that we understand and are considerate at how they may be feeling finding out that the property has been listed for sale.

We need to communicate that we are going to respect their quiet enjoyment and will be considerate with inspection times.

If the tenant feels that we care they will be more cooperative.

WHAT IF THE TENANT IS BEING DIFFICULT?

When dealing with people in general there is always the chance of encountering a difficult one, and tenants are no exception. It is often the frequency, time of day and number of inspections that can be disputed by a tenant. If they have no consideration for the process they can also become quite disrespectful with the presentation of the property.

If a tenant does become difficult you may wish to consider offering the tenant an incentive to work with you.

1. Offer a small reduction in the weekly rent for a set period of time during the marketing and open house campaign.

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- We Are... Property Management Specialists



2. Instead of reducing the rent you may wish to consider offering the tenant a compensation bonus once the property sells.

Difficult tenants are the minority and as your managing agent we are here to assist in facilitating the process for a win/win outcome, as the last thing most property owners want is for the tenant to move out of the property during the sale process.

INVESTMENT TIP: **A COMMON MISTAKE** **SELLING TOO EARLY**

Properties double in value on average every 7-10 years. By selling too early, you will be missing out on the next cycle and property growth period.

Questions & Answers: **RENEWING AGREEMENTS**

What happens if the tenant does not want to renew the tenancy agreement when it expires?



This is a more common situation than you may think. As the owner of the property it is important to understand that when a fixed term agreement comes to an end, there is still a tenancy in place and the same tenancy agreement terms and conditions apply. Both the tenancy agreement and the Act allow for a fixed term to revert automatically to a continuing / periodic tenancy at the end if it is not 'renewed' for a further fixed period.

While there are some differences in the notice periods required for the two types of agreements, there are no other differences. In other words, if the tenant does not meet their obligations the same remedies apply to both fixed term and continuing/periodic.

The first step in the renewal discussion process should always be to ask the tenant why they do not want to renew. Often there is a legitimate reason such as they are in the process of buying a property.

If a tenant does not agree to a renewal of a fixed term at the end of a tenancy, then there are only two options that exist – either terminate the tenancy or allow the tenant to stay on as a continuing/periodic tenant.

Remember, while there are advantages to owners knowing that a tenant is secured by a fixed agreement, it may be better to have a continuing/periodic tenancy than no tenancy at all.

In deciding the outcome you should look at how long the tenants have resided in the property, have they paid rent on time and are they a quality tenant.

MAKING REAL ESTATE WORK FOR YOU



We are
Property
Management
Specialists

... but if you need
to sell, we can
take care of
things for you

Our Boutique Sales Service
is only available to our clients.

We believe that long term investment in property brings great returns. Still, as investors ourselves, we also understand that selling can sometimes be the best option.

We have found that offering a sales service to our clients helps make their lives easier. Since we already have a good relationship with the tenants there is less potential for issues during the process. And in many cases there are opportunities for a sale to be made to one of our other investors.

Since investors have little spare time, they need people they can rely on and trust with the things that are important to them. That's why we decided to include sales as one of the services we offer.

To make sure we keep providing the best possible service for you and your properties, we focus on property management and keep our Sales Service limited to only our clients and their friends and families.