



10 MISTAKES LANDLORDS MAKE...



It is important to inspect your investment property regularly.

1. Under rent the property and fail to keep pace with the increasing market.

When interest rates, strata levies and land tax rise, the landlord is left to carry the extra burden. It is only fair and sensible to ensure that the income the property generates is at the market rate and not significantly below.

2. Fail to spend money on minor maintenance, that ultimately avoid major works.

When it comes to repairs, a little expenditure today can save a lot tomorrow. Good quality properties attract good quality tenants and vice versa.

3. Attempt to lease a vacant property for a prolonged period at above market price.

Trying to increase the rent by a small amount can add up to a lot if the property sits vacant. Better to have a payer at a fair price than nothing at a dream price.

4. Increase the rent on an existing tenants so high that the tenant moves out leaving the landlord to pay re-leasing costs to the agent.

Paying an agent to re-lease a property can cost anywhere between 1 and 2 weeks rent. Too many landlords overlook this point when renegotiating rents with existing tenants.

5. Don't personally inspect their own property.

Investment properties usually hold a great deal of the landlord's net worth. It can be complacent to accept a condition report from the agent every 12 months as to the true condition of the property. It is always best to check it out for yourself, with your own eyes if possible.

6. Don't have enough respect for good paying tenants.
A stable tenant that looks after the property as if it were their own and pays on time is far more valuable than a sloppy non-payer.

7. Assume the property manager is paying close attention to the property.

Many landlords are shocked and disappointed to learn that the agent has not inspected the property or maintained its condition for years. What was a desirable renovated residence is now a bashed up shack. Why? In most cases, the property manager is managing too many properties.

8. Get emotional about the property and overlook the fact it is an investment.

An investment property should be treated as such. Some landlords treat it as though someone else is living in their home and become too emotional about the property. Consider your investment property as a 'Bricks & Mortar' savings account.

9. Overlook or ignore issues and requests the tenants may have.

A happy tenant is more likely to be a good payer. If the landlord does not look after the property, why should the tenant? Both the landlord and the tenant have a mutual interest in maintaining the standard of the property.

10. Don't check the prospective tenants references and history.

People don't become non-payers overnight, they usually have a history. In the rush to get someone into the property, the prospective tenant's references and history can be overlooked. It is better to have a vacant property than a non-payer that abuses the property.