

What kind of tenant will your investment property attract?

by Pam Marshall

When you're thinking about letting your property it can be difficult to trust it to a third party... After all, who knows what kind of tenants you'll get?

In actual fact, with the help of a quality property manager, the calibre of tenant and the rent your investment property could attract may well surprise you. You might even be underestimating just what your rental property could achieve.



When we provide an owner with a rental appraisal, they often ask “Really? But who can afford that?”

Here at Iron Bridge Property Management, we specialise in managing properties in the mid to top end of the rental market, and we've recently taken stock of just who our tenants are. So what do our rental clients look like? **From March 2014, here are the top 10 occupations of an Iron Bridge tenant...**

- **Teacher**
- **Sales Manager**
- **Project Manager**
- **Company owner**
- **Engineer**
- **Accountant**
- **Construction worker**
- **Retiree**
- **Sales representative**
- **Electrician**

A cobbler and seafarer also featured on the list!

A lot of these occupations are probably not your idea of the typical renter but bear in mind that nowadays it's pretty hard to depict your 'typical' renter – especially with the housing market reaching beyond the means of many, and the transient nature of work in some of our cities. In Christchurch the earthquakes and ongoing rebuild have dramatically altered the rental market.

New Zealand's latest census data – [read article](#) – shows less than 50% of the population now own their own home, a significant drop since the previous 2006 figures of 53.2%.

If you're a landlord, this is good news. It means more demand in the rental market and better prospects when it comes to selecting a tenant. But remember, the quality of tenant most often comes down to the quality of your investment property. Demand doesn't always equal dollars – your property needs to be up to scratch too. Read on to see our tips for hot, rentable properties.

In our experience, if you have a rental property that has been well maintained and is well presented, you will naturally attract a higher calibre of tenant and therefore achieve the most possible rent (for the market at that time). In most cases, the tenants paying these rents are working/corporate professionals and business owners – the kind of tenants who will generally take care of the space they're living in too.

Here are our 5 tips on what attracts (and keeps) the right tenant for your investment property:

1. **Maintenance** – Keep both the interior and exterior as neat, tidy and functional as possible. Letting things slide will certainly allow your potential tenant's opinion of your property to slide also.
2. **Security** – Whether your potential tenants have kids or not, a fully fenced yard offers an ideal of security, and privacy too. Safety catches on windows are also an item tenants regularly request, so they're handy to have. An alarm system can be a bonus too.
3. **Heating & insulation** – These days everyone is mindful of the cost of power and heating their homes. It's important your tenant is warm and dry with cost-effective methods to achieve this. Adding efficient heat sources or even a ventilation system can be a great drawcard.
4. **Modern fixtures & fittings** – Kitchens and bathrooms 'sell' a property. If yours are looking dated or worse for wear, it will definitely turn good tenants off. It will also make people think they don't need to be paying top dollar. Updating them doesn't have to eat into your profits either. There are lots of cost-effective ways to modernise a space – just google it! A full renovation will however add long-term value to your property rather than be a quick fix.
5. **Professionalism** – Your tenants are likely to be business people and they understand and expect a level of professionalism and respect from you or your property manager eg. prompt action on maintenance issues, and clear communication.

There are lots of factors that go into the attractiveness of a rental property – some you have control over, some you don't. But these few points can make a big difference to the price and standard of tenant you're likely to draw.

Finally, going through a solid vetting process when you come to select a tenant is one of the most important things you can do to protect yourself from potential issues with tenants. A good property manager will have a thorough process they go through, including credit checks, which can provide a lot more information than you may be able to source yourself.

So make sure you're set to secure the best tenant for your property. Our property management team is happy to give you obligation-free advice on securing the right tenant and making your investment as appealing as possible. Give us a call.