

6 TIPS

FOR PREPARING YOUR INVESTMENT
PROPERTY FOR TENANTS



PREPARING YOUR INVESTMENT

Whether you've just purchased your first investment property, you're moving out of your home to turn it into a rental, or you're an experienced investor looking to improve the type of tenant you attract, preparing your investment property for tenants to move into can feel like an overwhelming task.

There are so many things to consider like:

1. How to I ensure that the property meets the legal safety standard?
2. What fittings and furnishings should I leave behind and what items should I take with me?
3. Do I need to insure the property and what type of insurance do I need?
4. How much maintenance should I do before the tenants move in?
5. Can I improve my tax deductions right from the start?
6. What should I do about the garden, pool and spa maintenance?

And of course, there's so much more to think about!

So, we've prepared this eBook as a guide for you to prepare your investment property to attract your ideal tenant as quickly as possible, get you the best rent in the market, minimize your risks and maximize your returns

"An investment in knowledge pays the best interest."
– Benjamin Franklin



01 Safety Standards

As a landlord, you're required to adhere to certain laws regarding safety standards in your rental property. These standards have been determined by local, state and federal governments to ensure that your tenants can live in your rental property safely. Adhering to these legal safety standards also reduces your risk of a tenant injuring themselves at your property and taking legal action against you.



Some of the safety standards to consider are:

- 1. Smoke Alarms** in Adelaide are required to be installed to protect all bedrooms and tested/serviced annually. Your Property Manager will be familiar with this legislation and will be able to engage a professional smoke alarm service to be performed on your investment property. This expense will be tax deductible and offer you peace of mind and security in owning your investment property.
- 2. Safety Switches.** In some states of Australia, it's a legal requirement for safety switches to be installed in all rental properties. Speak with your Property Manager to obtain more information about the legal requirements for your investment property.
- 3. Blind and Curtain Cords.** To avoid the risk of child strangulation, ensure that your blind and curtain cords are maintained to the current Australia Standards. Your Property Manager will be familiar with ways to ensure these cords are compliant and will have professional tradespeople who can assist with this process if required.
- 4. Window and Balcony Safety.** If your investment property has more than one level, or is elevated in any way, you'll want to ensure that your property is kept adequately safe. Window locks can be installed on all "above ground level" windows, to prevent the window being opened beyond 12.5cm. You'll also need to ensure that your balcony railings are safe, secure and in keeping with building standards.
- 5. Pool and Spa Fencing.** In South Australia all swimming pools and spas are required to have safety barriers or fencing to restrict access by young children. Enforcement of swimming pool safety requirements is the responsibility of the local council. To ensure that your fencing is adequate and compliant, your Property Manager will be able to engage a professional tradesperson to inspect and confirm it's compliance, or to perform any improvements needed to keep your property safety compliant.

02 Furnishings & Fittings

When you're renting out a property, you want to make it comfortable, but you also want to avoid the responsibility of excessive maintenance.

Remember that anything you leave behind in your investment property for your tenants to use must be kept in full working order always.



We recommend that, where possible, you leave items like:

- **A dishwasher in the kitchen**

If you have one, it will be an attractive feature for a tenant. We recommend that you leave the appliance manual for the tenants to refer to. Keep in mind that if the dishwasher becomes faulty, you will need to have it repaired.

- **A garden hose and sprinkler**

If your investment property has a nice garden and lawn, and you live in a climate that requires additional watering of lawns and gardens, it's useful to leave some watering devices behind. A cheap hose and simple sprinkler is sufficient, and also very affordable to replace if, over time and sun exposure, they deteriorate and break.

- **Basic Window Furnishings**

You will, of course leave curtains and/or blinds on your windows to ensure privacy for your tenants. However, we suggest that you keep these furnishings simple, and not leave expensive elaborate layers of curtains or valances

- **Some Basic Essentials**

If you want to make your new tenant feel right at home, some investors like to leave a few basic household items for their new tenants. Things like: a roll of toilet paper, a box of tissues, some dishwashing liquid and hand soap are all things that your tenants will likely need the moment they arrive at the empty property, but may forget to bring on their first trip to the property.



We recommend that you DON'T leave these items behind at a property:

- **Portable air conditioning or fans.** These appliances are easy to damage, because they are portable, expensive to maintain (or have to be replaced regularly) and we find it's more simple if your tenant provides their own portable items.
- **Microwaves, fridges and washing machines.** Unless these appliances are built into the kitchen or laundry, we recommend you take them with you. Most tenants will have their own kitchen and laundry appliances, and we like to avoid you being responsible for the maintenance of these items.
- **Lawn mowers.** Although we agree that it can be useful to assist your tenants to maintain their gardens and lawns, you encourage tenants to bring their own lawn mower, or hire a professional gardener to tend to the lawns at a rental property

03 Insurance

We all know how important insurance is in this day and age, but as a property investor, you need to ensure that you're appropriately insured to protect yourself against litigation and losses that you can be exposed to.



As you prepare to rent out your investment property, be sure to notify your building insurer that the property is going to be tenanted, and from what date. You will also need to discuss your requirement for contents insurance with your current insurer too. Although you don't need insurance to cover your tenant's furniture and belongings (they will need to take out insurance for these items), you may need contents insurance to cover some fixtures and fittings, like carpets, kitchen appliances, blinds and curtains. Some insurance policies include these fixtures and fittings in the building cover, but it's wise to ask about this, before cancelling your contents insurance.

You will also need to take out a strong Landlord Protection Insurance policy to cover you in the unlikely event that your tenant causes damage beyond the value of the bond, or falls behind in rent. Your Property Manager will be able to suggest some popular landlord insurance policies. Two companies that many of our clients use for landlord protection insurance are:

www.EBMininsurance.com.au
www.PropertyInsurancePlus.com.au

04 Maintenance

Before you move a new tenant into your investment property, it's prudent to ensure there is no outstanding maintenance on the property.

We suggest you walk through your property and look for items including:

- Leaking taps
- Damaged or mouldy bathroom grout
- Chipped tiles
- Loose or fraying carpet
- Flaked paintwork
- Jammed curtains or blinds
- Squeaky doors or windows
- Gutters needing cleaning
- Pests or vermin
- Fence repairs

Having your property in good repair means you will attract good quality tenants, and reduce workload once the tenancy commences.



05 Improving Tax Deductions

So many investors are looking to maximize their tax deductions, but fail to arrange a Quantity Surveyor to perform a Depreciation Schedule for their investment property.



Depreciation is the decline of value in your investment property's fixtures, structure and fittings. The Australian Tax Office permits investors to claim tax depreciation deductions on their investment property each financial year.

These deductions are often significant and help minimise your tax payable. Your Property Manager will have some industry contacts and can help you arrange a Depreciation Schedule for your investment property.

06

Gardens, Pools & Spas

No one will ever look after a home like the person who owns it, so we recommend that, where possible, you keep gardens simple and avoid purchasing investment properties with pools and spas. However, sometimes, in some areas, your investment property might have extensive gardens, or pools and spas requiring regular maintenance.

Legally, your tenant is required to maintain the property in the same condition they found it. However, if a tenant neglects a garden or pool for a period of time, even if it is just during a few weeks of vacation, it can be really difficult, expensive and time consuming to restore a garden or pool water back to the condition it was in before the neglect.

For this reason, we recommend that:

1. If your investment property has extensive or elaborate gardens – your property manager should negotiate a slightly higher rent, and include some form of garden maintenance provided with the property.
2. If your investment property has a swimming pool or spa – you should look to include some form of servicing of the pool or spa by a professional swimming pool technician. This will ensure that a professional is checking the water regularly, and ensuring that the fencing and safety equipment related to the pool or spa is in working order at all times, which will keep you and your tenant protected.



"It is what a person will do with the saved money that will make a big difference in his or her finances"

— H. J. Chammas

These steps are all very important so please take them seriously and seek professional advice where necessary to make the right decisions and get the right protection.

If you already own an investment property and you're looking to maximize your investment property further, or if you're actively looking to purchase an investment property, be sure to contact us for expert advice on making your investment property irresistible to a tenant.



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