



RENOVATION: SALE-READY RENTALS

**THE
RESENE
EASY
DECORATING
GUIDE**

READY TO **SELL**

Even buy-and-hold investors sometimes need to sell their rental properties. If you're putting a rental on the market, here are some tips to ensure you get the best possible result. By **Sharon Newey**

IN TURBULENT ECONOMIC times, many of us sit back and reassess where we're at. It may be that you've reviewed your portfolio of properties and decided to sell one or two to release some capital. Turbulent times do not necessarily mean bad times or that what might be seen as a forced sale is going to have an unhappy ending. In some inner parts of Auckland properties have recently been selling for well over CV, so cashing up on those might make sense.

Before you sell any property, whether it's your own home or a rental, making it look as appealing as possible is vital for achieving a good price. You want to appeal to as broad a market as possible, whether that will be someone wanting to buy it as their own home or another investor.

The first decision to make is whether you sell it while still tenanted or give the tenants notice and sell it vacant.

If you intend to auction the property and are fairly certain of it selling on the

day of auction, it may pay to take the hit, give the tenants notice and sell it empty. Or rather, without tenants but not strictly empty. Dress the property with furniture if you can, especially if the property is more likely to attract owner-occupiers. A house or apartment devoid of furniture always looks somewhat desperate; you may just attract bargain hunters who think you have to sell at whatever price.

There are various home-staging companies around who will give you quotes on various packages, and will advise on how to stage a house for maximum appeal. They may even advise about the 'use' of each room – eg, is a second living area better than a fourth bedroom. Would one of the bedrooms look better dressed as a study? Homestaging will also overcome one of the golden rules for prepping a house for resale, and that is to declutter it.

Having no tenants will also make it much easier for the real estate agent to



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get access whenever they need rather than having to negotiate with tenants over access. It will make possession smoother as well, without the need to give the full six weeks notice to tenants to vacate... and then having them move out in two weeks and therefore ending up with four weeks with no income.

If you are putting the house on the market at an asking price or are advised that it may take some weeks to sell, you may decide to keep the tenants. If so, consider giving them a sweetener in the form of a rent reduction for the duration of the marketing period. You may even formally contract the reduction in return for short-notice access for buyer viewings.

But before that, get a real estate agent's advice on who the likely buyer will be and what they are looking for in a property. Then take a good hard look at the property and decide what you need to do to get it ready for sale.

You may not need to do anything. Again, in those city fringe areas of most New Zealand cities, buyers will pay more than

you would expect for an absolute do-up. They'll ooh and ahh over the character and potential rather than notice that the shower is shabby and the foundations are wobbly.

Even if you decide to leave the house in the raw, so to speak, make sure it's clean. There's nothing more off-putting to potential buyers than grubby surfaces and musty carpets. You want them to fantasise about the paint scheme not be distracted with the knowledge that they'll have to scrub everything first. No-one likes the idea of living with someone else's dirt. And if your potential buyer is another investor, they'll want to get tenants in as quickly as possible.

While you're at it, clean the windows inside and out – clean windows add sparkle and make the rooms look brighter and lighter.

Smartening up the property may be as simple as painting the interiors. Fresh paint does wonders to the look of any property. Choose a warm neutral like Resene Quarter Tea or Resene Half Pearl Lusta to make the rooms look large and bright, and to appeal

to a broader range of buyers.

Unless the bathroom and kitchen are utterly disgusting, be wary of renovating these for sale. It's unlikely that you will get your money back. Having said that, if you're in a mid to lower range area, a good new but cheap kitchen of laminate cupboards and benchtops may make a huge difference. Or just replace the benchtop as this is the surface that's most visually obvious. As long as the stove is working fine, leave it where it is.

Concentrate on street appeal, as the key thing is to get potential buyers through the front door. Tidy up the front garden and entranceway, paint the front door a welcoming colour, mow the lawns, fix dripping gutters, move the rubbish bins around the back, and fix up any broken paths.

As with any rental renovation, timing is key, especially with an empty house. getting the work done as quickly as possible means you're not without rent for the duration.

At least with renovating for resale, not all of the renovation time is wasted. Your agent can be contacting their data base of buyers to let them know the property is coming on the market. They might even use one or two photographs as a 'teaser' before putting the full set online.

The agent can also advise you on your potential market and what is going to appeal to them. They're also a good source of information about sale prices in the area, which loops back to the beginning... do you sell or not? ■