



WISE INVESTORS DO RESEARCH & MAINTENANCE

Property investors can spend a lot of time researching for a suitable purchase, but this is only half the skill of successful real estate investment.

The other important factor is keeping the property in good condition.

The strong market in 2004-2007 attracted many first time investors who enjoyed high growth in values. But novice investors should not take the investment for granted by neglecting regular maintenance in order to save money in the short term.



Naturally, there is a tendency to minimise ongoing expenditure and to maximize returns, but experienced investors know that spending money to keep a property in good condition results in better performance from the investment, including more careful tenants, above average rents and fewer vacancies.

In addition, a well maintained property is likely to attract a better resale price.

If a rental property is in top condition when leased, it is much more likely that a tenant will keep it that way.

It is important that owners set a high standard for the condition of their property at the start of the lease in order to maintain that standard from the tenants. This is particularly relevant for investors who may have purchased older, possibly run-down properties.

It pays to spend money on new locks, security screens, a fresh coat of paint, floor coverings and repairs to cupboards.

And don't overlook the garden, making sure any reticulation is working and taking steps to save water, including mulching.

It may make sense to choose a low maintenance property such as a new home on a small block, but the overall long term returns from an older property on a large block may exceed other properties and are generally more affordable.

With this example however, be sure to undertake a realistic cost assessment for maintenance and repairs at the start of the project and compare that with a newer, low maintenance home.

Of course, it's possible the extra costs associated with buying an older place may be offset by higher long term growth, particularly if the land has redevelopment potential.

REIWA agents and property managers are skilled in advising you of options, consumer trends and the current state of the market.



Alan Bourke
REIWA
President



relax . celebrate . enjoy



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Need help with any of the above?
Speak to us TODAY!

Cliff Estall
0439 937 200

Your Problems are My Pleasure.....

IMPORTANT REMINDER!!!

Time is running out for landlords who's investment properties do not have 2 RCD's (Residual Current Devices)

By law there must be 2 RCDs fitted in a property by no later than the 8th August 2011.

If you do not have 2 RCD's Installed please contact your property manager immediately to arrange a professional electrician to attend.

In the past 17 years, 29 people including eight children have been electrocuted in homes in Western Australia. Twenty-three of these deaths could have been prevented if Residual Current Devices (RCDs) had been fitted to the power and lighting circuits.

Install. Test. Survive.

Don't miss our Football Colouring in Competition in next months Property Management News...

So if you know a child who would just love to win some great prizes, make sure you get them to enter



Disclaimer

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