



How to sell a rental property

Investing in property is a proven way to build and store long-term wealth. But there may come a time when the money you have tied up in that rental property could be used for better things.

I have helped many clients through this exact situation and their reasons for selling a rental property vary, but common answers include:

- **Paying down debt.** Many of our owners sell their rental property to reduce, or eliminate the mortgage on their own home and achieve financial independence.
- **Retirement.** You've worked hard all your life and now it's time to enjoy yourself a little bit. Go on some adventures. Buy that campervan and travel across-country!
- **Market peak.** If you have owned your rental property for a few years, you might feel like we have reached the top of the current property cycle, so you are considering selling now to 'cash-out' while the market is hot.
- **Tired of being a landlord.** For many investors, the dream of owning a rental property is a far cry from the reality: Late rent payments, expensive maintenance, property damage, weeks of vacancy. You might feel like the trials and tribulations of owning an investment property are just not your cup of tea.

Whatever reason brought you to this point, now is the time to maximise the value of your asset and extract as much capital as possible to fuel your future plans.

You only get to sell your property once. It's important that you do it right. Here are some questions to consider and tips to keep in mind.

1. **Will you sell it empty?** If your cash flow can handle it, that's usually the optimal solution. Empty homes can be viewed at any time and settlement can be near-instant. If your tenants have just moved out, then this could be perfect timing.
2. **Consider offering a rent-reduction.** If you are selling your rental property with tenants, consider offering them a rent reduction while it's on the market. Selling is tough on tenants, there is usually nothing in it for them. Just the hassle of having strangers traipse through their home. But it's critical you have them on-side if you want to get a good result. A rent reduction of 10 - 20% of the weekly rent is a sign of good faith and helps ensure their co-operation with presentation and viewing times
3. **Invest in painting, gardening and small repairs.** Rental properties can often suffer from a lack of maintenance upkeep. When it's out of sight, out of mind, it's easy to let things slide. When it comes to selling, keep in mind that the best prices are usually achieved when you sell to an owner-occupier. To attract that market, you want to present your property at its best and make it as move-in-ready as possible. Get those little outstanding touch-up jobs sorted and take hurdles out of the way for your potential purchaser.
4. **Invest in staging and advertising.** One of the biggest mistakes investors make when selling a rental property is skimping on furniture staging and advertising. When it's not your own home, it's easy to take a position of '*I don't want to spend money*' but this is flawed logic. You are selling an incredibly valuable asset. Now is not the time to hold back. Do it once, do it right. Stage your property if you are selling it empty, and regardless of whether you have tenants or not, invest in the most cost-effective, proven marketing options your chosen salesperson can recommend.

Market it like it's the home you live in.

Speaking of salespeople.

It goes without saying that hiring someone competent, experienced and knowledgeable is key. Getting this sale right will set you up for the future. It's your chance to get **closer** to financial freedom. Don't fall into the trap of thinking real estate salespeople are a commodity.

There is a huge spectrum of skill levels in our industry and there is often little price difference between a premium agent and an average one.

Alison Cameron Real Estate

15 Anzac Road Browns Bay

M 021 468 562

E Alison.cameron@harcourts.co.nz

Cooper & Co Real Estate Ltd Licensed REAA 2008

Alison Cameron

Harcourts
Cooper & Co

Real Estate

So how do you choose?

I have sold many rental investments over the years, and my clients have entrusted me because of my knowledge of the current Tenancy Laws and that I treat your tenants with respect to ensure a good relationship throughout the process. My experience and past sales prove that the transition is transacted smoothly.

Where do we start?

With a no-obligation consultation. It costs you nothing to have a chat and talk through your options. Chances are I have helped someone in a situation similar to yours and I can suggest solutions to any questions you might have that I haven't covered in this article.

Give me a call when you are ready. Would love to talk it over.