



5 tips for choosing the right tenant

Many property owners underestimate the value of good tenants, until they get bad ones! There are a number of important things to consider when choosing a tenant and a bad choice can end up being a disaster. Your Property Manager will offer guidance but the decision is always a landlord's, so here are 5 tips for choosing the right tenant.

1. Make a wish list

When rental properties are in demand, you can be inundated with good applications, making the selection process overwhelming. Before your property manager publishes your vacancy, give some thought to who your ideal tenant might be. Consider the demographic in the area. If your property is near a university, then ruling out students might limit your options for example. Many tenants will be renting with pets too and this is not necessarily a bad thing. Tenants with pets tend to stay longer and pay a higher rent.

2. Looks may NOT be deceiving

It's important to be objective where judgement is concerned but you can tell a lot about a person at first sight. Property managers are experienced with using those instincts. They pay attention to things like whether they arrived at an appointment on time, whether they have the things they were asked to bring (or pre-registered online as many property websites now request). Property managers also consider appearance. Someone who turns up late, disheveled and hung-over is certainly doing themselves no favours.

3. Make sure they can pay the rent

A tenant that can pay the rent on time every month is crucial. Property managers check financial

information thoroughly. Self-employed people are well worth considering too as tenants. Because they can't provide pay slips specifically, they will often give more comprehensive information such as balance sheets and bank statements to prove their capacity.

4. Do a detailed background check

On paper the basic facts can make it hard to get a sense of the real character of a person. In these days of social media, it is easy to search for someone online and get a sense of their lifestyle. If they have provided referees, Property Managers try to make sure there is at least one unbiased person and ideally a previous landlord or real estate agent they can call. Plus, they access databases where agents share information about problem tenants.

5. Trust your instincts

The application process usually reveals whether someone will be easy or difficult to deal with. Some people are very relaxed about things like dripping taps or loose door handles – this is what you DON'T want. Alternatively, you don't want someone calling to complain about every squeak in the floorboards. Tenants have the right to ask questions about a property, however, some questions can be unrealistic and over the top. If they ask a lot of questions that aren't relevant, this may be a sign of things to come. Conversely, an applicant who provides all the information required, responds practically to questions and delivers further information as needed will more than likely be a pleasure to deal with over the longer term.

It's all about talking the applicants over with your property manager, because we're here to help you make the best choice and that's why we're Australia's leader for overall satisfaction.

Jokes of the Day:



I went by the house I grew up in, and asked if I could go in and look around. They said no and slammed the door.



Should you invest in new developments?

For investors looking to buy real estate, there's two options; buying new or established. And for one leading property advisor, the answer about which is best is simple.

Michael Yardney says for the majority of investors, established property is a far better option than investing in a new development. This is because capital growth potential is greater with established, he says.

Yardney says those buying a home to live in can be forgiven for being dazzled by "shiny-new" properties, but "in the real estate game, new is definitely a no-no if you're looking for the ideal investment." The only exception is if an investor can afford to be a developer, Yardney says. "If you can build a new project at cost, by all means go for it!"

When buying a new property, buyers don't just pay for the actual house, they also hand over a heap of cash straight to the developer, Yardney explains.

"This is because to make a profit, they build not only their margins into the price, but their marketing costs. Therefore, you end up paying a premium," he says. By "buying well" – either at or below the property's intrinsic value – in the established market, investors can pay below replacement cost and make a capital gain almost instantly, Yardney says. When buying established, buyers can negotiate a great deal and pay a fair price, as well as enjoying immediate capital growth in most instances, he says.

"Additionally, buying an established property that needs some TLC can mean paying substantially less than it might be worth if you have the ability to look past the cosmetic flaws and see the potential.



"Often you will have less competition for tired or messy buildings because most people just see too much hard work," Yardney says. Investors can then value-add with smart renovations and cosmetic upgrades, something that's hard to do in a new development, where everything is done.

It's possible to turn a \$40,000 refurbishment into an extra \$60,000-plus in capital gains and increase rental yield at the same time, he says. "That's something that is simply not possible to achieve with new property." Location also plays a big role, he says. If a new property is in a relatively immature area, like a housing estate, it's harder to research potential value.

"With this type of property, you have less historical data at your disposal to make an informed decision when it comes to pricing and less comparable property sales."

In a slowing market, established property holds its value better than new too, he adds. He says established property will generally outperform the averages over the long term and "boast excellent capital appreciation, without taking too savage a beating during lulls in the market."

SOURCE: realestate.com.au

No.1 for “Overall Satisfaction” again!

In property management, it seems everybody is always making claims about customer service.

It's not surprising, considering we operate in a service industry. So, with nearly 100,000 agents claiming to offer the best service in Australia, First National Real Estate is delighted to be ranked number one for “overall satisfaction” by Canstar Blue, for the second consecutive year!

To find out which real estate agents are rated highest across Australia, Canstar Blue surveyed Australian adults who had employed an agent in their area over the last three years, whether it related to the buying or selling of a property, lease management or renting.

It found 'First National Real Estate has been impressing more than any other firm, taking out five-star reviews from consumers in almost every single category, including communication and advice, problem resolution and value for money. In fact, no other real estate agent achieved top marks in any area'.

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As the first network in Australia to introduce a Quality Assurance system, First National set its sights on operational consistency many years ago. Now, the results are clear for all to see. Of the six biggest real estate brands in Australia, First National Real Estate was the only brand ranked 5-star in every category.

Communication & Advice – 5 Stars
Problem Resolution - 5 Stars
Value For Money - 5 Stars
Marketing (Accuracy & Effectiveness) - 5 Stars
Contract Handling - 5 Stars
Moving Services – 5 Stars

So, if you currently have an investment property being managed by another real estate agency, please ask us for a competitive management submission. We'll be delighted to show you the First National Real Estate difference because 'We put you first'.

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Street Party Beerwah

Simpson Street - Beerwah

Friday, 20. October 2017

4pm to 9pm