

Selling Your Investment Property

When making the decision to sell, things to consider

When making the decision to sell any property, Melanie Dennis Property understand whether it is your home or an investment property, the decision is a big one.

Determining the right time to sell your investment property is the most important consideration.

Is the Tenancy Fixed Term or Periodic?

You can still sell your investment property if your tenant is on a fixed term agreement but you cannot ask the tenant to vacate (unless they agree). Depending on when the agreement expires the new owner is required to take on your obligations to the tenant. If there is a long term agreement in place this can be unattractive to buyers who may wish to occupy the property rather than lease it out. This can have an impact on the best sale price.

If the tenant is on a periodic (month to month) tenancy, you have to give them 60 days' notice to vacate if you want them to move out prior to the sale or to accommodate the new owner wanting to move in.



What Repairs are Required to Sell the Property?

If small maintenance items are required before the property can be sold, they can be easily done with a tenancy in place. If the work required is more significant, be prepared for this to impact on the sale price if it is not done, or wait for the tenant to vacate to complete the works to ensure a maximum sale figure.

Do You Want to Sell the Property With the Tenant in Place?

If the property is well presented by the tenant, there is no reason why you can't sell the property with the tenant in place. The tenant is obligated to give you access, provided notice is given of when you plan to attend for inspections, opens and auctions. They are also obligated under the Residential Tenancies Act to present the property in a reasonably neat condition. Incentivizing your tenant to present it well with rental discounts and paid for cleaning services will often go a long way to ensure the cooperation of your tenants. Fresh flowers each week of the campaign could also be helpful. This suggestion is to ensure the best result for your sale price.

Chances are the property will appeal to an investor. Having a good tenant in place will work well to improve your sale price in this case.

If the tenant does not have the property well presented, be prepared to wait till the end of their lease and give appropriate notice to have them vacate before starting your selling campaign. A poorly presented property will not encourage a good sale price and may put other potential investors off.

If you have a difficult tenant, this will make the process hard for everyone. No one wants a tenant leaving a mess, sitting in the property during open for inspections, denying private inspections or making unreasonable demands for compensation. Consider offering a financial incentive to the tenant to vacate if the sale is urgent.

