

Selling with (or without) tenants?

by Adam Smith

If you're a landlord, the decision to sell a house comes with a few extra considerations. That starts with weighing up if you should sell your rental property with, or without, tenants.

The legal ins and outs

If you're selling an investment property, here's the key legal details you need to know:

- By law, once a property is on the market, your tenants must allow 'reasonable access' to your real estate agent to show prospective buyers through the property – provided the tenants give prior consent.
- You have no legal right to break a lease, neither does the prospective new owner. However, once the lease expires, the new owner is not obliged to renew it.
- If the new owner intends to occupy the property they must give the tenants no less than 42 days notice to vacate it, provided the tenant is on a Periodic Tenancy.



Benefits of selling a house with tenants

Here's why it can be a smart move to sell with tenants:

- Avoiding loss of rental income – A sales campaign generally takes three to four months by the time a property settles. Can you afford having your rental property sitting vacant for an extended period of time?
- Giving a great impression – Viewing a property that is an empty shell makes it tricky for potential buyers to imagine living there, so staging may be required. A tidy (and obliging) tenant could offer you a big advantage by ensuring the property is well-presented.
- Future earning potential – If a potential buyer is considering the investment potential of the property, having an existing reliable tenant is a very attractive proposition.

Make the process easy

We find that most tenants are co-operative and helpful. But even the most accommodating tenants can sometimes be tested by the additional demands that go along with selling a property.

Try making the process easier by:

- You and/or your real estate agent meeting with the tenants first to discuss what the selling process involves – and how it will impact them.
- Checking when the ideal time for viewings would be for your tenants.
- Considering reducing rent over the period your rental property is on the market – however, if the initial steps are done well, and there is a good relationship between the real estate agent and tenant, a rent reduction should not be required.
- If required, hiring a weekly cleaner to ensure the property is well-presented

Quality is key

Like many rental property decisions, quality is key. If your investment property is a 'do-up' and needs renovating, having the home vacant may not make much difference to the price you receive.

Great advice is crucial when it comes to selling a rental property. Find out how we could help you [get the best result](#).