

ASK THE EXPERTS

? *I have been looking for a bargain property for some time and have been told by many investor friends to look for "distressed" property. What is this and how do I find it?*

A 'distressed' property is one where the vendor is highly motivated or under financial stress and needs to sell the property quickly to meet their financial obligations. You can find them by doing specific keyword internet searches, scanning the papers or engaging a buyer's agent. There are various levels of distress for each property. Don't buy something just because it is distressed – there may be a good reason why the property needs to be off-loaded quickly.

Bargains are not all they are cracked up to be. While we all like to shop around and get the best deal, when it comes to buying property, it's vastly different from buying a new T-shirt at a bargain price. Price is a reflection of what the market is prepared to pay. A property may be a bargain because it's located on a busy road, has structural or termite problems or it's a mortgagee sale.

Investors and home buyers alike should focus on the fundamental



selection criteria when choosing the right property, not just focus on buying a bargain. You could be waiting for two years to find that 'bargain' and miss out on high quality property that will grow at a faster rate.

Investors must look at the key demand and supply drivers such as population growth, rental demand, yield, infrastructure development, employment, local amenities and attractions.



Rich Harvey, CEO,
Propertybuyer

? *I own a duplex with a common property driveway. One of the two dwellings is currently tenanted and I want to renovate the untenanted half. What are my obligations to my other tenant?*

Renovating is an exciting process for you, but let's face it, your neighbours will probably not look at it the same way. You'll be thinking about the future, maybe an increase in rent, whereas they will be focusing on the sound of the banging and drilling.

It goes without saying that you should firstly inform your tenant and direct neighbours of the date you will commence works and the anticipated date of completion. Comply with council guidelines and rules around safety, noise and rubbish removal. For example, what hours and days of the week are works permitted?

Whom should the tenant contact if there is an issue? Sometimes people just like to be heard. Be considerate, but also don't pander to your tenant. Be open about the fact that there will be disruption as well as noise and be firm about what is reasonable.

As the driveway is shared you must not obstruct the driveway without the tenant's permission and agreement. If you need constant use of the driveway during the works, negotiate this with the tenant beforehand by offering them a rent reduction.

Beware, your tenant may ask for a rent reduction as a result of the disruption to their "quiet enjoyment" of the rented property if the situation turns sour, and you obviously want to avoid this as far as possible.



Lisa Indge,
Managing Director,
Let's Rent