

Selling your House

Property has become a part of many investment strategies over the years, but there are times you need to either cash in that investment or switch properties. This means that if you are selling your investment House there are some things to consider. As an investment property, getting the best price possible is key, however achieving it means understanding the whole process, and that is why we have prepared a guide to help you through this process.

Your Tenants

Perhaps the most significant difference between Selling your House and selling an investment property is that there is someone else involved, your tenant. It is crucial to understand the legal situation here before you proceed, as your specific situation affects both the tenant themselves and how you market the property to potential buyers.

If you have sitting tenants on month-to-month rental, then you can sell the property to both investment buyers and someone who wishes to move into the property themselves. The tenant must have at least 60 days' notice in writing that they must leave the property under these circumstances. It is also important to note that a new buyer must either move in themselves (or a family member), or continue to rent to your tenant. They cannot remove your tenant then rent to a third party (again, other than a family member).

If your tenant is on a lease, then the tenant has a legal right to stay in the property after you sell it. Even if the new owner wishes to move in themselves, the tenant has legal right of occupation until the lease expires. As you can see, the legal standing of the tenant can therefore have a dramatic effect on the sell of your investment House, including who the potential buyer may be.

If you are thinking about selling your investment House in the near future, it makes sense to avoid signing any new leases, as you can market to both investors and people who want to occupy the property themselves. However, if you are not thinking of selling in the near future, it is important to maintain rents at current market rate provides the best return on investment possible for the buyer, as leases are transferred to the new owner. This obviously makes the property more attractive to potential buyers.

Is Timing Important?

One question often asked is whether there really are better times than others for selling? For investment real estate sells, the timing really depends on who you are expecting to buy the property, and focuses on whether you sell with a tenant in the property or not. Although as with everything, personal circumstances can override any plans.

If the most likely buyer is an investor rather than someone looking to occupy the property, then selling with the tenant in place can be beneficial. That is because this gives a clear demonstration of rate of return, especially if you have a long standing, reliable tenant. In fact, it can actually be persuasive to potential investors who can purchase and not worry about finding good tenants themselves. However, if the property is going to be marketed at buyers who wish to occupy the

property themselves, then placing the property for sell at the end of the tenant's lease makes more sense.

Once you have an agreement of purchase from a buyer, you can provide your tenant with the required 60 days written notice, making this a straightforward process for everyone involved. Of course, things are not always this straightforward, sometimes you may need the equity tied up in the property for something else on a specific timescale, and then you just have to go with things as they are. This is not an issue though, with good preparation and marketing you can achieve your target price even without precise timing.

Getting Ready for the sell

As with anything you want to sell, your House should look its best when potential buyers come for viewings, and so before the property is put on the market there is plenty to be done. You do not have the right to remove furniture to make the place look bigger, or force the tenant to clean everything and create the impression no one lives there. This can seem like a problem, after all, these are the tricks we know work when selling a home. This is not actually the problem it may appear to be though, there are still some ways of making the most of the property.

Firstly, if anything in the House for sell needs repairs, you have the legal right to repair them. This includes a fresh coat of paint on the walls or carpet washing and cleaning, both of which can be used to freshen up the property. You can also replace any light fittings as needed, and the combination of these three things alone can make your investment House appear much more welcoming.

Keeping a good relationship with your tenant is a sensible part of having investment real estate at all times, but when selling the property, it really can bring advantages. As said, you cannot force a tenant to do things to help the sell, but you can ask them. A friendly relationship is more likely to get a positive response. Offer to send in a professional cleaning service to completely clean the House before it gets listed, and ask if they could declutter the property a little to create a sense of space. Remember, ultimately the quicker the sell the less the intrusion on the tenant's daily life. This is especially true if the tenant will be staying on after the sell.

The Marketing Process

Once the property is ready, your agent will then begin to market the property, this should include a variety of approaches, whether online through Homula, their list of potential buyers and so on. However, selling a tenanted property is more challenging than a private residence, be prepared to listen to your agent's advice on the best approach for your situation.

Challenges with marketing a tenanted property begin with photographs, you could be restricted from what you can show, or if the tenant is particularly messy, the images could even put people off. However, as we mentioned, a good tenant relationship can prevent most of these issues.

With a good agent, you will soon find you have potential buyers showing interest in the property, and your agent will be taking appointments to show your home. You do have a right to show the property to potential buyers with a sitting tenant, as long as you give the required 24-hour notice beforehand. Again, with a good tenant relationship this process is much easier, but even with an obstructive tenant as long as the 24-hour notice is provided, they have no grounds to refuse. so, if

necessary be firm on the matter to ensure buyers get the chance to see the property. Showings work better if the property is empty, so ask politely of the tenant could vacate during the appointment. However, even if they refuse it does not mean the showing will be unsuccessful, buyers who want the property are unlikely to be dissuaded by the presence of the tenant.

Once the property has been shown, you will start getting offers. Some properties get a few offers all at once, some get less, it depends on the situation and the market. When an offer does come in, consider all aspects of it carefully. Things to look out for are the price itself, the closing date the buyer wishes to take possession, the deposit they are prepared to put down and anything they would like to be included. The last one especially should be looked at carefully. If you get more than one offer, your agent will guide you through the best strategy to maximize your selling price, use their experience but do not be afraid to add your own ideas.

Once you accept an offer, the buyer is obliged to pay the agreed deposit within 24 hours, and from then on, your lawyer will handle the legal aspects of the offer and necessary paperwork.

Handling over the key

Finally, we reach closing day, the day the sell is complete and you hand in the keys to the property. You will have signed a mountain of legal paperwork a couple of days before, and the final day they will pass the payment for the property over to you.