

# getting the price right from day one



If everything is set right, there's no reason why your property won't rent straight away.

Your property will rent based on the following four things:

- location
- presentation
- price (the weekly rent sought); and
- the time of year.

One of the most important things when it comes to deciding the rent amount is to get it right from day one.

Quite often people will price their property based on what is currently advertised on the web. We know that although properties are listed for a certain price, it may not be what it is eventually rented for.

Many of those properties will be overpriced. They will be ON the market, but not necessarily IN the market.

Peak interest in properties is within the first two days of the property being advertised. We find that between day two and day three of a property being advertised there is a decrease in enquiry of a staggering 41%. This really highlights that for the best opportunity to rent the property quickly to quality tenants, the rent needs to be realistic from day one.

If financial return is a priority, our goal is to help you bank the most money each year, and it is important to recognize that getting the highest weekly rent doesn't necessarily deliver that.

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## *Recently in our office we had the below scenario...*

Our Client wanted \$420 per week for their property. We felt this wasn't where the market was for it – we saw it sitting more around \$400pw. Nevertheless, on their instructions, we advertised the property at \$420pw and we received very limited enquiry.

After presenting the enquiry data to our client, we relisted it for \$400pw. A viewing was held on day three of the property being advertised. We had four groups of potential tenants come through, and one applied for it the next day. By day four we had a confirmed tenancy at \$400 per week.

We may have been able to rent the property for \$420 per week but it would have taken longer. Let's say three weeks. A loss of three weeks rent at \$420 is \$1,260, but a \$20pw decrease between the two rent prices over a year is only \$1040. Although we did not get the highest rent in this case, the amount of money collected over the year is \$220 more. And, the cost of vacancy is reduced.