

# Hang on to good tenants

## ANTHONY KEANE

LANDLORDS are being warned that they risk losing good long-term tenants if they raise their rents too high to recover the costs of higher interest rates.

Terri Scheer Insurance Brokers, which has witnessed many cases of tenants maliciously damaging homes and disappearing without paying rent, says property investors should not take good tenants for granted.

“A tenant who pays their rent on time and maintains your property is well worth keeping,” marketing and operations manager Carolyn Majda, pictured, said.

Higher interest rates – and the prospect of more rises to come – combined with low vacancy rates can tempt many landlords to bump up rents next time the lease on their property comes up for renewal.

“However, financial considerations should be balanced against the importance of keeping good tenants in a property,” Ms Majda said.

“Unreasonably high rent increases may prompt the angry



departure of good long-term tenants, leaving empty rental properties generating no income for weeks.

“Given that it can take four to six weeks to re-let a rental property, you need to weigh up the benefit of an annual rent increase against the cost of losing a good tenant,” Ms Majda said.

“This doesn’t mean you should never raise the rent, but think carefully if you are considering a significant increase. In some cases it may be worthwhile rewarding good long-term tenants by keeping rent rises to a minimum.”