

The smart way to sell a rented property

Selling with tenants in situ can be problematic but there are ways to keep everyone happy

Elizabeth Birdthistle

Closing the sale of a property in Ireland can take anywhere from 12 to 24 weeks. This is after the time it takes to get a property ready for sale and launch a marketing campaign, not to mind finding a buyer. All in all this process can take the better part of a year.

For sellers who do not live at the property – such as a rental unit – or are fortunate enough to have moved to a new home, this can be a lengthy time to have a house or apartment sitting idle.

It's not just utility bills, loss of rental income, and the need for heating and garden maintenance, there are the added issues of insurance and security along with servicing a mortgage, if the property has one.

Estate agent Owen Reilly is familiar with the challenges faced by agents, vendors and tenants when it comes to selling a property where the owner is not in residence: "A third of our properties for sale have long term tenants in situ and this can pose many challenges. There is no incentive for tenants to cooperate with the selling process, and the time it is taking for a property to sell is now double what it was two years ago," says Reilly.

Viewings can pose challenges for agents too: Saturday mornings with a house full of tenants still in bed "or in their pyjamas eating their cornflakes in front of the television" is not the ideal scenario in which to showcase houses to potential buyers.

"I've had cases where tenants have cancelled viewings at the last minute so I've had to stand at the door and turn away viewers. For short term lettings, I have had scenarios where tourists return to the house they have rented, and have no idea who I or the people viewing the house are."

There are knock on effects too for having a house in perfect order for viewing. Unless there is an incentive for tenants, why on earth would they have their bathroom pristine with freshly made beds early on a Saturday morning after a Friday night out?

Sitting tenant

Reilly says that an estate agent has no authority to instruct a sitting tenant to leave the property or clean up any mess.

Short term lets are easier to manage when it comes to viewings. An example of this is 17 Albert Place off Grand Canal Street in Dublin 2. The house is now on the market seeking €850,000 and was also listed to rent commanding €5,250 weekly. An astonishing rental income, but even if let for one week per month it allows the property to be managed to cater for viewings and still be in pristine order.

Another property which is listed for sale and has had short term rental is Carrig na Chattan, a shorefront property on Mornington Avenue in Sandycove.

"It was rented short term during the early stages of the marketing campaign, and definitely benefited from having tenants, as it was lived in, heated and well maintained inside and out. The tenants – who have since moved to a property they purchased – were good about access as long as we gave them prior notice," says Rory Kirwan of Lisney who is handling the sale.

"The main issue with selling a property with tenants in situ is organising viewings; if they are difficult there is very little that can be done to show a house, and sometimes presentation can suffer as a consequence."

"The main disadvantage though is trying to get tenants to leave when the lease is up. This can become messy and longwinded because disputes tend to go to the Residential



17 Albert Place East Off Grand Canal Street Dublin 2 is on the market seeking €850,000 through Owen Reilly and available to rent for €5,250 per week



Carrig na Chattan is on the market through Lisney seeking €2.45m and was rented short term until recently



Cottage at Lehanagh, Cashel, Co Galway on the market for €220,000 through Matt O'Sullivan and available for short term lets



Fuschia Cottage, Murloch Moorings, Ballyconneely, Co Galway it is on the market for €250,000 through Matt O'Sullivan and available for short term lettings

Tenancies Board which can take time" says Kirwan.

Owen Reilly who has sitting tenants in 10 apartments for sale in the Docklands area has come up with a solution for problems that can arise with sitting tenants: "There has to be an incentive so tenants will cooperate, and what I recommend to vendors is that they give the final month rent for free; this way tenants facilitate viewings and keep the place well."

Considering the average rent in Docklands is €2,500 per month for a two bedroom apartment, it is a justified amount for the inconvenience as the process could take seven months.

Rent free

Reilly issues a contract where tenants get the final month rent free if they maintain

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standards and facilitate viewings twice a week with 48 hours' notice.

In quite a few cases, buyers who have purchased a buy to let property retain the tenants, because they have proved to be what most landlords consider ideal.

"If they don't stay on – in the case of a property purchased to be owner occupied – it also means I have a great set of tenants who I will recommend for another property, as I know from dealing with them that they will maintain a house or apartment."

He cites a case of a recently sold two bedroom apartment.

"The tenants were completely professional, and I am moving them upstairs to a larger apartment which they required. It has a third bedroom and as it is rent controlled they only have to pay €350 extra a month.

"It is a win-win situation," says Reilly.

For the vendor the place was kept in perfect order and facilitated a quick sale. The owners of the larger apartment upstairs know they are getting good tenants, and Reilly did not have to advertise the property. Plus the tenants have a new home without having to search in a difficult rental market.

Reilly also sees an increase in short term lets after a house has been listed sale agreed rather than let the property sit idle: "This facilitates many people who are moving to Dublin and need a place for a few months until they get organised."

Rural properties

As rural properties can take longer to sell, sometimes having a tenant in situ is a must – rather than leaving a property idle for a

year or two.

For Sinead O'Sullivan of Matt O'Sullivan Auctioneers in Clifden, holiday homes with short term lettings work well as there is an income stream, and she "can arrange viewings between the departure and arrival of guests".

For longer term rentals: "Sometimes if we are aware of a good tenant we will recommend the vendor of an idle property to rent out the house, as it will be kept warm and they can facilitate viewings."

"In one recent sale, the buyer of a property – who is not due to move west for another year – is keeping on the tenant on for the year, so it worked out really well. In another scenario, a tenant ended up staying three years until the property sold. Essentially it is all about good communication between the three parties."

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Dublin 18 €1.8m

Duncan Stewart design house in Foxrock

The Corrin, Gordon Avenue, Foxrock, Dublin 18

Description: Four bedroom detached house designed by Duncan Stewart.
Agent: Knight Frank

BERNICE HARRISON

Timing was on the side of the owners of The Corrin, a detached house on Gordon Avenue, when they came to downsize. They had lived in the rambling 1920s house next door since the 1980s and in Foxrock since the 1970s before selling up in early 2007 having already secured planning permission for The Corrin, a downsizer home in their 0.22 acre side garden.

They commissioned well-known architect Duncan Stewart – who they had already worked with as he had extended their original family house – and Paul Sinnott to design a new home for them. Their brief, the owner says, was simple – they wanted light, so big windows instead of the small 1920s ones they had been used to; and space, a 289sq m/3,112sq ft is a large property

by any standards, not a typical downsizer property. What they didn't want was a contemporary concrete and glass-box home of the style being widely built during the boom years.

With its interesting angles – the house is Y-shaped to make best use of the site – and extensive timber detailing at roof level, the dormer-style house has four double bedrooms, three upstairs, the main one downstairs, two have en suites and there is a spacious family bathroom.

Its B1 rating isn't surprising given Stewart's credentials as a passionate environmentalist as he so expertly conveyed through his many TV series over the years.

The owners wanted a grand staircase so a curved bespoke one in ash was made for the spacious tiled hall, while a striking pyramid-shaped rooflight was commissioned to throw light down on to the staircase and into the gallery-style landing.

The living room is bright as it is dual aspect – with access to the garden – and comfortable with plenty of space for the owners' furniture from their family home next door. There is a smaller den, with a curved wall of windows that also opens to the garden. The kitchen, fitted with a Danish Design kitchen that still looks as good as it did



when installed, was extended out with a curved sun room that is used as the dining room. On the other side of the hall is a fully-fitted out utility room.

The gardens surround the house with several seating spots to catch the sun as it moves around, and its planting is now nicely mature. In a corner of the garden is a small Y-shaped building that is the garage and outhouse – new owners could find other uses for the interesting looking detached structure. The owners are downsizing again in the area, and selling The Corrin on Gordon Avenue, through Knight Frank seeking €1.8 million.

