

To furnish or not to furnish - understanding your market's needs

The key to success in the rental arena depends on numerous factors, one of which is understanding your market's needs. One of the decisions a landlord must make is whether to rent out a property furnished or unfurnished and, according to Lorraine-Marie Dellbridge, rental manager for Lew Geffen Sotheby's International Realty in Cape Town's Southern Suburbs, False Bay and Noordhoek, this is largely dependent on two key factors.



Source: Supplied

“The best way for potential landlords to get this right is to carefully consider which market they are aiming for and in which area they would like to invest.

“For instance, if you buy an entry- to mid-level apartment in the academic belt between Observatory and Kenilworth, you’ll attract many students, and if you invest in a modern upmarket unit in the CBD, your property will appeal to corporate clients, both of which usually prefer furnished units.

“However, if you purchase a house with a garden in Claremont, you’ll be attracting families who will most likely have their own furniture and appliances and it is therefore likely to take much longer to find a suitable tenant if it’s furnished.”

Furnished properties marketed for months

Dellbridge adds that it’s a misconception that a furnished property will bring in a far higher rental unless you are in a niche market like upmarket holiday lets or corporate rentals.

“In our experience, furnished properties, especially in the suburbs, end up being marketed for months because not only is the tenant pool smaller, they will often also not meet the tastes or budgets of potential tenants.

“This is even the case for young professionals who tend to want to start building up their own belongings, so even they will usually prefer unfurnished properties unless they are on a short contract which requires them to be in another city.”

However, Dellbridge does note that there has been a slight increase in demand for furnished family homes during the past two or so years as semigrants occasionally need a temporary home until they’ve bought and emigrants may need a stopgap between selling and leaving the country.



PayProp Rental Index reveals positive growth across provinces in Q2 2022

24 Aug 2022



Dellbridge offers the following advice to landlords who enter the furnished rental market:

Décor: The best colours to appeal to the widest range of tenants are neutral tones. Focus on lighter colours like beige and off-white which will also reflect light well and give rooms a spacious feel. It’s best to avoid bold patterns and bright colours because they may not suit everyone.

Furniture: The same applies here – stick to neutral, simpler styles. If you stick all of granny’s old ball-and-claw items in the place, even students will be repelled. Make sure the items you buy are durable and solid as there will be considerable wear-and-tear.

Window coverings: Typically, blinds work well in small rooms because they make a room seem larger and they are also easy to clean – a simple wipe rather than taking down to wash. Curtains, especially in bedrooms, make rooms feel cosy and increase insulation, but be sure to choose fabrics that are easy to clean and are durable.

Lighting: Install energy-efficient lighting like LED lightbulbs which last longer and need replacing less often. They are also more durable and harder to break, and LED illumination minimises the risk of burning.

Flooring: You don’t always have a choice, but where possible – or if you are renovating, choose flooring based on the amount of foot traffic and the room’s purpose. Hard flooring such as tiles, laminate or hardwood are best for high traffic areas. If you opt for carpeting in bedrooms and on stairs, choose medium tones with a short pile.

Insurance: After furnishing your buy-to-let, don’t forget to add contents to your insurance policy and you must also inform the insurance company that the property is a rental.

“Consider your potential tenants and their needs in your choice of furniture, and furnish to the standards your tenants would want and can afford.

“But always ensure that the return on furnishing the property is greater than the initial investment and, although it’s tempting to buy something cheaper, there is a good chance that you could end up spending more money replacing it than buying

quality new items,” concludes Dellbridge.

For more, visit: <https://www.bizcommunity.com>