



In today's competitive short-term rental market, home owners should ensure they make the most of their investment property. **Lesley Dolby** and **Steve Schaffer** explain how to make the most of your Florida property

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Above Holidaymakers and short-term lets will prefer a pool, but long-term residents are more concerned with factors like location and quality of schools in the area

As the owner of an investment property, it's never too late to learn how to maximise your short-term rental potential. In fact, it's a good idea to check your formula every so often and make little changes whenever necessary, to keep up with the times and rental market. However, the very best time to start thinking about your strategy is before you even buy, because there are many things to consider when choosing a property.

You may have heard many wonder stories about deals in the Florida property market, but separating truth from fiction is often the most frustrating part for many UK buyers. The first thing to remember is: if it sounds too good to be true, it usually is! Realising that there's no 'free lunch' and that owning a successful business (which is what a short-term rental property really is after all) usually requires effort, you need to accompany your dreams with a rational plan. Here are some things to consider when looking for an investment property, and then to keep an eye on once you have bought in Florida and are looking for new ways to improve your rental potential.

STEP 1: YOUR REASONS FOR BUYING

If your main reason for purchasing a home is the occasional escape to sunny Florida from the dreary British weather, and you would like to have a place to call your own rather than staying in hotels or villas but you can't afford to have the property sitting empty when you are not there, then you need a property you can rent out on a short-term rental basis. If you are not too concerned about staying in your own property when you visit Florida, or else you don't even plan on holidaying in Florida but would like to own an investment property there, then there are plenty of good areas in the state where you could rent out to long-term tenants.

Apart from the zoning issues (short-term rental properties must be located in the properly zoned areas, mainly around Disney World, whereas long-term rental properties may be located anywhere), there are some differences between what resident long-term tenants are looking for in a property, and what your guests, the tourist renters or short-term renters, are looking for. For example, it may surprise many UK buyers that pools

are not quite so important to many Florida residents looking for a property to rent, although they are almost always necessary to a foreign tourist. Most long-term residents care more about facilities such as schools, places of worship, proximity to employment and access to major roads; whereas tourists care mainly about proximity to the attractions and shops, as well as a place to swim and sunbathe.

STEP 2: SHORT-TERM FEATURES

The best of everything is always nice in a short-term let, but unless you intend to specifically rent your property to the luxury market, or else you insist on luxury wherever you stay, then it is almost never necessary to buy all top-end features. Popular features that make a difference when renting out are: tile floors in the main living areas; covered lanais; extended pool decks; spas attached to the pool; doors leading out from the guest bathroom to the pool; and privacy in the back garden area. Upgrades that don't matter as much for short-term rental purposes are: fancy cabinets and countertops; crown moldings; more expensive general materials; larger garages (tourists almost never park in the garage); and fancy gardens (great for residents who love gardening, but not practical for short-term rental properties).

Builders often charge thousands of dollars extra for lot premiums, which can rarely be recouped once the house is resold. If a house backs onto orange groves or an open area, despite promises that it will remain that way, there is always a possibility that at some point, this land will be built on and so devalue the lot. Be aware that paying extra for a larger than normal lot also means more grass to cut. Water-view or waterfront properties are always popular, but the premiums on these are usually excessive on new builds and can outweigh any extra rental income.

People often wonder if there is a magic number of bedrooms. There are just as many success stories from owners of small two-bedroom condos as there are from seven-bedroom villas with pools; although the average short-term let buyer buys a three- or four-bedroom villa with a pool. An increasing number of renters are looking for smaller properties, but on the other hand, there are many more competing small properties available to rent so it's harder to rent out. There is less competition for larger properties and better rental income; but both the initial and operating costs are much higher. Overall though, large properties seem to be very successful, as do those in the older, more established neighbourhoods, contrary to popular myth.

STEP 3: GET THE EDGE

You will face a vast amount of competition in the Disney area, so your property needs to be in the best condition possible. Simple things like clean sheets and towels are a must, so you may want to make sure these are changed regularly; guests rate cleanliness higher than fancy items. Try to include things like baby cribs, playpens, children's games, pool toys, DVD players, large screen TVs, a pool table and dartboard if you can, plus a couple of bicycles in the garage for outings. One thing that people now expect is free high-speed internet access in the villa, preferably wireless. Having pool heating included in the price is also a good idea. Make sure that you advertise whatever extra features you have: if you don't tell, people won't know!

Having personal touches like a friendly photo of yourselves as the owners on a note saying "welcome to our home" in your



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Above Beautiful gardens may seem attractive, but remember that someone has to look after them, which increases running costs

property will make it more like a home than a sterile hotel room. The cosier you make your place, the more comfortable people will feel and will be inclined to return.

STEP 4: MARKET YOUR PROPERTY

Many people are enticed by offers of guaranteed rental income when they are looking to buy their property. Even the few legitimate schemes available usually come with many conditions attached, but the vast majority need to be closely scrutinised, as in most cases, all is not what it seems. If you are looking for a truly guaranteed income, then perhaps you should be keeping your money in a bank savings account!

At the end of the day, owning a short-term rental property is going to require some effort in order to be successful. You need to have your own website, which can usually be built fairly inexpensively and can be listed on the many specialist villa rental websites, some of which charge a nominal annual fee and some who charge only when you get a booking through their site. You can never have too much exposure for your villa, so it doesn't hurt to be on as many of these as possible.

There are also specialist magazines and newspapers where you can advertise your property for rent, as well as being active on villa owner's forums and placing flyers in your local hometown stores and places of employment. You could place a classified advert for your property in this magazine too, from only £50 a month: tel: 01225 786885.

Many people wonder if they should just leave the bookings to their property management company. This works for some, but not for others. If you do this, expect to receive a lower rate, because of their commissions and contract rates to tour operators and travel agencies. The happiest owners are usually the ones who use a management company mainly for property maintenance, but who try and get most of their own bookings. An average retail rate per week for a four-bed villa with pool would be around \$700 (£399). Many management companies will be happy for you to try and get your own bookings most of the time and just depend on them as a backup. What you should really avoid doing is relying on them totally to provide all the bookings for your property. ▶▶



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STEP 5: OTHER EXPENSES

Maximising rental income isn’t just about the rents received; it’s also about the expenses involved in the property’s upkeep. Most expenses are unavoidable, but if you keep a close eye on your bills, you stand a better chance of noting if there are any unnecessary or excess expenses being paid out. Also, like any small business, know when it’s the right time to spend cash on preventative maintenance, which can save thousands later!

There are around 45 million US and 3 million international visitors to Orlando alone every year, so there is still plenty of rental potential. Americans generally stay for fewer days and book at shorter notice than international visitors. UK guests are usually more tolerant than Americans, who generally expect high standards, so do be aware of these differences when thinking about your market. ☀



Photo: iStockphoto.com

Above Know your market. Villas with pools are favoured by Brits but less by Americans
Right Don’t forget the finishing touches – holidaymakers like to feel pampered and special

Rental checklist

- Think closely about your main reasons for buying a property in Florida. Are you looking for a second home or vacation home for personal use? Is capital appreciation your main goal, or is rental income an absolute must? How long do you intend to hold on to the property? Do you need to stay at the property when you visit, or would you be happy owning a property with a long-term tenant?
- Do you really need all those luxury extras; or would a simple, clean, comfortable and more affordable property fit the bill?
- Will you be able to market your own property, or would you prefer to sit back and have a more passive investment? Do you intend to get actively involved, or would you prefer a management company to handle all your bookings and property expenses?
- Don’t trust all you see advertised about ‘guaranteed rental income’. Many people have been hurt by this, so make sure you know all the facts and conditions involved. If it sounds too good to be true, it usually is!
- Check with your guests to see if they enjoyed staying at your property and take note of their feedback. Personal contact is good for you and good for them.
- Monitor your new business regularly and don’t be afraid to make changes whenever necessary. It’s your property and your investment. If you take care of it, you should enjoy many years of profitable business.