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Dos and Don'ts of Owning a Vacation Rental

Are you considering a vacation home purchase that will produce valuable rental income when you're not using the property? If so, check out these dos and don'ts to get the most out of your financial investment.

DO: Create a financial plan. This will help you predict the potential revenue and expense of owning a rental property.

DO: Work with a knowledgeable Realtor® when buying. A good agent can help you find a property in a good location with the best rental potential.

DO: Get to know your home. Carefully check all parts of the home and repair and replace items that need it.

DO: Choose a property manager carefully. Check their reputation in the area, then ask how they'll: Maintain the home so it stays in good condition, communicate with you and maximize your revenue.

DON'T: Ignore preventive maintenance. It's better to fix or replace that aging water heater or HVAC system now than have it break during a renter's stay.

DO: Be strategic about using the home yourself. If your goal is to

maximize rental income, stick to planning your stay during the off season.

DO: Plan to reinvest in the home. Figure you may have to spend 1% of the property value each year on maintenance.

DO: Be realistic about pricing. Research area rental rates and don't overprice. Your ultimate goal is to make a reasonable profit and that will require a high occupancy rate.

Sources: entrepreneur.com, sfgate.com, Morris Invest, blogs.netintegrity.net



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