



# UNLOCKING Your Vacation Rental's Potential

By Dave Slovin

*Editor's Note: This article is for informational purposes only. Readers are advised to research all rental management options before initiating any changes involving their vacation property.*

If you were one of those who bought a condo counting on a quick resale and a hefty profit, you may be feeling the need to generate income from your investment. As renters today have more options than ever when it comes to finding just the right condo for their vacation, savvy owners know they must work a little harder and be a little more creative when it comes to generating rental revenues to offset expenses.

### Tips For Generating Increased Revenue

**Find 24/7 Local Support:** One of the best pieces of advice is not to go it alone, especially if you live outside of the area where your condo is located.

You can protect your investment by hiring the services of a management company to keep your condo in top operating condition. In addition to providing basics such as cleaning, management companies are also accustomed to providing regular inspections, maintenance and repairs. A good management company will keep both you and your guests happy.

One absentee owner, Steve Van Buren, illustrated the need for local assistance. "I rent out my three condos through an Internet site. My main concern when I moved to this approach was having the level of local support necessary to protect my investment. Relying on the housekeepers was not the answer. I

wanted someone in my condos who could conduct real maintenance inspections."

**Manage Your Time:** If you do not want to rely solely on a management company for booking your condo, you might want to consider supplementing the company's marketing efforts.

Plan to allocate one to two hours per week per condo for promoting your condo, allowing more time in the spring and less in the fall. When possible, use e-mail as a method of communication with potential renters because of its instantaneous delivery and cost savings. You can also make your points perfectly clear in an e-mail without ever having to leave a voice mail or spending money on postage. Think about the information you would need to provide a potential guest, including rates, confirmation, rental terms, and post-rental thank-you notes. There are inexpensive e-programs that allow you to build templates for your e-mail promotions so that you do not have to reinvent the wheel every time you want to market your unit.

**Set Renter Expectations:** If you have any rules you would like your guests to follow (e.g., minimum age of 25), put the rules in writing. Discuss your objectives with an attorney, but consider a rental agreement that includes language that limits your liability.

**Qualify Your Guests:** Here's a little trick to make sure you're renting to fun families instead of crazy college kids, especially during March and April.

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After the initial inquiry and response, ask for a faxed copy of the guest's driver's license. Match the name, address and age to ensure that you are renting to the person you think you are. You'll also have a responsible party's ID in case something happens.

**Manage Information:** Use a spreadsheet to keep track of guests, dates and rates. This can help you drive repeat business to your condo. Some management companies offer their clients the use of their rental technologies, which can be a real advantage and time saver.

### Tips On Marketing Your Condo

Once you've set up your rental program, it's time to get creative and differentiate your condo from the competition. Here are a few ideas for making your condo stand out above the competition:

**Offer Specials:** Terms like "low rates" are over used. Using words like "last minute" and "seasonal specials" can help drive extra business on empty weeks/weekends and during the slower seasons. Offering specific special deals like "rent three nights, get one free" could be representative of discounts that you were already prepared to accept.

**Appeal To Kids:** Consider placing an Xbox or another video game console in your unit to appeal to children. Refurbished game consoles are pretty cheap and may be very attractive to families worried about entertaining bored kids. Speaking of bored, board games or puzzles can provide additional entertainment during afternoon thundershowers.

**Appeal To Adults:** Complimentary Internet access is very attractive to travelers and inexpensive to offer. Adults often have to check in with the office even though they are vacationing. A little more expensive upgrade would be installing HDTV and surround sound, features that are attractive to folks who prefer watching sports to sunning on the beach. Plus, the whole family can watch movies together at night.

**Advertise Creatively:** There are a number of low-cost ways to find new guests. Place an ad in your community or church newsletter or bulletin board. Send an e-mail to your contact list with a

special friends and family discount. List your condo on Craigslist.com or other local sites. Some owners are even auctioning off vacation rentals on eBay!

With a little time, forethought and creativity, you can generate more revenue from your investment property. With just a little effort, you'll offset expenses, build relationships with vacationers who come back year after year and enhance the long-termed value of your condo. ■

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