

Renting *Your* *Vacation Home*

A Step-by-Step Guide



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WHY RENT YOUR VACATION HOME?



“At HomeAway, we’ve created the world’s largest online marketplace for vacation home rentals. Our mission is to make it easier than ever for owners like you to advertise and profit from your vacation home, and to let travelers know about the ease and freedom that comes from renting a home on their vacation vs. staying in a hotel.

—Brian Sharples,
CEO, HomeAway.com



Your vacation home is your little piece of paradise. A place where you escape the stresses of everyday life to lay on the beach, take in a round of golf, build a snowman with your grandchildren, or simply take a nap on the porch swing.

You may have thought about renting your home for a variety of reasons. Maybe you haven’t used it as much as you planned and don’t want it to sit empty. Maybe you just need to offset the costs of owning it. Or maybe you simply want to share your amazing vacation home with others.

Whether you hire a property manager to handle the details or you intend to manage rentals yourself, begin by familiarizing yourself with the industry and the rental process.

And when you are ready, HomeAway offers the three leading websites in the U.S. to list your property—HomeAway.com, VRBO.com, and VacationRentals.com. Together they make up the largest online marketplace in the world where millions of travelers go every day to find the perfect home to rent for their next vacation.

We’ve created this eBook to help you get started, and to show you how simple, fun and rewarding it can be to rent your vacation home. For more insight into renting, the Owner Community from HomeAway (led by eBook editor, Christine Karpinski) provides ongoing advice for vacation homeowners of all experience levels.

Happy Renting,
The HomeAway Team



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GETTING *Started*

“From time to time, we talked about renting our vacation home, but always concluded that it was just too much work, too much risk, and too much hassle. But a few years ago, we decided to give it a try and we cannot believe how easy it has been, and more importantly, how rewarding.”

—Michelle, Richland Chambers Lake, TX





Setting Your GOALS & OBJECTIVES

You may not think of your vacation home as a business, but when you set it up as a rental property, you've just entered into a potentially profitable business endeavor.

As with any kind of business, it's important to set clear goals. What would you like to accomplish by renting your vacation home? Your answer might seem simple: Make money by finding guests who will pay you to stay in your home. To accomplish this, first spell out your goals in detail and then outline a plan to achieve your objectives.

Determine Objectives Decide how many weeks in a year you'd like to use your home and how many weeks you'd like to rent it.

Next, determine your financial objectives. Do you want to offset a portion of your costs? Do you hope to have your rental revenues pay for all of the expenses associated with owning your vacation home? Or do you want to make a profit? If so, how much?

Apply the Formula If your goal is to use your rental revenue to cover all of the expenses associated with owning your property, Christine Karpinski, author of *How to Rent Vacation Properties by Owner*, has developed a formula to help you calculate your break-even point.

DO THIS CALCULATION TO FIND YOUR BREAK-EVEN POINT:

If your monthly mortgage payment is less than or equal to 1 peak-week rental fee, and you rent approximately 17 weeks a year, your property should come close to breaking even. Most vacation rental markets average 12 peak weeks. Other costs (e.g., utilities, association dues, etc.) are paid by earnings from approximately 5 weeks of off-peak rentals.

EXAMPLE: If you own a condo with a monthly mortgage of \$2000 and rent your home for \$2000 per week, you'd only need to rent 12 weeks to break even on your mortgage payments.

COMPLYING WITH RULES & Regulations

When starting to rent your vacation home, make sure your second-home business complies with the laws and ordinances of your state, county, and municipality.

Current and Proposed Zoning Before you begin renting, check with county and city officials about the zoning requirements for short-term rental properties. Check the current zoning status of the area in which your vacation home resides and be sure to learn about any proposed changes that may affect it. Then, research the status of short-term rentals in your

city or county by searching past newspapers for articles about your market. Consider contacting other owners currently renting in your local area to learn more.

Homeowners Association Rules

In addition to your local municipalities, check with the homeowners association about rules regarding vacation rentals within your complex or subdivision.

Typically these rules are found in

the community's CC&Rs (the governing documents that dictate how the homeowners association operates and what rules the owners must obey).



Business Licenses and Permits

Many areas require vacation rental owners to apply for a business license or permit to rent homes on a short-term basis. Consult city or county officials for clarification and more information.

Safety and Health Code Regulations

In some markets, vacation rental homes have to follow the same basic safety requirements as long-term rentals (e.g., sprinkler systems, fire extinguishers, deadbolt locks, etc.) and may also be required to complete safety inspections. Some areas also have specific rules and regulations around health issues, most commonly involving linen sanitization, well-water testing, and pool and spa maintenance.

Sales Tax Many states in the U.S. and provinces in Canada require you to collect and remit sales tax. This sales tax is paid by your guests in addition to your rental rates. You collect the monies and hand them over to the government at a fixed interval (typically quarterly). Find out the requirements in your area by contacting your county sales tax office.



DETERMINING YOUR *Level of* Involvement

After making the decision to rent your home, you must determine how involved you would like to be in the rental process. Renting your vacation home requires effort, time, and dedication to succeed.

Most vacation rental homeowners either choose to employ a property management company or “rent by owner.”

Tasks Involved in Renting Your Vacation Home

- ☐ advertising your home
- ☐ responding to inquiries promptly
- ☐ taking reservations and payment from guests
- ☐ collecting and remitting sales tax
- ☐ handling guest requests and complaints
- ☐ hiring service providers (housekeepers, handymen, etc.)
- ☐ scheduling housekeeping between guests
- ☐ managing maintenance issues

WHEN TO USE A PROPERTY MANAGER

Consider hiring a property management company if you don't have the time or desire to successfully run your vacation rental yourself. You'll find property management companies in most vacation rental markets. They can manage every aspect of renting your home—for a commission.

WHEN TO RENT BY OWNER

Consider managing your rental yourself if you—

- are a do-it-yourselfer
- want complete control over who rents your property
- want to avoid paying commissions to a property management company



REMEMBER, there's no right or wrong way to rent your vacation home. Ultimately, your choice to hire a property manager or to rent by owner is determined by your desired level of involvement.

Hiring Helping Hands

Property Management Company If you don't have the time to manage your rental yourself, consider hiring a property management company to handle everything for you. In exchange for their services, they typically charge a commission, which can range from 10% to 50% of the rental income.



Before hiring a property manager, verify if the company's staff will—

- ☐ advertise the property both locally and internationally
- ☐ interview potential guests to make sure they are suitable
- ☐ inspect the property before and after each rental and do an inventory count
- ☐ welcome the guests into your property
- ☐ organize repairs and maintenance, and provide receipts for all expenditures

Housekeeper or Cleaning Service When renting by owner, handling cleaning issues from a distance will likely be your biggest challenge. It's critical to find a housekeeper or cleaning service you can trust. Start by visiting your vacation home during peak season and talking with the housekeepers cleaning your neighbors' vacation homes.

Maintenance Person or Handyman

Consider hiring a maintenance person or company to oversee your property on a continual basis. This works particularly well for people who live far from their second home and can't visit more than once or twice a year.



Attorney Before renting your home for the first time, hire an attorney familiar with the vacation rental market who can advise you on the laws in the area.

Accountant or Tax Advisor Similarly, hire an accountant who can advise you about bookkeeping procedures and income tax implications for vacation rental homeowners.

Preparing Your **HOME** for Guests

“I have found that a well-equipped house will sell itself.”
—Lesli, Singer Island, FL



Your vacation home is likely already furnished and decorated. However, when you begin renting, it's important to find a balance between your convenience and your guests' comfort.

First, walk through your vacation home and remove any valuable or irreplaceable items. Then create a lockable closet for storing the personal affects and supplies you want to have on hand. Lastly, make sure the space throughout your home is relatively free of clutter.

The Kitchen When it comes to the kitchen, guests appreciate convenience. Your kitchen should be equipped with enough plates, glasses, and flatware for double the number of people that you sleep. Guests also appreciate conveniences like a coffee pot, adequate cooking gear, and a large dining room table.

The Bedrooms See that your vacation home has quality, ample bedding: at least two sets of high-quality sheets for each bed, pillows with pillow protectors, extra blankets, and mattress pads. Also provide an alarm clock and reading lamp on a bedside table in each bedroom.

The Living Area Make sure your living area has comfortable seating for at least the number of people that you sleep and a TV large enough for guests to watch from across the room. Provide at least basic cable, a DVD player, and cards and board games for rainy days.

The Bathrooms Guests expect the bathrooms to be spotless and demand quality towels. At a minimum, provide:

- ☐ 2 bath towels per guest
- ☐ 2 hand towels per guest
- ☐ 4 washcloths per guest
- ☐ 1 hair dryer

The Extras When equipping your vacation rental property, be aware of why guests want to stay in a vacation home instead of a hotel. Consider providing these items:

- ☐ high-speed Internet
- ☐ books, games, videos
- ☐ first aid kit
- ☐ crib

Other amenities that may draw in guests include:

- ☐ video game systems
- ☐ pool tables
- ☐ espresso machines
- ☐ beach or snow gear

Marketing YOUR Vacation Home

“We bought the home for our retirement. . . . but that date is several years down the road. It just made good sense to get some income from the property when we were not using it ourselves.”

—Dee, Playa Del Carmen





Finding **GUESTS**



After you've furnished your vacation home with top-notch décor and high-quality linens, it's time to get your wonderful property out there for renters to find. In the past, vacation homeowners relied on print advertising like newspapers and magazines to book their vacation homes.

Luckily, you no longer need expensive print ads to find guests. The Internet offers cost-effective and easy-to-use websites that can drive potential renters to your vacation home.

LISTING WEBSITES

The most common Internet advertising for vacation homes is on vacation rental listing websites. These websites connect vacation homeowners and travelers. They range in size from local or regional sites with only a few hundred properties to large-scale worldwide sites like HomeAway.com. Vacation rental websites tend to be inexpensive (\$200-\$500/year) and more cost-effective than traditional print advertising. By comparison, for just a few hundred dollars per year, you could reach millions of visitors on a site like HomeAway.com or you could pay up to \$1,000 a week to run a print ad in a metro newspaper with a circulation of just 300,000.

SPECIALTY WEBSITES

Specialty websites cater to the interests of particular groups of people. Some list vacation properties specifically and some do not. Specialty websites include Chamber of Commerce websites, hobby-specific websites like golf or scuba diving, and travel websites targeting groups like seniors or pet owners.

PERSONAL WEBSITES

While it's not necessary to create a personal website to rent your vacation home, some homeowners do so to complement their website listings. It allows you to provide extra photos and detailed descriptions that help seal the deal with potential guests.

Targeting Travelers

Before you begin advertising your vacation home, take a moment to think about your target guest.



Most travelers start their search with these criteria in mind:

Location/Proximity to Attractions Often, travelers look for a property that's close to specific attractions. In your description, instead of writing "near tourist attractions, shopping, and restaurants," list the exact distance from the home itself to specific attractions.

Price Most travelers search with a certain budget and price range in mind. Make sure you state your prices clearly and they're easy to find in your listing.

Size of Property Clearly state the size of your property and maximum number of guests it can accommodate. Guests specifically want to know about your bed setup as well as the seating available in your living area and dining room.

Preferred Dates Many travelers base their vacations around work and school calendars, which can make their timing inflexible. Keep your availability calendar up to date to attract travelers looking for specific dates, even at the last minute.

NOTE: Since many travelers search for vacation accommodations based on these four criteria, make sure your vacation rental ads clearly address each of these factors.

Components of a LISTING

Most vacation rental websites provide travelers with the information they seek to make a selection. Each HomeAway.com listing template features a headline, a thumbnail photo, a full description, 12 property photos, a rental rates table, an amenities table, an availability calendar, and guest reviews.

Headline On HomeAway.com, your headline shows up at the top of your listing and in the summary box for all search results. Because your property's headline is your first chance to grab guests' attention, make it as specific as possible. Bonus: this helps in search engine rankings as well.

Thumbnail Photo A thumbnail photo of your vacation home also shows up in the summary box on all search results pages and at the top of your listing. Be sure to select a unique photo that stands out among other listings in your area.

Full Description Your property description on HomeAway.com is a 100-word summary of your vacation property. Make sure it paints a clear picture of your home and all the extras it offers.

Property Photos Your HomeAway.com listing lets you display up to 12 photos of your vacation home. Showing exceptional photos results in more inquiries and ultimately

more bookings. If you're not comfortable wielding a digital camera and uploading photos, ask a friend to help or hire a professional photographer.

Rental Rates Table Price is one of the most important factors when choosing a vacation rental, so it's important that site visitors can easily understand your rates. The HomeAway.com rental rates table allows you to include nightly, weekly, and monthly rates for each of your rental seasons.

Amenities Table Some travelers prefer to peruse the amenities rather than read the property description. On your HomeAway.com listing, it's easy to check off boxes to show travelers which amenities you include, plus add information about other amenities featured in your home.

Availability Calendar Travelers need to know when your home is available—especially those wanting to book specific dates. The easy-to-update availability calendar on HomeAway.com keeps them informed.

Guest Reviews Your past guests can leave reviews about your home using the HomeAway.com Review system. Featuring these reviews can make a difference. Guests are more likely to choose a vacation home that several past guests reviewed favorably.

REMEMBER, the more complete your website listings are, the more comfortable travelers will feel to inquire about-and ultimately book-your vacation home.

Writing an Attention-Grabbing Headline

The single most important text in your HomeAway.com listing is your headline. It appears not only at the top of your advertisement, but also in your property summary that shows up in HomeAway.com indexes and search results.

Like the headline of a print ad, your property headline uses a few well-chosen words (12 to be exact) to generate interest in your vacation home. Yours should be more than good; it should be GREAT.



BAD HEADLINE

“Wallaby’s Paradise”

GOOD HEADLINE

“Cozy Beach House Near Anini Beach”

GREAT HEADLINE

“Luxury Beachfront Home with Pool, HDTV, Spring Break Open”

What to Include in the Headline

Use words that clearly depict your vacation home and its major selling points. You could describe your property type (e.g., cabin, condo), location type (e.g., beachfront, downtown), suitability (e.g., pet friendly, perfect for kids), and amenities (e.g., hot tub, pool, pool table, tennis). Specific keywords like these catch the eye of potential guests and help your listing show up higher on the results pages of search engines like Google and Yahoo!.

What Not to Include

An effective headline doesn’t repeat information detailed in your HomeAway.com summary box (that is, location, number of bedrooms and bathrooms, and the number of people it can accommodate). Also, avoid using local jargon; don’t assume your guests are familiar with the area.

Don’t Ever Copy Another Listing’s Headline

Never copy another listing’s headline. Your headline’s uniqueness will attract interest in *your* listing. If the same wording appears with another property, neither will stand out.

Describing your HOME

When browsing HomeAway.com, potential guests focus on different sections of a vacation rental listing. Chances are most will read the property description—a 20-second opportunity to convince someone to stay at your vacation rental property.

What details would they want to know?

Be Descriptive When Talking to Your Guest

Describe your home in a way that helps them imagine happily staying there. How do you write that way? Instead of “The pool is heated year-round,” write “You’ll love our pool: we keep it at 78 degrees all year long.”



Write Clearly and Concisely

Your advertisement will be read by people from around the world with different levels of English language proficiency. Write your description in clear, complete sentences; avoid local jargon and abbreviations.

Sell Your Property, Not Your Area

By the time travelers find your listing on HomeAway.com, they’ve likely decided to stay in your vacation area. It’s your job to convince them to book *your* vacation home. Hint: You can always highlight the area in the “Location” section of your HomeAway.com listing.

Keep in mind these three types of shoppers:

- One that only looks at photos,
- One that scans the listing for certain words, and
- One that reads the written descriptions completely.

For this reason, make each of these areas in your listing as strong as possible.

WHAT TO INCLUDE IN YOUR DESCRIPTION

- | | |
|---|--|
| <input type="checkbox"/> Capitalized key words for emphasis | <input type="checkbox"/> Specific bedroom info and bed setup |
| <input type="checkbox"/> Correct spelling, grammar, and punctuation | <input type="checkbox"/> Suitability for certain groups of travelers |
| <input type="checkbox"/> Major amenities | <input type="checkbox"/> Unique selling points |
| <input type="checkbox"/> Property type and size | <input type="checkbox"/> Description of view |

Staging and Taking PHOTOGRAPHS



You have 30 seconds or less to grab the attention of anyone who views your vacation rental website listing. Will they read yours or move onto the next listing? The facts are simple: The more quality photos you have, the more interested viewers become, the more likely they'll inquire via email or phone.

DID YOU KNOW that vacation rental properties with more than 4 photos get twice as many inquiries as listings with 4 photos or fewer?



Use a Digital Camera Digital cameras produce high-quality photos that look great on the web. You can edit the photos on your computer and easily upload them to HomeAway.com. **BONUS:** You can take hundreds of photos and easily delete the ones you don't like at no cost.

Stage Each Photo Help travelers imagine the feel of staying in your home by "staging the set." Before taking each photo, remove unnecessary clutter, straighten magazines on the coffee table, smooth all bedspreads, fluff all pillows, and turn off the television. Add warm, welcoming touches like a bowl of fruit or a vase of flowers.

Shed Some Light Lighting is the single most important factor in taking good photos. For the best results, use the natural light available by opening curtains and blinds, turn on all indoor lights, and take photos both with and without the flash.

NOTE: Remember, photos come with copyrights. If you're using a photo you didn't take yourself, get proper permission from the photographer and/or publication where you found the photo.

MUST-HAVE PHOTOS

- | | |
|---|---|
| <input type="checkbox"/> Living area | <input type="checkbox"/> Kitchen |
| <input type="checkbox"/> Master bedroom | <input type="checkbox"/> Additional bedrooms |
| <input type="checkbox"/> The view from the home | <input type="checkbox"/> Pool or hot tub if available |
| <input type="checkbox"/> Exterior of home, building, or complex | <input type="checkbox"/> Any unique features |

Setting Your Rental Rates

The number of inquiries and bookings that you receive are directly affected by your rental rates, so be careful not to price your property too high or too low.

Research Rates in Your Market Check the pricing of similar vacation rental properties on sites like HomeAway.com. Pay attention to what amenities the properties offer, their proximity to tourist destinations, and how your homes compare. Also check the other vacation rental listings to see which fees other owners charge in addition to the basic rental rate. Fees might include taxes, cleaning fees, amenity fees, or pet fees.

Set Nightly, Weekly, and Monthly Rates

Guests like to see rental rates for different increments of time. In markets primarily priced by the week, many owners choose a nightly rate that is 1/5th to 1/6th of their weekly rental rate. Conversely, in nightly rental markets, homeowners often multiply the nightly rate by 5 or 6 to get a weekly rate. Off-season monthly rates are generally the same amount as one peak week.

“

I strive to offer the best prices, accommodations and amenities.”

—Sue, Morgan, VT



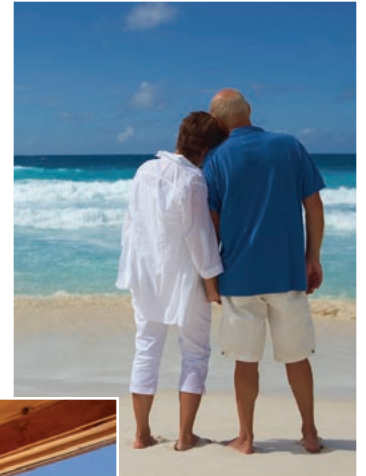
Make Your Rental Rates Clear If potential guests can't easily find the rental rate for the dates they want, they'll likely move on to the next listing. So when setting rates, be sure to quote exact dates for the rental period. Avoid using vague terms like "peak season" because prospective guests may not be familiar with the seasons in your area.

Decide on a Minimum Stay During the busiest months for your rental market, a 1-week minimum stay may be typical. During the shoulder season, lowering your minimum stay to 3 nights will target weekend guests. Be sure to check your area's short-term rental regulations to see if a minimum stay is mandated.

The *Rental* Process

“I love our log cabin at Mt. Hood so much that I really enjoy sharing it with others. It is very rewarding to get great feedback from guests.”

—Lori, Mt Hood, OR





RESPONDING TO *Inquiries*

When travelers find your vacation home on a website like HomeAway.com, they likely contact you in one of two ways:

EMAIL Most send inquiries through the form located on the bottom of your listing. These inquiries are routed to your email address or can be viewed by logging into your HomeAway.com account.

PHONE Some travelers (particularly those looking for a last-minute getaway) call to inquire about availability or book your home immediately.

“If a prospective vacation renter includes a telephone number, I always call. People have remarked to me that they felt better after speaking to me as this was their first time booking a vacation rental online. They wanted to be sure a real person was on the other side of the screen.”

—Miriam, Daytona Beach, FL

HOW TO CONVERT INQUIRIES INTO BOOKINGS

CHECK YOUR EMAIL OFTEN. This may sound like a no-brainer, but you would be surprised how many people only check emails once a day or even once a week. At minimum, check email first thing in the morning, at the end of the workday, and before going to bed. Also, if you can, sneak a peek at lunchtime, too.

REPLY IMMEDIATELY TO INQUIRIES. Be detailed and friendly in your reply. Quote rates including taxes and fees. Confirm exact check-in and checkout dates that you have available. Tell them to call you if they have additional questions.

INCLUDE A SIGNATURE LINE. Make sure they know how to contact you by including an automated signature with your name, phone numbers, and a link to your HomeAway.com listing.

PICK UP THE PHONE AND CALL. When people inquire, instead of emailing a reply, pick up the phone and call. If they list a phone number on the inquiry form, then a call is welcomed or expected. Studies show that the first person to call is most likely to secure the booking. Owners who call rather than email convert more inquiries into bookings than those who only email.

RETURN PHONE MESSAGES IMMEDIATELY. When inquirers call and leave you messages, call back! Don't miss a potential rental by not returning calls in a timely manner. Make it a priority.

FOLLOW UP VIA PHONE. Give inquirers a follow-up call a few days after your initial correspondence to see where they stand in their planning. If they're wavering, your phone call could convince them to close the deal with you.

Taking RESERVATIONS

Screening Guests Properly screening your guests is your best insurance policy against loss. We recommend you talk to your potential guests on the phone before accepting their booking. It is perfectly acceptable to ask potential guests questions to determine if they'll be suitable guests. Sample questions: "How many people are in the party?" and "Are there any children or pets?" In the process of talking, let them know your vacation rental is your second home. This makes guests feel more comfortable renting your home and encourages them to take better care of it.

Taking Payment A reservation is confirmed when the deposit payment is received. Although you can require guests to send checks for deposits and payments, you can increase your bookings by conveniently accepting credit card deposits and payments.

Put Everything in Writing To protect both yourself and your guests, put all agreements in writing. Send your guests a copy of your rental rules and billing confirmation. Do NOT accept a deposit without a signed copy of your Confirmation and Rental Rules documents in hand (faxed signatures are acceptable).



YOUR RENTAL AGREEMENT

Be sure to include the following:

- ☐ Your contact information and the address of the vacation rental property
- ☐ Age and maximum occupancy restrictions
- ☐ Total amount due including all taxes and fees
- ☐ Cancellation policy with detailed fiduciary penalties for cancellation
- ☐ Provisions for security deposit refund
- ☐ Payment schedule for deposits and rental payments
- ☐ Check-in and check-out days / dates and times
- ☐ Pet and smoking policies and restrictions
- ☐ Check-out policy: your expectations of the guests upon departure
- ☐ Storm and road condition policies

HINT: Go to www.OwnerCommunity.com for a free Sample Rental Agreement.

COLLECTING Payments from Your Guests



“Once I started taking credit cards my life got much easier. I don’t even take checks anymore.”
—Diane, Gatlinburg, TN

Reaping the financial benefits of renting your vacation home doesn’t have to be complicated as long as you establish clear policies regarding monetary transactions.

It’s possible that potential guests may feel nervous about transferring funds to someone they’ve never met. Presenting them with clear and concise financial policies will help ease their concerns and minimize potential hassles for you.

These payment methods are safe and commonly available: Credit cards, PayPal, personal checks, and bank-to-bank wire transfers.

Credit Cards or PayPal Travelers expect to use a credit card for travel so if you don’t accept them, potential guests may look elsewhere. Accepting credit cards gives you flexibility and the benefit of immediacy. No more waiting for the check in the mail to verify that a booking is solid. You can take deposits and payments and process refunds over the Internet.

HomeAway.com offers an online payment service. You can customize your own payment schedule and send email notices to request payments. Your guests can pay online through our secure service using Visa, MasterCard, American Express, Discover, or PayPal.

Personal Checks If you accept payments by personal check, cash the check immediately. Make sure you give the check ample time to clear before giving that guest access to your property.

Bank-to-Bank Wire Transfers You can offer direct payment from one recognized bank account to another account. Payment is immediate and convenient; funds are deposited directly into your account. (Note: bank-to-bank wire transfers are different than Western Union because they are traceable to an individual.)

AVOID THESE PAYMENT METHODS:

MONEY ORDERS AND CASHIERS’ CHECKS Beware. These are not convenient payment methods for your guests and are favored by scammers.

INSTANT CASH WIRE TRANSFERS HomeAway.com advises against sending or accepting payment by untraceable wire transfers through services like Western Union or Moneygram because this method is commonly used by scammers and thieves.

Receiving Deposits



RESERVATION DEPOSIT

The reservation deposit is a specific amount of money collected at the time of booking that validates the Rental Agreement.

Regardless of how far out your guest's arrival date is, it's critical to request a reservation deposit within 3 to 5 business days of the booking (or immediately by credit card). This reservation deposit can automatically convert into a security deposit. A security deposit is a certain amount of money (usually above and beyond the rental costs and fees) that the owner holds until after the guests have left the property.

INSTALLMENTS

Many homeowners break the payment up into two equal installments: 60 days and 30 days out. Receiving the first payment 60 days prior to the rental date gives you ample time to get another renter in case of cancellation or lack of payment. However, if it's a last-minute reservation, ask for full payment at the time of booking.

FINAL BALANCE

Typically you collect the outstanding amount 14 to 30 days prior to the rental date. This provides time for funds to clear the bank before you send directions, keys, or lockbox codes.

BOTTOM LINE: *Don't give directions or keys to your guests until they have paid in full.*

GUIDELINES FOR COLLECTING SECURITY DEPOSITS

- Many owners require a minimum security deposit of \$200 or 10% of the total rental, whichever is greater.
- Process all deposits right away. Cash deposit checks immediately—bounced checks signal trouble.
- Only return deposits after your property has been inspected after checkout
- Be sure to comply with laws governing how deposits are held. Some states require holding deposit funds in a separate, interest-bearing escrow account.
- Be sure to inform guests about your deposit refund policy and expectations.



Handling KEYS

If you're managing your vacation home rental yourself, you have to find a way to allow entry to your guests. Most vacation rental homeowners use one of the following options:



Lock Boxes You can install a lock box on your doorknob or in another easy-to-find place on your property. Common lock boxes cost \$25 to \$30, and can be purchased at most hardware stores, from locksmiths, or on the Internet. Using a lock box, you can easily set your own code, hang it on your doorknob, and put keys inside. You then give the guest the combination when you send them the driving directions. The downside is that you can't easily change the code after each guest.

Keyless Entry You can buy a keyless entry door lock that has push buttons right on the lock. This kind of lock can also be found online or through most locksmiths and hardware stores for between \$150 and \$500. For some owners, this may be the only option (aside from mailing keys) if the condominium complex prohibits lock boxes. If you use a keyless entry lock, your housekeeper can easily change the code between guests.



Mail Keys You can still use the old-fashioned method of mailing keys to your guests. Many owners have been doing this for decades. It's effective, but not necessarily simple and leaves room for error (e.g., keys don't arrive in time).

Key Pickup Service If you'd prefer that your guests receive keys from a human being, you might arrange a key pickup service with a local property management company, or you can pay your housekeeper to meet your guests upon arrival. The downside is that if your housekeeper doesn't show up, your guests won't have access to your home.

Rental *Process* REVIEW

Most transactions between travelers and vacation homeowners consist of 15 steps.

Use them to review your own procedures.

- 1** Traveler searches for a home to rent on the Internet.
- 2** Traveler sends you an inquiry with requested dates.
- 3** You respond promptly to the inquiry by phone or email.
- 4** Traveler decides to book your property.
- 5** You send a Rental Agreement and payment schedule to the guest.
- 6** You take a reservation deposit via credit card or ask for a check via mail.
- 7** Your guest signs and faxes (or mails back) your Rental Agreement with payment.
- 8** You email the guest a confirmation that you received the fax or mail.
- 9** You mark your calendar as "booked" for dates specified.
- 10** At least 30 days prior to rental date, you request the balance due.
- 11** You email the guest a confirmation that you received the final payment.
- 12** You send guest directions and keys or key codes.
- 13** Guest enjoys a stay in your home.
- 14** Guest departs; you instruct housekeeper to clean and check your home.
- 15** You return security deposit and ask guest to leave a review on your listing.



Keys to SUCCESS



- 1 Don't put all of your marketing eggs in one basket; list your property on 3 to 5 websites to reach travelers worldwide.
- 2 Be the first to respond to a guest's inquiry and increase your chances of getting the booking.
- 3 Be polite and friendly. Think of each interaction with a prospective guest as a customer service transaction.
- 4 Keep your ads updated, especially your calendar, to show travelers you're an active owner.
- 5 If you're not getting as many bookings as you'd like, broaden your spectrum of guests to include hobby-related groups, pet-owners, etc.
- 6 Optimize your listings for search engines by being as specific as possible when writing your headline, photo captions, and descriptions.
- 7 Solicit reviews from past guests to help sell the idea of renting *your* vacation home to potential guests.
- 8 Avoid miscommunications with your housekeeper or cleaning service by creating a list of specific, ongoing tasks.
- 9 Have an extra set of linens and towels to make back-to-back rentals easier on your housekeeper.
- 10 Establish a clear refund and cancellation policy to protect yourself from lost revenue.
- 11 Set strict policies regarding check-in and checkout to avoid potential problems.
- 12 Keep detailed records of all communications and bookings on a spreadsheet and maintain a good filing system on your computer.

We're Here to **HELP**

Thanks for taking the time to read this eBook. Congrats! You're well on your way to rental success. We hope that you now understand the benefits of renting your vacation home and the first steps for getting started. As you prepare to rent your vacation home, don't forget that we're here to help guide you through the process.

HomeAway, Inc. strives to enrich the vacation rental industry through owner education and outreach. That's why we created the Owner Community from HomeAway, the most comprehensive resource for second and vacation rental homes online. The site offers hundreds of articles, a weekly podcast hosted by bestselling author Christine Karpinski, downloadable webinars, industry news, and sample forms and checklists. In addition to our online efforts, HomeAway also sponsors numerous live events and seminars each year for vacation homeowners in cities across the U.S.

For a comprehensive guide to renting your vacation home, read *How to Rent Vacation Properties by Owner, 2nd Edition: The Complete Guide to Buy, Manage, Furnish, Rent, Maintain and Advertise Your Vacation Rental Investment* (Kinney Pollack Press, 2007, ISBN: 0-9748249-0-9, \$26.00) by Christine Karpinski, Director of Owner Community for HomeAway and editor of this eBook.

Advertise with Us

In the U.S., we offer 3 options. There's HomeAway.com, VRBO.com (Vacation Rentals by Owner) and VacationRentals.com. These are the industry's top three sites —reached by over one million global search terms. And together, the three websites dominate the U.S. travel market, offering 74 percent of the total traveler visits to the Top 15 U.S. vacation rental sites.



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