

Rentals and Property Management Workshop

By Maria Reynolds

Step 1:

Research your potential Market.

- Legal background and local rental laws
 - Argentina: Short term rentals subject to VAT, Long term rentals exempt
 - Montevideo: Properties built before 1973, and not refurbished, cannot be rented on short term basis
- Markets current destination status:
 - Montevideo has a lot of demand for short term rental, but not enough offer = Opportunity!!!

Maximize occupancy through the following

- Size : Find out what suits that market best
- Best Location: It will depend on city and type of rental
- Type of furniture: Depends on destination
- Technical gadgets (internet, flat screen tv, dvd player, free phone to US)
- Payment methods: Credit card is best (although difficult to set up)

How to maximize your occupancy

- Market through internet: What search words would the potential client for your property use?
- See what comes up: Advertise in those sites
- Promote your property with travel agents, realtors, embassies and corporations.
- Partner with language institutes, clinics, or anybody that brings potential clients to your town.

Good websites for advertising

- Panama: “Vacation rentals Panama”
Escape Artist; vrbo; a1vacations.com
- Nicaragua: “Vacation rentals Nicaragua”
Cyberrentals; vrbo; vacationhomes.com
- Argentina: “Argentina Short term rentals”
www.ArgentinaHomes.com

Example of Expenses for a 1000 sqft apartment in Buenos Aires which gets between 1000 US\$ and 1400 US\$/month rent. Costs in pesos.

Telephone	\$ 55,00
Cable	\$ 57,00
Maid	\$ 48,00
*Electricity	\$ 20,00
Gas	\$ 10,00
Building maintenance fees	\$ 340,00
Laundry	\$ 52,00
**Internet	\$ 110,00
Abl and water	\$ 180,00
Administration fee	\$ 180,00
Total	\$ 1.052,00

(330 US\$)

Add 60 US\$/month for Personal Asset tax.

*the electricity bill increases in summer with the use of air conditioning.

** Internet installation cost is \$ 84

\$ = pesos.

Occupancy Levels

- In 2005, in Bs. As. apartments which complied with the previously mentioned factors ranged between 70% and 93% occupancy.
- Tourism in Argentina and Uruguay is increasing
- The short term rental concept is increasing world wide.
- Montevideo: Best city for short term rentals, not much competition at this point

Example of Short term rental process in Argentina

- The booking of the apartment is made through a 20% non refundable deposit through Visa Card. Taking Visa for the whole rental does not work since every time money goes through a bank account there are debit and credit taxes (0.6%)
- Balance of payment is made in cash upon arrival
- Tenant leaves a damage deposit ranging between 100% and 30% according to the length of stay
- Inventory is checked during the hand in and again when the property is returned
- Damage deposit is returned when the tenant leaves

When furnishing your unit:

- Choose modern type furniture, but durable
- Sofa with washable cover or with material that can be wiped clean
- Dining room table either with glass top or with wood protected by glass top to avoid problems with tenants
- Stainless steel cutlery that does not come unglued
- Neutral colors that appeal to most people
- Choose uncomplicated appliances
- Furnish with replaceable items
- Try to avoid carpets, they get dirty and people prefer wooden floors.

REMEMBER: The tenant will choose according to the pictures!

Average Furnishing costs in Bs. As.

- 1000 sqft apartm. is furnished with US\$8000- US\$ 10000.
- 600 sqft apartm. is furnished with 7000 US\$- US\$ 8000
- 50% of this amount is recovered upon sale of the furniture
- Reynolds can assist you in furnishing your unit. Our fees are usually 10% of the funds spent in the furnishing. For special furnishing or properties, a flat rate quote can be organized.

Your apartment should have the following:

- Cable TV
- Telephone with a controlled account
- Air conditioning in summer
- Linen (2 sets of sheets and 2 sets of towels and hand-towels per person)
- Refrigerator
- Durable china (plates + glasses)
- Microwave
- Electric Coffeepot
- Electric Toaster
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- Audio (optional)
- Video (optional)
- Laundry Machine (optional)
- High speed internet connection (recommended for 1 bedroom properties and over)

These are examples of properties that have good response over the web and have been furnished by us.





In Essence:

- Research the market you are interested in (location, legal issues)
- Decide on Short term or long term rental (maybe both)
- Maximize occupancy
- Furnish your unit according to durability, comfort and appearance
- Include the essentials
- Invest time in finding a good property manager (cheaper is not always better!)