

Furnished Rental Market

May 2009 Alberta REIN™ Presentation



THE FURNISHED RENTAL NICHE MARKET: IS IT RIGHT FOR YOU?

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Introduction



- An unfurnished house which rents for \$1800/month rents for \$3,600 to \$5,000/month once furnished.
- This is a 'What's Behind the Curtain' on the Furnished Rental Industry.
- How we got started.



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Suitable properties



- ▣ Houses vs condos.
- ▣ Which locations.
- ▣ Must have garage.
- ▣ Does the property still suit your portfolio if it is not a furnished rental?

The Real Math!



- ▣ Start-up costs: furnishing.
- ▣ Vacancy budget.
- ▣ Maintenance costs.
- ▣ Management fees.

- ▣ Paying referral agencies.
- ▣ Ongoing advertising.
- ▣ The cost of cancellations.
- ▣ Email money transfers.
- ▣ Credit card set up.

Furnishing



- ▣ How furnished is furnished?
- ▣ Don't miss *anything*.
- ▣ 'Just show up with your suitcase.'
- ▣ Include outdoor furnishings: patio set, barbeque.

- ▣ Where to buy furnishings.
- ▣ Have a set-up team.
- ▣ Storing extra furniture.
- ▣ Other items to stock (crib, high chair, cots, etc.).

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Other Services Provided



- ▣ All regular utilities.
- ▣ Cable, internet, telephone.
- ▣ Snow removal, lawn care.
- ▣ Maid service – how often.



- ▣ Have stock room on-site.
- ▣ Keyless entry.
- ▣ Mail boxes.

Quality Controls



- ▣ Linen.
- ▣ Kitchenware. Stock up.
- ▣ Hotel touches.
- ▣ Concierge.
- ▣ Do quality checks.
- ▣ Spotters & spies.



Manuals

- ▣ Welcome manual.
 - ▣ phone numbers, voicemail, garbage schedule, maps, etc.
- ▣ Inventory.
- ▣ Manual for maids.

Finding Tenants




- ▣ Your own network.
- ▣ Corporations. Big vs. small.
- ▣ Out-sourcing management.




- ▣ VRBOs.
- ▣ Relocation agents.
- ▣ Usual web sites.

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- ▣ Fire/flood displacements.
- ▣ Insurance referrals.
- ▣ How good is *your* coverage?




Exit Plans


- ▣ 1. Sell the house.
 - It's already staged! Good marketing edge.



- ▣ 2. Keep the house.
 - Dismantle the furnishings & services, turn the house back to an unfurnished rental.
 - How to dismantle.



- ▣ 3. Sell as a business
 - Include furnishings, existing reservations, marketing systems.




Closing



- ▣ Introduce Mindy.
- ▣ Don't be seduced by the big rent furnished rentals can generate.

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- ▣ Do the full math.
- ▣ Evaluate *all* the variables.
- ▣ Have a big cushion.



For some of you, the furnished rental business could be your next income stream!

