

UPPER HAND PROPERTY MANAGEMENT

The RISE of the Short-Term Rental Market

Short-term rentals last anywhere from one week to six months and include all bills, furniture, and amenities. So the first thing you need to think about when providing a short-term rental is protecting your property with contents insurance.

A recent report revealed that second home ownership has jumped by 30% since 2000, with the majority being used to create an extra income stream. There's no doubt that the short-term rental market has been driven by companies like Airbnb and HomeAway (now known as VRBO), however, if you want to go it alone and become an independent short-term rental provider then there are some legal hoops you'll need to jump through first.

What are my Legal Obligations?

Whether you rent, own or have a mortgage, when you let out part of your home you become a resident landlord, and that comes with many responsibilities and legal obligations. These include:

- If you're a council tenant you must contact the council before subletting a part of your property.
- If you're a private tenant you need to check the terms of your tenancy to see whether you can legally sublet.
- If you're an owner-occupier and you pay a mortgage, you need to check the terms and conditions of your mortgage agreement and/or talk to your mortgage provider before you let out all or part of your home.
- You remain legally responsible for paying all bills.
- Your home must be safe to live in and you'll be responsible for gas and electricity checks and repairs.
- All furniture and mattresses must meet fire safety regulations and you should carry out a full fire safety risk assessment.

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Getting your Property ready for Rental

When you start as a short-term rental property owner it's tempting to do everything yourself from repairs and cleaning to accounting and marketing. But if you want your business to grow, consider outsourcing to a professional short-term rental property management company – it'll save you time and money in the long run.

Remember that you can earn up to £7,500 under the government's Rent a Room scheme before filing a tax return with HMRC. You can also offset house-related expenses against this, making it a very tax-efficient income stream that could supplement your main income.

Whether you're renting for short periods or arranging to rent for up to six months at a time, the rules are the same. Your property needs to be neat, tidy, well-furnished, and well-presented. If you're going down the Airbnb route then invest in the best bedding and towels you can afford and think about little luxuries like fast broadband and smart devices, as this is what guests have come to expect with these services.

Fit smoke detectors and fire extinguishers if they're not already in place and make sure you have gas and electrical safety certificates. And don't forget to make any repairs; so fix that dripping tap and replace that wonky door handle.

Always charge a security deposit and don't drop the amount just because your guests are only staying for a few days. It doesn't take long to cause a lot of damage – whether it's through accident or intention.

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Maximising your Letting Potential

If you prefer to look at short-term rentals of up to 6 months then try to plan with availability so there are no gaps between tenants, known as back-to-backs, do be aware of cleaning times required between these stays however. You definitely want to consider signing up with a property management company that can make sure your rentals are maximised and can manage them for you, meaning you don't have to worry about maintenance or cleaning.

You can also consider focusing on a niche market like providing luxury accommodation for film and TV shoots, corporate relocations to the area, or families looking for comfortable accommodation, while their property undergoes renovation. In this case.

Respect your neighbours and the local community and don't be afraid to make it clear as to the types of tenants you're looking for and the ones you aren't (you might want to avoid large groups of young people on a stag or hen weekend, for example).

Remember that professional photos and a well-managed property with a responsive property manager will always stand out from the competition.

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The Pros & Cons of Being a Short-Term Renter

There's no doubt that short-term renting can be lucrative, but is this the right decision for you?

Whilst, shorter renting offers far more flexibility and means you're not locked into a long-term tenancy. You can also charge as much as a 30% premium on rental fees as well. On the downside, short-term renting involves a lot more work on your part, and why we would advise securing the services of a property management company that prides itself on honesty and integrity.

You need to consider the extra maintenance and wear and tear that comes as a result of short-term renting. What's more, the premium rates you get for short-term renting can soon be at risk if there are considerable gaps where the property is empty and not rented.

Managing your short-term lets using an online platform like Airbnb, is empowering and does give you a good degree of control, but there are risks involved including negative feedback if you get it wrong. If you choose to work with an experienced short-term property management company you'll be buying into their expertise – at a cost, where the return on investment is often very significant though and more than worth it.

Still Thinking about Short-Term Letting Your Property?

Upper Hand Property Management has many years of international-level experience with short-term renting across many different platforms, including Airbnb, VRBO, and Booking.com as well as directly through our own website portals and social media channels.

For **FREE** impartial advice get in touch to see how we can help you maximise your rental income.