



*Your Online Listing  
is Active...  
Now What?*

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# Introduction

Have you ever rented out a vacation home before? If not, there's plenty to learn. Although none of the individual tasks is particularly difficult, the process as a whole can be challenging and even overwhelming at first. And it's so important to get it right! .

***The goal is for you to manage your rental property with as little expense and effort as necessary - but in a responsible and professional manner that will result in a minimum of stress and a maximum of financial success for you.***

Before we get started, it's important to point out that opening your home to strangers and charging money for doing so is a serious business, not a hobby!

Gone are the days when a homeowner could decide on a whim to rent out their home for a few weeks without regard to legal issues, security deposits, or needing to provide the myriad of amenities that vacationers now expect. The vacation rental home industry has grown exponentially in the past 20 years and has become very competitive. It's no longer enough to do a great job marketing your home. You must also manage it with professionalism, integrity, and honesty – and with a dedication to provide your guests with as positive and enjoyable a vacation experience as possible.

## What Could Go Wrong?

By learning about good business practices and some simple management tips, you will avoid the potential pitfalls of rental management.

Many homeowners have just recently bought or remodeled their homes and, naturally, are worried about sharing it with complete strangers, who might cause harm to the house or its furnishings. This is very rare, however, and we will provide you with tips and safeguards to prevent damage to your home. Primarily, you should screen your prospective guests well and also charge a security deposit to provide greater incentive to respect your property.

Like any business transaction, it's imperative that you conduct your practices with legal and ethical integrity. Be sure to:

- Use a lease or rental contract for each booking.
- Advertise your property honestly and accurately.
- Provide your guests with access to easy and prompt communication with you.
- Be responsive to your guests' needs or concerns.

Keep in mind that guests who are unhappy with either your business practices or the condition of your home may submit a negative guest review to your listing. If your guests are unhappy, you will be miserable!

So, take a few minutes to read this step-by-step guide to manage your rental property with ease and confidence.

# Screening Your Tenants

You could receive your first email inquiry – or even a phone call – any minute now. Are you ready?



# You have two primary goals when responding to inquiries

- Converting the inquiry into a booking
- Making sure that your home is a really good fit for the vacationers

The second point is every bit as important as the first. Yes, you want to book that stay – but use this inquiry process to ascertain that the rental party will be very happy in your home. Happy tenants take good care of your home, write wonderful guest reviews, and often return year after year.

So, before you get caught off guard by an inquiry, create a general outline of your response. Here are some tips:

- First and foremost, always speak directly with your prospective guests prior to committing to them!
- **Listen carefully** to their questions and answer them concisely, directly, and honestly.
- **Information sells.** If there's anything not addressed in your listing, mention it. Convey your enthusiasm for your home, but in an understated and non-salesy way.
- **Manage their expectations.** Don't avoid or gloss over any possible drawbacks to your home. This not only avoids potential disappointments when they arrive, but it also engenders greater trust that you are so forthcoming. And it shows how much you sincerely care about their comfort.
- **Ask them questions.** This draws them out so that you can make a determination as to whether they are trustworthy and responsible, or overly fastidious and demanding.
- **Trust your instincts!** If you don't feel comfortable, for ANY reason, you are under no obligation to accept their booking, and you are quite possibly saving both you and them from a negative situation after it's too late.

# Payment Schedules : How and when should you ask for payment ?

Although there are no hard and fast rules related to a rental payment schedule, it's a good idea to stay within the bounds of normal, accepted procedures. Being too aggressive can turn off potential guests, but waiting too long to require payments increases your risk if they should back out.

Here is the most common practice for vacation rental payments and what we recommend:



Upon booking, request 50% of the total rent initially with the signed lease.

Request the 50% balance of the rent within 1-3 months of the vacationer's arrival.



Require the entire security deposit with the final rent payment.

Always use a lease/rental contract, which details your payment schedule and helps to avoid any misunderstandings about the business side of things.



## Exceptions to consider

**Early bookings:** If your booking occurs nearly a year before the tenant's arrival, you may request only  $\frac{1}{4}$  of the rental amount up front, a second  $\frac{1}{4}$  in January, and the balance 1-3 months prior to arrival.

**Late or Last-minute Bookings:** If a booking is made within 2-3 months of the vacationer's arrival, it's not unusual to require the entire amount of the rent initially with the lease. After all, if they should renege that late in the game for any reason, it could be difficult for you to find a replacement. And you should consider providing last-minute bookers the option to overnight you a certified bank check or pay you by credit card via PayPal.

**Repeat guests:** When rebooking a repeat tenant, you might be a little more flexible about payment receipt times. But keep in mind that, just because everything went swimmingly with them the first time, there's no guarantee that this will happen the next time.

**Remember:** You can always soften your requirements a bit if asked by a tenant. Some vacationers, for example, may ask that you not require the second/final deposit until after they have received their tax refund. If you feel they are sincere and trustworthy, you might give them an extra few weeks or a month. It's always advantageous to be accommodating - as long as you don't put yourself too much at risk.





## The Lease

It's vitally important that a short-term recreational rental lease be used for every rental booking.

### **Why is a lease so necessary?**

The legal security that a lease provides both parties is obvious. But also, like Robert Frost's contention that "good fences make good neighbors," good leases can promote better homeowner-tenant relationships. Every significant issue involved in renting out a home is spelled out, and thus misunderstandings and contention are avoided.

Keep in mind that vacationers are usually sending a perfect stranger thousands of dollars, months in advance, and for a sight-unseen property. Having a lease signed by the owner/manager provides them with a greater sense of comfort and trust, and it indicates a greater level of professionalism in the owner/manager.

Problems between homeowners/managers and tenants are relatively rare, but when they happen, referring to the signed lease is the first step in resolving the problem.

# Important contingencies to include

- **EXTRA CLEANING REQUIRED:** Hands-down, this is the single most common cause of contention. Set clear expectations of your tenants regarding the cleanliness of the home upon check-out. And, if extraordinary cleaning is required after they depart, be sure to document and verify the fact immediately, either with pictures or with an invoice from your cleaners for the extra time spent.
- **PETS:** If you don't accept them, be sure the lease states that the violation of this restriction will result in the forfeiture of the security deposit. If you do allow pets, you might require an extra fee (refundable or not).
- **LATE CHECK-OUTS:** One way to assure that your tenants will leave on time is by assessing them a fee for each hour they linger beyond the check-out time. Usually, new tenants will be arriving a mere few hours after the others leave, so it's imperative that you have enough time to prepare your home for them.
- **EXCESS OVERNIGHT GUESTS:** How many guests do you allow in your home? Is this addressed in your lease? Our sample lease stipulates that "Breach of this restriction will result in forfeiture of security deposit."
- **PAYMENT SCHEDULE:** It's important to stipulate exactly what payments are due from your tenants and by what dates. Read more about payment schedules in that section below/above.
- **INCLEMENT WEATHER and ACTS OF GOD:** Amazingly enough, vacationers have attempted to sue homeowners because it rained during their vacation! Be sure your lease removes any liability from you for inclement weather. Hurricanes or other "acts of God" should also be addressed for your protection.
- **SPECIAL AMENITIES OR EQUIPMENT:** If you offer the use of a pool, dock, trampoline, bicycles, or kayaks, for example, be sure to either address liability issues related to them in your lease or, better yet, provide a special addendum to your lease.



## How and when to send the lease

Once you have received a verbal or email commitment from a vacationer, you can either:

- Draft two copies of your lease, and mail them to the tenant with instructions for them to sign one copy and return it with the deposit check, or
- Email the vacationer and attach a copy of the newly-crafted lease with instructions to print out two copies, sign them, and mail them to you with the deposit check.


In either case, you will sign the lease and return it to them so that they, too, have a lease signed by you.

In either case, be sure to confirm their arrival and departure dates in the cover letter or email.

## What to do if your tenants violate the lease

If tenants violate your lease in some way, you must inform them of the specifics of the violation as soon as possible after their departure. Otherwise, they may question whether the damage was caused by a subsequent tenant.

Massachusetts law regarding the security deposit states:



*"If the premises are damaged, the landlord must provide the tenant with a detailed list of damages and their necessary repairs within 30 days after the tenancy ends. The landlord or agent must swear to this list under the pains and penalties of perjury. In addition, the landlord or agent must provide the tenant with written evidence indicating the actual or estimated cost of these repairs, such as estimates, bills, invoices, or receipts."*

**Note:** It is always a good idea to have your lease checked by an attorney. WeNeedaVacation.com offers our homeowner clients a sample lease upon request.





## Check-out Requirements

One of the most common causes of friction between homeowners and their guests arises from misunderstandings. Often these misunderstandings are created by homeowners who fail to set clear expectations about the way their homes are to be left by their guests.

It's important to put your home rental "ground rules" in writing. Especially if you have any special, unique requirements, they should be mentioned right at the outset, literally during the screening/inquiry process, before the vacationers have committed to staying in your home. And these requirements/restrictions/notices should also be included in your lease, which will be signed by your guests, providing you with proof that your guests were aware of them. And finally, they should be outlined in a Welcome Letter or binder left in your home for them, reminding them of what your expectations are upon their departure. You might consider leaving a laminated check-out list on your washing machine or dryer.

# Requirements/Restrictions/Notices

To be clear, there's a good chance you may not have any unusual issues to convey to your guests! But here are some that certainly should be communicated to guests prior to and upon their arrival:



## Notices

- If you or anyone else is in residence in a basement or adjoining apartment or cottage during their stay
- If you or anyone else requires access to the interior of the home or even to perform outside activities such as landscaping

## Restrictions

- Any locked or restricted areas such as closets, attics, basements, or garages for homeowner use only
- Any prohibitions against smoking, pets, parties, etc.



## Requirements

- Any cleaning standards you may require upon check-out
- Any notices you may require if extra guests are expected

Keep in mind that the fewer requirements/restrictions you place on your guests, the more enjoyable their vacation experience will be. But if you do insist that they meet certain conditions, be sure to make your demands very clear upfront.



# Creating a Booking Management System

At this point, your tenant screening tactics, payment schedules/requirements, and the lease contract should be all set. Before you receive your first booking commitment, however, you should also have a good booking management system in place.

*Thorough booking management and tracking is essential to responsibly and professionally managing your rental business.*

Whether using an efficient, computerized program, or doing things the old-fashioned way on paper, keeping thorough, accurate, and up-to-date booking records is critical. Otherwise, you will risk the nightmare of double booking two parties, losing important tenant information, forgetting to send out documents, or losing track of what funds are due to you and when.

A thorough booking management system also enables you to retain any personal information you may have gleaned about your incoming guests before they arrive. Why is this important? For two reasons:

- 1)** So that you can create that important personal connection with them, engendering trust and a positive rapport, and
- 2)** So that you can assure the comfort and enjoyment of your guests so that they either return the following year or, at the least, write you a glowing guest review.



## Basic required information

Once the vacationers have committed to renting your home, you'll need the name(s) in which the lease should be written and their mailing address. Also ask for a cell phone number so that you have it later when they are en route to your home or during their stay there.

Some homeowners even require the names and ages of every guest who will be staying in the home.

Here are some of the other important details to note:

- The agreed upon rate for the rental period
- The arrival and departure dates and, if possible, exact times of day (really helps in scheduling turnover cleaning/tasks)
- The date you sent out the lease
- The date the lease and initial deposit are due back
- The date the final rental deposit is due
- The date the security deposit is due
- When you should send your tenant the keys, directions, instructions, etc.
- When you should return the security deposit to your tenants after their departure
- When, after your guests' departure, you sent them a request for a guest review



## Additional helpful information

Although not quite as important, it's also a good idea to keep track of:

- personal information about your guests
- the make-up of their party
- special requests or interests they may have (e.g., fishing , biking, or birding enthusiasts, celebrating a birthday, anniversary, etc.)
- the names and ages of their kids (or dogs, if you allow them)
- any history of their having vacationed in your area before
- any health issues

Every listing on WeNeedaVacation.com includes a Booking Management feature, making the tracking of all this information very easy. You can also set up weekly email reminders of what upcoming documents or payments are due (or overdue). Plus, it's tied directly to your listing's pricing and availability calendar, preventing double bookings and saving you a step.

Naturally, having all of your notes about each booking retained online enables you to access it at any time with your computer or mobile device – especially helpful if you are at your rental property when your guests arrive and you can't remember their names!

# Creating Your Rental Management Team



At this point, it's time for you to start putting together your valuable "team": service providers who will help you to provide a clean, well-maintained home for your guests. Your need for assistance, of course, will vary depending on how much of the work you do yourself if you live nearby, versus owners who are not able to be present to either prepare the house before the season starts or for the weekly turnovers.

Don't wait too long to get started on identifying your professional helpers. Dependable and available cleaning companies on the Cape and Islands, for example, are not always easy to find. Many service providers are limited in their capacities to take on new business at the last moment.

You might want to start by lining up any professionals who will provide assistance throughout the rental season. These are by far the most important services to have in place as early as possible:

- House cleaners
- Landscapers
- Trash removal
- Linen delivery – if you do not provide linens yourself and wish to provide your tenants with an alternative to having to bring them

These are some other areas that you might need help with:

- Spring clean-ups, both outside and in
- Appliance repair
- Pest control
- Tree services
- Carpet cleaning
- Window cleaning
- Property management

You might balk at the expense of some of these professionals, but it's worth every penny for you to have access to a team of trusted, reliable experts. The success of your rental business is dependent on not just your efforts, but theirs, too.

# Make it Personal

Do the research. Know as much as you can about your guests. Make this business arrangement personal!

## Why?

The obvious reason is to avoid renting to risky tenants such as college kids, of course! But the other advantage is that it allows you to market and manage your home more successfully. There's no need to hire a private investigator each time you receive an inquiry, but it does behoove you to do a little online research to learn as much as you can about your prospective guests.

The more you know about the make-up of the party, the ages of kids, or that multi-generations will be there, the better you will understand their needs and therefore cater to some of them. This doesn't mean that your modest summer cottage has to provide the concierge services of the Ritz. But there are relatively easy, inexpensive ways for you to enrich your guests' experience.

Keep in mind that, in order to successfully book your home season after season, it's important to assure the happiness of your current guests so that they will be:

- 1)** more likely return to your home for future seasons, and,
- 2)** much more inclined to provide you with glowing positive reviews, which are so vital to your success in attracting future guests.

## How?

As discussed in the Screening Tenants section above, the first opportunity to learn something about your guests is right at the beginning when you receive an inquiry, presumably by email.

Search on Google for their name with their location, if it was included on the inquiry. Sometimes the area code of their phone number can help, although many now use cell phones whose area codes can be from anywhere.

But then as soon as you speak with them on the phone (which is such an important part of the screening process), follow our recommendations in the Screening Tenants section above to ask leading questions to glean what you can from them.

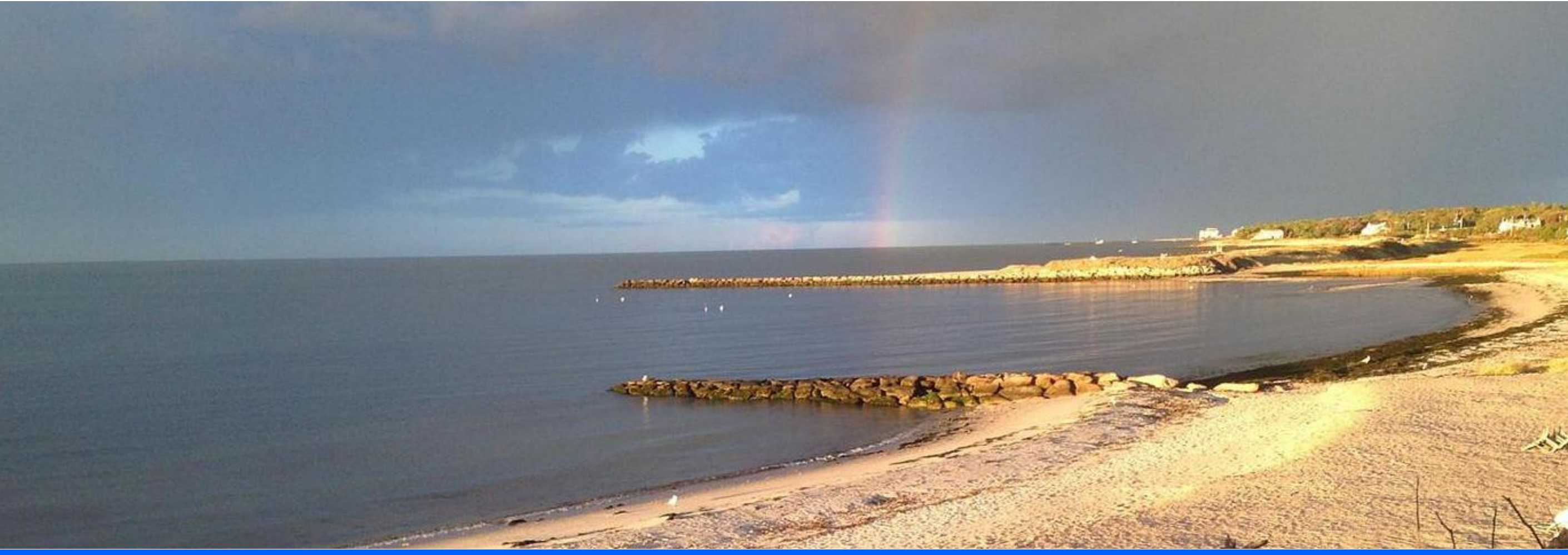
## **Affordable Suggestions**

There are a myriad of different simple but thoughtful things you can do to impress your guests. Leaving welcome gifts, such as a basket filled with soaps or local products like jams or chocolates, is great. Fresh-cut flowers are also very welcoming and can often be cut right from your own garden. (Do you have some hydrangea or other flowering bushes?)

At the very least, leave a letter and/or binder welcoming them, pointing out where things like where the lobster pot or picnic containers are stored, when trash pick-ups are scheduled, etc.

Naturally, providing helpful suggestions for things like nearby dining, things to do, and bike trails is always appreciated. And if you know that young kids will be there, perhaps you could offer a couple of beach toys, coloring books, or puzzles. Jigsaw puzzles and playing cards can also be a hit with adult guests.

It's amazing how providing a few simple, thoughtful little gifts can endear you to your guests, making them overlook any disappointments they may encounter and inspiring them to submit rave reviews about your home when they leave.



# Just Prior to Your Guests' Arrival

It's almost show time! Your first guests are due within a week or two. Undoubtedly, you're scurrying around cleaning and preparing your home for their arrival. But don't forget to touch base with them by regular mail or email, or both.

Here's what to include:

- Tell them how excited you are to welcome them to your home.
- Attach or include driving directions (or at least your street address for GPS), any special instructions about entering your home, parking, etc.
- Provide them with a physical key, a lockbox or security code, or instructions about where a key may be hidden.
- If you don't already have it, make sure you ask for at least one of their cell phone numbers so that you can contact them while they're there or en route.
- Remind them if, for example, you don't provide linens (or you provide bed linens but not towels), and they should bring or rent them. You can also remind them of some of the extra things you DO provide such as picnic containers, beach chairs, spices, paper products, etc., so that they know not to pack them.

Naturally, always include the best way they can contact you with any questions or concerns – and encourage them to do so!



## Once Your Guests Have Arrived

Although it's great if you can be at your home to greet your guests face to face upon their arrival, it's certainly not imperative, and most homeowners are unable to do so. Do be sure, however, to check in with your guests by phone or text within their first 24 hours. This is really important!

Naturally, your guests will appreciate your efforts to assure that they are comfortable, happy, and find everything in order. But this is also another opportunity for you to make that important personal connection with them and promote trust. Plus, by doing so, minor misunderstandings or frustrations can be avoided – such as their inability to find a tea pot or how to use the microwave. Without contact from you, there's a good chance they will not make the effort to reach out to you, and their annoyance can fester throughout the week, possibly resulting in a negative review.

If you do detect even the slightest hesitation in their enthusiasm for your home, you might check in with them again in a few days. This gesture is further proof of your willingness to go above and beyond for their happiness.



## After Their Departure

Return your guests' security deposits just as soon as possible after they leave! Even though you are not legally bound to do so for up to a month, the sooner you do, the better.

Vacationers are very concerned about getting it back, so why make them anxious?

In addition, once their deposit has been mailed, you are free to send them a guest review request, which is so important. Naturally, knowing they've received their deposit, or that it's on its way, encourages your guests to submit a glowing review right away.

Finally, depending on your experience with them, you could ask if they might want to return next season. Let them know that you would be willing to "pencil them in" for the same week and would contact them in the fall or winter to confirm. Just be sure to avoid being too aggressive or "sales-y" about it.



# Conclusion

Needless to say, it's not imperative that you follow every piece of our advice to the letter. Every rental property is different - which is one of the Cape and Islands' greatest assets! And each homeowner is free to manage their rental as they see fit, resulting in that unique, personal experience inherent in renting a home rather than a hotel. But whether you own a huge, waterfront estate or a modest, affordable summer cottage, you can manage it to optimize your guests' greatest enjoyment and your greatest rewards.

And don't hesitate to let us know if we can help! We invite you to view our Homeowner Blog, attend one of our complimentary Homeowner Forums in the fall, call us at 888-281-8660, or email us at [info@WeNeedaVacation.com](mailto:info@WeNeedaVacation.com).