

5 MISTAKES

PEOPLE MAKE WITH THEIR FIRST ORLANDO
VACATION HOME INVESTMENT



REAL ESTATE PREPWORK YOU NEED TO COMPLETE BEFORE BUYING

While you may be eager to make an investment in an Orlando vacation property, you have to think wisely. Talk to your agent to avoid these common first-time investor mistakes:



MISTAKE 1

NOT HAVING A DEFINED INVESTMENT GOAL

Orlando is a great place to invest in real estate, but if you don't know what you want, you are at risk of putting your hard-earned money in the wrong type of property.

Are you buying your dream vacation home for your enjoyment but also plan to rent out to help offset your operating costs?

Wonderful! In this scenario rental income is a second consideration.

Or are you buying an investment property that you could also use when available?

The use of the home is a second consideration here, income generation through rentals is the main goal. The focus will be to look for the ones that generate the most income.

Or you might want to invest for one of the previous reasons plus building value through appreciation.

Success might require a long-term outlook in this instance.

For future retirement home?

It's no secret that Florida has always been a favorite when it comes to thinking about where to retire. There are many affordable options available, whether it be a single-family home or a condo in the Orlando area, and of course if you prefer to retire in a 55+ community they are a wonderful option well.

Some properties can achieve a combination of these goals. Be as open as you can with your Orlando Vacation Home Specialist to ensure that you achieve your desired plan.



MISTAKE 2

FALLING FOR A HOME TOO QUICKLY WITHOUT CONSIDERING THE ELEMENTS THAT WILL HELP YOU SUCCEED

When shopping for your vacation home property, you should keep in mind what vacation renters will desire in their Orlando experience as well as what is most important to you during your stays in Central Florida.

At Viva Orlando Realty, we've found that these elements of vacation homes make them most appealing to both the owner and renters:

Properties located in large, modern resort style communities.

Rental homes in resort communities offer amenities that traditional homes simply cannot. Many have small water parks, playgrounds, sports courts, restaurants, spas, and other luxury accommodations that add significant value to rental prospects and will make your Orlando vacation much more enjoyable.

Properties in gated communities.

Vacation homes located in communities with manned gated 24-hour security offer security to you as the owner, ensuring your investment is safe. These gated communities are also more popular with renters when you're not using your vacation property.

Properties located close to the main attraction.

Properties within 15 miles from Walt Disney World are most popular for buyers and their families. Rentals that are also close to shopping districts, restaurants, and other entertainment can earn more from renting than those in more secluded areas.

Properties that are newly built.

Most family vacationers prefer modern homes over older more traditional style architecture. Homes that have been built within 10 years also require less maintenance than older homes. A newer home may be more expensive, but it will also be easier to maintain while you're not vacationing in Orlando.

“ Focus on finding a home with these elements and you will be happy year-round with your vacation home. ”



MISTAKE 3

NOT UNDERSTANDING THE FINANCES INVOLVED IN THE OWNERSHIP OF A VACATION HOME

Vacation rental homes can carry several expenses with them, and you will need to budget for these ancillary expenses before deciding on your final budget; they can include: HOA (Home-owner's Association) and CDD (Community Development District), insurance, and property taxes. There are also operating expenses such as property management, cleaning and maintenance, pool service, pest control, etc. If you rent your house to visitors, licenses from the County and State will be required. There are of course potential tax benefits from earned rental income.



MISTAKE 4

NOT WORKING WITH A LOCAL AGENT WHO SPECIALIZES IN THE VACATION RENTAL MARKET

Hiring a good agent is the key to success with any real estate investment. However, different agents focus on different areas of expertise. You need an agent who is well-versed in the vacation home market in Orlando, and who can find you the best prices for what you're looking for. Your agent's dynamic knowledge of the industry can make a difference in you winning as a vacation home owner.



MISTAKE 5

FAILING TO EVALUATE THE PROPERTY MANAGEMENT OPTIONS

The management of the property is one of the key factors of your success as an owner. When you're considering buying a vacation property, this is something that you need to evaluate. There are two main options depending on what you want, your budget and the time that you have available.

Managing the property by yourself.

Many owners plan to do the management by themselves. If so you will need to consider some important aspects, such as you will need to take care of the marketing, guests, collect the rental fees, handle the taxes, payments, all of the accounting, in addition to the required maintenance and emergencies. If you want to do this, you can use some websites like Airbnb, HomeAway and Vrbo, that will make these tasks easier and will help you.

Some of these digital platforms work very well and have dramatically changed the industry, allowing many owners to manage the rentals with just one click from their phone. We can set an appointment with an expert from the Operation Team from our office that can give you some tips and explain a little bit more about this.

Hiring a management company.

If you prefer a less demanding option that can give peace of mind, you can hire a management company. Hiring the right team for your home can take the stress, endless tasks, extra time and marketing responsibilities off your plate.

They will manage every aspect of keeping your vacation rental booked and ready for guests and owners to enjoy. They will maintain your property while you're away.

A great property management company will make every effort to market your property to the 80+ million visitors flocking to Orlando every year and will ensure that when you return to your Orlando vacation home every year, you will be satisfied upon arrival.

Their commission rates vary between 10-30% of the rental amount, after you sign a contract with them.