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Orlando Vacation Property Buyers Guide

The POST COVID 2023 Update

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So you have decided to buy an Orlando vacation home rental. Orlando is a fantastic choice for a vacation property as the number of visitors continues to grow dramatically year after year. Universal is building their third major theme park, bringing the total to 8 major theme parks, 4 major water parks, multiple entertainment districts & hundreds of restaurants & shops. Visitors from all corners of the world come for a couple of days to several weeks & they all are looking for a fun & unique place to stay.

At first glance, the process of finding a vacation home in Orlando can be a daunting process. However, when we sort through all of the criteria, what you are looking for will most likely come down to a select number of resort properties that you can count on one hand.

I have broken this guidebook down into 11 sections designed to help you understand the vacation rental process and to help you narrow down all the options available out there to find the perfect vacation rental home for you.

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I. Let's start with location

The vast majority of the Orlando Metro Area requires that rental properties rent for a minimum of anywhere from 7 months to one year. However, in a small number of zip codes wrapping around Walt Disney World & running up to Universal Studios, properties are allowed Short Term Rental Status which allows an owner to rent out a property for as little as one day.

Within these zip codes, neighborhood HOA's can choose to override these allowances & prevent short term rentals. An example would be Celebration Florida, which is right next to Disney World in the heart of the short term rental zone. They prefer to keep the community purely residential thus they do not allow short term rentals.

There are also some HOA neighborhoods that allow both short term rentals & long term rentals. In most cases, you would want to avoid smaller neighborhoods and/or resorts like these because they tend to eventually turn into long term rental residences (More on this in section VII). Some exceptions apply such as the Reunion Resort & the Champions Gate Country Club. Both offer long term & short term occupancy, but are massive resorts which overwhelmingly target the short term rental market.

Within the Short Term Rental Areas, you have six distinct areas available to choose from:

1. [Lake Buena Vista](#) - This area serves as the East Gate into Walt Disney World. It is a populated area & has a nonstop buzz of excitement around it. Properties in this area are going to consist of Condo-Hotels, also known as Condotels where the resort itself handles all things related to your property (more on that in section III). Popular resorts in this area are The [Blue Heron Beach Resort](#), The [Lake Buena Vista Resort](#) & [Worldquest Resort](#).
2. [International Drive](#) - This area is closer to Universal Studios & SeaWorld, but is still only a few miles from Disney. This is also a bustling area with Condotels & Condos predominantly found here. Popular resorts in this area would include the [Enclave Suites Resort](#), [Floridays Resort](#), [Storey Drive Resort](#) & [Point Orlando Resort](#).
3. [West Hwy 192](#) - This area serves as the South & West Gates into Disney World. The area runs along Hwy 192 West of I-4 as well as the roads that run north & south of it.

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This area has the largest number & ranges of resort property options running from condotels to multi family homes. The West 192 area is slightly less congested than the Lake Buena Vista & Universal areas & some of the larger resorts feel like a world unto themselves with large clubhouses & lush resort pool areas. Popular Resorts in this area would include [Bahama Bay Resort](#), [Windsor at Westside](#), & [Paradise Palms Resort](#).

4. [East Hwy 192](#) - Directly East of Walt Disney World consisting of the properties along & on the roads connecting to Hwy 192 East of I-4. This area can be extremely congested, which is not necessarily a bad thing when you are renting out properties in a crowded area. However, traffic being an issue, it is wise not to venture too far east down 192 otherwise you run into “resort properties” that have allowed long term rentals & now feel more like an apartment complex. Popular Resorts in this area include [Regal Oaks at Old Town](#), [Terra Verde Resort](#) & [Storey Lake Resort](#).
5. [Champions Gate](#) - The Champions Gate area is its own little self contained community just south of Disney off of I-4. The area was originally built around the giant Omni Resort, but has now grown to include a large variety of resort home properties including two of the largest, The [Champions Gate Golf & Country Club](#) & the [Reunion Resort](#). The area is filled with a variety of restaurants & shops & is one of the fastest growing areas in the short term rental zone.
6. [Hwy 27](#) - This area consists of the resort vacation properties along Hwy 27 south of Hwy 192 but north of I-4. This area offers primarily single family home & multi family home resort neighborhoods. It is a little more quiet in this area as it is the furthest out from Disney than any other area. The prices are a little lower here, but it is more difficult to rent in this area. Popular resorts in this area include The [Regal Palms Resort](#), [Bella Piazza Resort](#), & [Solana Resort](#).

II. Vacation Property Choices

There are 4 distinct types of Vacation Properties that you can own. The 5th would be timeshare which is not something we deal with as it is not an income generating investment.

[Condo Hotels](#) - Also known as Condotels, these are the perfect option for an owner who does not want to do anything but show up to vacation & cash checks when they make money. (See the \$150K Condotel Fantasy in section V). The resort handles everything including marketing,



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reservations, maintenance, housekeeping & customer service. The trade off is that the owner does not make as much money. You cannot look at most Condotels as an investment property. You have to look at them as a better alternative to a time-share, because you own the property, can use it just about anytime you like & don't ever have to calculate points in order to stay there. Popular Condotels in Orlando include [Floridays Resort](#), [The Grove Resort](#), [The Lake Buena Vista Resort](#) and [The Blue Heron Beach Club](#).

Condos - Condos are similar to condotels, but they require the owner to use a 3rd party management company (more about that in section III) to handle marketing, reservations, access to unit, maintenance, housekeeping & customer service. There is typically no onsite management at the property itself. When you own a condo, you own the interior space of the unit, typically from the drywall in. The condo association (when as an owner you are a member) owns the structure itself as well as the grounds on which the property sits. If it is a multi floor building with one story units on different floors, it is most likely a condo. An example of popular condo vacation properties would be [Bahama Bay Resort](#), [Tuscana Resort](#) & [Windsor Hills Resort](#).

Townhomes - Townhomes are similar to condos in that they also typically require the use of a 3rd party management company & they may or may not have onsite management. The difference between a condo & a townhome is that you physically own your portion of the structure & the ground upon which it sits. You may even own some yard space behind the unit. If it is a building in a long row with each unit side by side, no other units above or below, then it is most likely a townhome. Examples of popular townhome vacation properties would be [Encantada Resort](#), [Festival Resort](#), & [Fountains at Champions Gate](#).

Homes - Resort vacation homes can run anywhere from 1 to 5 bedroom single family homes to 5 to 14 or more multi family homes. There are numerous vacation neighborhoods which are designed strictly for vacation property use & these neighborhoods feature clubhouses with fitness centers & resort style pools. They even have activity coordinators that set up everything from daily pool games to movie nights at the pool. Most resort home options require the use of a third party management company to handle the operations of your property if you intend to lease it out. Examples of popular resort neighborhoods with homes include The [Champions Gate Country Club](#), The [Reunion Resort](#) & [Encore at Reunion](#), [Storey Lake](#), & [Windsor at Westside](#).



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“Turnkey” Properties

Typically, most Orlando vacation properties come “turnkey”. This means they not only come fully furnished with furniture, window treatments, decorative items & TVs/ electronics, but also with bedding, linen, & kitchenware & everything you need to immediately rent out the unit. There are cases where, for whatever reason, the seller chooses not to include the contents of the property. However, those situations are rare & if it is unfurnished we can negotiate a lower price.

III. Vacation Rental Management Choices

You have four types of rental management options you can go with. Some are mandated by the resort while other resorts provide you with options.

In House - In House is standard with most condotels, however many condo, townhome & home resorts offer this as well. The resort handles everything including, marketing, reservations, maintenance, housekeeping & customer service. The pro to this is that it requires the least amount of effort on your part, the management is on site to handle customer issues immediately. Some resorts include special options like complimentary use member only facilities or services. The cons are that you are at the mercy of how effective their marketing & bookings are & that your ROI on in-house is generally much lower than what you would get if you used a 3rd party management company. In addition, most in house management assigns the rooms in order. This makes it fair to all unit owners, but any additional marketing you might do to promote your property is useless since the guest you refer over will just be assigned to the next unit due for a guest and not necessarily to your unit.

3rd Party Management - Third Party Management is the most common form of management for anything outside of condotels. A 3rd Party Management company works directly for you to handle marketing, reservations, access to unit, maintenance, housekeeping & customer service. There is typically no onsite management at the property itself although it will generally have a physical office in the area where customers can pick up keys & see a customer service rep in person. There are many 3rd party management companies in the Orlando hospitality area that work strictly for vacation home properties.

Doing It Yourself - If you are retired, live in Orlando, like dealing with guests, getting calls at all hours of the night, repeatedly telling guests how to reset the wifi, or driving a half hour to change

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a light bulb, then doing it yourself might be for you. Otherwise, you should just pay a management company to handle it & get some sleep at night.

A combination of all of the above - Each resort is going to have their own practices as to how units are managed. Aside from Condotels that require In House management, many 3rd party management companies will be happy to work with their owners to market the property. Each management company is going to have their own guidelines, but with the tremendous popularity of sites like VRBO, Airbnb, HomeAway & VillasDirect, many 3rd Party Management (and some In House) are happy to work with owners who open accounts on these sites to promote & book their vacation property.

IV. What to Look For When Evaluating Properties

When you evaluate a resort property, most people go straight to the bottom line & look at the list price of the property. While this is an important consideration, this is only one factor you need to consider. What you really need to pay attention to is:

1. Once you purchase the property, how much more are you going to need to invest in the unit to bring it up to modern day standards where guests are going to want to rent your property over other similar units? If it is a condotel where all of the units are required to maintain the same standards, those properties are required to go through a mandatory interior renovation every few years where the flooring, appliances, furniture & decor is replaced. How recent was the condotel unit updated? If it is a condo, townhouse or house, are the countertops granite or better? Is the flooring worn & in need of replacement? How old is the AC? What features in the home need updating so it appeals to potential guests & encourages them to re-rent, recommend it to their friends & give you a positive review online.
2. What is the overall occupancy rate for the resort? If you can find a steal on a unit that is under \$150K, but their occupancy rate is 50% and the resort is in decline, you are not getting the better end of the deal. The resort needs to be in the right location, offer appealing amenities, stay on top of maintenance & know how to market the property in order to keep their occupancy rate up. You should look for a resort that has an occupancy rate of 70% or better throughout the year.



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3. What amenities does the resort offer? How does that compare to other resorts? Everyone has a clubhouse and a pool. Does it have a [golf course](#) or [mini golf](#)? Does the fitness center have new equipment or is it in a spare room set up as an afterthought? Is the pool a basic rectangular pool or is it more like a [waterpark](#) with a beach entry pool, splash pad, lazy river or water slides? Is there a [restaurant](#) in the resort or a marketplace? How physically attractive does this look for potential guests? Has it recently been painted and is the landscaping fresh? What conveniences are offered at the resort so guests don't have to drive out of the resort?
4. How much can you rent your unit out for? If it is a condotel, you don't have any control over rent as the resort will set the price. If it is a condo/townhome or home, then you can control the price, but you are limited to what your competitors (all of the other units in the resort as well as in Orlando) are charging for rent.
5. How big a unit do you need? If you are looking at condotels, condos or townhomes, one to two bedroom units tend to rent out more often but for shorter stays, three to four bedrooms rent less often but for longer periods of time. With homes it is somewhat similar, but the larger homes rent less often but for much more money.
6. The location of the property within the resort. A good rule of thumb to remember is that most guests prefer to be closer to the clubhouse and/or resort amenities. The view from the unit is also an important consideration.
7. Most important of all, what are the costs? Success in the vacation property business depends as much on keeping your costs down if not more than the prior six items combined. If you don't rent your property out, most likely, your only fees are going to be the HOA fee, electricity & property taxes. When you put your property into the rental pool, you have management fees, reservation fees, housekeeping fees, maintenance fees, reserve funds, credit card fees & travel agency fees that will all be taking their share of your rental. Higher HOA fees can be justified if it is an "in demand" property with updated units & fantastic amenities. However, you will want to avoid a poorly run resort that has high HOA fees & little to no incentive for guests to book.

You also want to look at what the HOA fee covers. Most resort HOA fees include not only the common area amenities, such as the pool & recreational areas, but also your



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water, phone & wifi. You will also want to evaluate the management fee & what that includes. Some management companies include housekeeping & maintenance in their share of their fees & some charge that to the owner on top of their management fee.

8. The rental history report is a LIE! Well... it's not exactly a lie, but it does NOT tell you what you need to know. **The rental management report actually tells you more about how well the current rental management company is doing than what the unit could actually do.** In other words, just because the property has an occupancy rate of 50% right now, that does not mean it could not be at 80% with a change in management, an update to the property, new photographs, listing the property on sites like Airbnb & pricing the unit properly.
9. Price. I have placed the price at the bottom for a reason. Price should actually be your last consideration. If you don't base the majority of your decision on the first eight items, then you are ultimately going to lose money on your investment by just looking at the price of the unit.

V. The \$150K Condotel Fantasy... Let's just make \$200K Now.

I receive multiple calls every day from prospective buyers who discovered a condo-hotel property that is priced under \$150K (Actually, post COVID-19, this number is now anything under \$200K). Their first thought is that it is so cheap, that they can get a "free vacation rental" to use anytime they choose & throw it in the rental pool to make a good return on their investment when they are not there.

Unfortunately, with a few rare exceptions, that is pretty much a fantasy. There is a reason these properties are priced low, even though they may be nice & kept up well. The majority of the time it comes down to three issues. Keep in mind, this applies to condotels that use in-house management. It does not necessarily apply to 3rd party management properties.

1. Low Occupancy. This is more common with the resort properties that are further away from Disney, lack name recognition or amenities or just look dated. When the resort fails to pull in enough customers your room can sit unoccupied for several days.



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2. Low Room Rates. Too often resorts will try to increase occupancy by cutting room rates, which earn your room less when it is occupied.

3. High Fees. If resort management is struggling to meet their numbers, one way they can overcome this issue is to raise the fees on the owners through HOA, reservation, housekeeping and maintenance fees.

Many of the customers who contact me feel assured they will make money because the resort splits everything 60/40, the owner taking 60%. Sounds good, right? What they don't tell you is how many different fees come out of the owner's share.

Take for example a room that makes \$120 per night. Let's say the resort books a guest there for 3 nights. What you initially think is that \$120 times 3 nights is \$360 & you are going to get 60% of that or \$216. Not bad, but here is an example of what really happens....

3 Nights x \$120	\$360
Less:	
Reservation Fee	\$18
Travel Agent Fee	\$22
Credit Card Fee	\$12
Adjusted Total before 60/40 Split	<u>\$308</u>
Less:	
40% Mgmt Fee	\$123
Housekeeping Fee	\$60
Maintenance Fee	\$5
Reserve Fund	\$14
Net to Owner:	<u>\$106 or \$35 per day</u>

Monthly Projection:

30 days x \$42 x 75% Avg Occupancy Rate \$787.50

Less:

Monthly Electric Bill \$150

Monthly HOA Fee \$550

(continued on next page)



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Net to Owner for the Month:	\$87.50
Total for the Year:	\$1050
Less Annual Property Tax:	\$2000

Net Total to Owner for the Year: \$(950)

The Owner actually lost \$950 on this property.

Now, let's compare this to Floridays Resort, a condotel which starts in the mid \$200's.

The [Floridays Resort](#) is one of our favorites, because it has a multi-year, proven track record of making money for their owners.

Average Unit Annual Gross Revenue:	\$49,475
Less Expenses:	
Rooms Dept	\$11,470
Administrative	\$ 2,733
Sales & Marketing	\$ 3,164
Maintenance	\$ 1,423
Management Commission	\$ 2,721
HOA Fee	\$ 6,307
Reserve Fund	\$ 3,015
Annual Deep Clean	\$ 300
Total Expenses	\$31,133
Net to Owner Before Taxes	\$18,342
Property Taxes	\$ 2,000
Liability Insurance	\$ 1,000
<u>Net to Owner for Year</u>	<u>\$15,342</u>

By spending a little more money to get into a better performing property, you are actually going to save money in the not so long run.

The \$150K Condotel is still a MUCH better alternative for a vacation property than a timeshare that just gives you fractional ownership. You can stay in your condotel anytime you like (with some advance notice) but you are not going to retire off the proceeds of one or even a dozen



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lower priced condotel units. In most low priced condotel units, you should expect that you may have continual losses on the property.

If making a good ROI is more of a consideration to you than using the property for vacation, then you should either increase your condotel budget to get a property like Floridays Resort or go with a condo or townhome resort community that allows you to use a 3rd party management company.

VI. Rental Management Fees Explained

It is a long way from gross profit to your bottom line net profit. Here are some of the fees you can expect to be redacted from your bookings:

Reservation Fee - This is an administrative fee to process the reservation. It is typically anywhere from a single digit percentage to a flat fee. Expect somewhere around 1% to 2%.

Travel Agent Fee - This is the fee paid to online booking sites like hotels.com, travelocity, booking.com, etc. This is typically around 6% to 7%.

Credit Card Fee - This is the fee paid to Merchant Services to process Visa, Amex, Mastercard or any other credit card the guest uses to pay for the room. This is typically between 3% to 4%.

Management Fee - The fee paid to your in-house or 3rd party management company to handle your property. What is included in their fee is going to vary from company to company. Typically, this fee is anywhere from 25% to 40%.

Housekeeping Fee - For most vacation properties, guests get one End of Stay Cleaning. Some management companies include this in their fee, some charge the guest & some charge the owner. This is typically anywhere from 0.5% to 1.5% of the total charge.

Maintenance Fee - This covers general maintenance items such as changing the air filters monthly, replacing light bulbs, toilet flanges, etc & also covers on demand repairs needed to the unit as reported by owner or guest. This is typically around 1%.

Reserve Fund - This is a separate fund that belongs to you but operates like a savings account for the unit. If something in the unit breaks, such as a microwave, lamp, window, or chair,



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management can replace it immediately out of the reserve fund. That way, they don't have to pull your unit from the rental pool and wait for you to pay them to replace the item and get the unit back into rentable condition. There is typically a threshold that the reserve fund meets. This fee is typically around 2% to 4% of each transaction until the threshold is met. Each management company has their own rules on how the reserve funds work. In most cases, the reserve fund remains with the unit, however in the sale of a property, this is always a negotiable item.

HOA Fee - This covers all the common area maintenance, landscaping & amenities. Additionally, with most vacation rental properties, the HOA also includes water, sewer, cable & wifi.

Electric Bill - This is one of the utility items that is normally not covered in the HOA fee & is tied specifically to your unit or home & paid on your behalf out of your share by the management company.

Property Tax - This is a bill that your management company cannot pay on your behalf. You will be billed directly by the county for the property tax on your vacation property around September of every year if you paid cash for the property. If you financed the property, it will be a part of your monthly mortgage payment. The property tax amount is going to vary from property to property, but we can get you the current year tax bill on any property you are interested in.

VII. What to Avoid When Evaluating Properties

A poorly run resort is just one of the things you need to avoid when evaluating vacation properties. Here are a few other pitfalls you need to keep an eye out for:

1. Avoid resorts & vacation neighborhoods that allow long term rentals. Most vacation rental resorts allow the unit to be rented out to any one person/family/group for anywhere from 2 weeks to 6 months. This includes the owners & their friends/family. Why do they restrict this? Because once you allow long term renters into a property, the resort tends to lose its resort feel & begins to resemble an apartment complex or just another neighborhood.



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There are so many locals that live & work in the hospitality industry in Orlando who prefer to live near work than deal with all the traffic in the tourist areas. When a short term rental resort begins to struggle with occupancy, it is an easy option to allow long term renters in. You need to make sure you are in a resort area that only allows short term rentals AND has a management company or HOA Board that keeps the resort in top condition.

2. Avoid resorts with high HOA fees with little to no amenities. This could be an indication that they are not financially viable & are looking to the owners to keep the resort afloat. A well run resort will have an HOA fee that is in symmetry with what amenities & services are offered at the resort.
3. Avoid resorts that have an overall dated look and/or are in need of general maintenance. If they cannot make enough money from the renters to physically & cosmetically stay updated, then they are likely to turn to the owners in the form of a special assessment.
4. Avoid resorts that are involved in a lawsuit with contractors. Not only is it extremely difficult to get a loan on a property when the HOA or resort is a party to a lawsuit, but if the lawsuit is over major repairs and they are not able to recover funds from the legal battle, then it will most likely be coming out of the owners pockets in the form of a special assessment. This is a rare occurrence, but always worth investigating prior to making an offer.
5. Avoid resorts that make it difficult for potential buyers to view. This typically applied to condotel properties. If the on site management makes it difficult for agents to schedule buyers to view the property, it will severely restrict the number of opportunities a seller has to present the property to a buyer. Should you buy that unit, you are going to run into the same issue when you decide to sell it at a later date.

VIII. The Offer & Closing Process

The offer & closing process for a vacation property is going to be nearly the same as purchasing a residential home in Florida. Once you have evaluated all of the properties & options before you, there are several items to consider & steps to get to closing.

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1. Get Comparables to Determine Market Value.

Once you have narrowed down your choices to two or three properties, we will run comps for you & evaluate all the pros & cons of each resort so you have a fair understanding of the market value of the property & what you can expect from your new vacation property. This will allow you to determine your offer price.

2. Are You Financing or Paying Cash?

When you are considering how you want to pay for your new property, keep in mind that most condotels are cash purchases. This is because most banks will not lend on condo-hotels & if they do, often the lowest amount they will lend on a property is still more than what the unit actually costs. An alternative to consider if you want to go the condotel route & do not have the cash on hand to purchase it, is to explore the option of taking out a home equity line of credit on your existing primary residence & just pay cash for the unit.

If you are looking at purchasing a condo, townhome or home, then you should not have an issue with lenders taking out a loan for a 2nd home. Here is a [list of lenders that specialize in the vacation market](#).

Keep in mind that if you pay cash, your closing costs on the property are going to be significantly lower than if you finance. That is because the bulk of your closing fees with a financed offer are going to be lender fees. They are also going to require you to pay for an appraisal, prepay 1 years worth of homeowners insurance & additional funds to start your escrow account (future property tax & homeowners insurance is paid out of the escrow account). You avoid around \$4-7K in closing costs if you pay cash. Your cash closing cost fees should typically be under \$1K.

3. Inspection Period & Appraisal

If you are paying cash, then having the property inspected & appraised is optional. If you are financing, the appraisal is required but the inspection is optional. The inspection is always a good idea, just so you know what issues you may have or expect with your property. If that AC is 20 years old & is leaking freon, it will be a factor in your offer price since you are going to have to replace it soon. You will typically have a 10-15 day inspection period to evaluate the property (for vacation properties the inspection period



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can be extended to accommodate when the unit is vacant) & determine if you want to move forward.

4. Don't forget to include all the contents of the property in your offer.

While it is standard for vacation properties to include ALL of the contents of the unit including bedding, furniture, electronics, decorative accents, housewares & kitchenware, it is best to list these items in the contract so that all involved parties are clear on what items convey.

5. Don't forget to include the Reserve Fund as well.

The reserve fund is the small fee that is charged on all rentals (typically 1% to 5% of rental price) and placed in a reserve fund to cover damaged or worn items in the unit. It normally accrues to a set amount but can have hundreds to thousands of dollars in it.

6. Once you have an agreement with the seller & an executed contract...

You will have three days to wire your escrow deposit (good faith deposit) to the title company. The escrow deposit is typically 1% to 5% of the contract purchase price. We will help you coordinate the appraisal & inspection (if needed) as well as the closing with title. If you are financing, closing can typically be done 4 weeks from the date of contract execution, two weeks if it is a cash purchase. If you live outside of Florida, you do not physically have to be here for closing. Most documents can either be signed with title electronically, or if a financed purchase, a notary/remote closer can come to you to sign the documents.

IX. Congratulations! You Closed. Now What?

1. What to look for in a management company

Unless you bought a condotel, then you are going to need a 3rd party management company to handle your rentals. There are numerous vacation rental management companies here in Orlando. The trick is to find one that is affordable, has reliable customer service, maintenance, housekeeping & works well with your ownership style. We do not handle rental management ourselves, but can make some recommendations to you based on the feedback we have received from our customers.



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2. Airbnb & Online Rental Sites

Because most resort bookings start with an online search, you need a management company that is tech and social media savvy. Not only do they have an engaging online site of their own, but they are active with online travel sites like hotels.com, travelocity, booking.com etc. You preferably want to work with a management company that allows you to operate your own sites specific for your property like Airbnb & VRBO to ensure your property is reaching all possible potential guests. A savvy management company will even give you a discount on the fee they charge when you bring them a lead from your own sites.

3. Decorating as a Marketing Tool

Keep in mind that Orlando is the family vacation capital of the world. Kids drive purchasing decisions for the family when it comes to Orlando vacations. If you are allowed to, hire a mural artist to come in & paint the kids room in a Disney, Star Wars, Marvel, Princess or Harry Potter theme. Then decorate the room in that theme. If you have good pictures in your listings, the kids are not only going to push the parents to book your unit because of that themed room, but push them to book it again on the next trip earning you repeat and referral business.

Another little cost effective trick is to add something unexpected to your unit that gives you an advantage over other units in the resort. For example, a full size arcade game that plays all the classic games. You can find those online for a couple hundred dollars. You could also look at a larger than normal flat screen TV for movies & sports fans.

4. Incorporate & Get Insured

Unfortunately, we live in a litigious society, therefore you will want to seek the counsel of an accountant & possibly an attorney to make sure you are properly structured as a business. This is not only to protect yourself from any unforeseen circumstances but also to take full advantage of any expenses you can write off on your taxes.



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X. The COVID-19 Effect (updated 2/28/2023)

To say the Orlando hospitality industry took a hit in 2020 is an understatement. COVID-19 closed the theme parks for months and occupancy at every type of accommodation plummeted to historic lows.

However, Orlando is nothing if not resilient. Occupancy numbers started to climb in March of 2021 as cooped up travelers took their spring break in Florida. It has not slowed since. Disney World is in the midst of its 50th Anniversary and Universal Studios is working at full speed with its third park, Epic Universe, scheduled to open in 2025. 2022, saw another bump as international visitors return. Now In 2023 the parks are packed! Disney's Genie Plus system sold out one day in mid February for the first time ever. What we expect in 2023 is a year that may not only rival pre-pandemic numbers but exceed them.

Some items we are seeing in this Post COVID-19 Landscape

- **The Orlando vacation market is growing** - 2022 saw the development of the [Azur Resort](#), [Sycamore Resort](#), [Windsor Island](#) and two new Magic Village Resorts, [Magic Village Views](#) and Magic Village by Pininfarina. The [Grove Resort](#) and [Reunion Resort](#) both added new accommodations while the [Festival Resort](#) expanded. In 2023, you have the new [Embassy Suites at Sunset Walk](#), [The Flats Resort](#) is under construction and [Villa Domani](#) is wrapping up construction. Check out all of the [New Construction in the Resort Areas](#).
- **Some older resorts are turning into residential neighborhoods.** Smaller and older resorts that did not have owner usage restrictions are seeing an influx of primary residential home buyers because of the lack of residential home inventory. (We are dropping these resorts from the site if they trend in this direction)
- **Policies and procedures at resorts and management companies** for everything from owner use time to splits and fees are all in flux as resorts adapt to the new post COVID normal.
- **Prices are UP!** Prices for vacation homes shot up in 2021 and continued to climb in 2022. While we are seeing some property prices decreasing in 2023,

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most owners are holding firm on their pricing as they know that occupancy and revenue is only going to go up over the next few years.

- **Fees are UP too... and services are starting to get back to normal... kinda.** Gone are the days of daily housekeeping. Now it is an end of stay fee which has increased to attract and keep experienced housekeepers. Misc fees like reservation fees and resort fees are up as resorts seek to use small, incremental fees to recoup past losses. Amenities like restaurant and pool complexes have returned to pre covid operating hours but staffing is still an issue at some properties.
- **You can throw most rental history reports prior to 2022 in the trash.** 2018 and 2019 were the last two years that we saw any type of consistency you could base a rental history on. 2020 and 2021 were all over the place because of COVID-19. Not everyone was traveling and many international countries either had restrictions in place or made it too difficult to travel. The parks reopened but had restrictions, limited capacity, hours and worst of all, NO FIREWORKS! Some owners didn't want anyone in their units, others put in long term tenants if they could. While 2021 numbers were fairly strong, they are wholly inconsistent. 2022 saw a return to stronger and consistent numbers and we fully expect to see better than post pandemic rental numbers in 2023.
- **Cash is still king.** Cash is still going to beat out a financed offer. You are no longer seeing multiple offers on the first day listing like in 2021/2022 but sellers are still preferable to cash buyers over financed buyers who will back out if their lender changes up the interest rate or terms.
- **The side gig economy.** There is a surge in buyers looking for properties that can be Airbnb-ed. As we transition into a virtual workforce, buyers are looking for opportunities to make side gig money by targeting the mobile, work from anywhere, market.

In Summary

Orlando is the family vacation capital of the world. If you use the guidelines above to evaluate properties, select a solid management team and stay on top of marketing your property, you will undoubtedly have success. Once you decide if the property you are buying is purely for investment purposes, for personal use, or a little of both, you will start your process that will lead to you owning your Orlando Vacation Property. I am happy to help. If you have enjoyed this



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guide, please call me at 407-801-3286 and I can get your search started for you and answer any questions you may have.

The last section here is a list of my favorite properties based on revenue for owners, satisfaction from my prior buyers and resort quality. Also attached is a Resort Comparison Worksheet that will show you the areas, price ranges, management options and amenities of all the Orlando vacation resort properties that are worth seeing.

XI. Our Favorite Properties By Category

Condotels (that actually make money for their owners)

1. [Floridays Resort](#) - Priced from the mid \$200's
2. [Lake Buena Vista Resort](#) - Priced from the low \$200's
3. [The Grove Resort & Spa](#) - Priced from the low \$300's
4. [Blue Heron Beach Resort](#) - Priced from the low to mid \$200's

Condos (that our buyers have been happy with their ROI)

1. [Bahama Bay Resort](#) - Priced from the low \$200's
2. [Reunion Resort](#) - Priced from the high \$200's (ask us about the membership fees though)
3. [Storey Lake Resort](#) - Priced from the mid \$300's
4. [Windsor Hills Resort](#) - Priced from the low \$300's

Townhomes (that our buyers have been happy with their ROI)

1. [Champions Gate Country Club](#) - Priced from the low \$300's
2. [Paradise Palms Resort](#) - Priced from the high \$300's
3. [Regal Oaks at Old Town Resort](#) - Priced from the low \$300's
4. [Windsor at Westside](#) - Priced from the mid \$400's

Homes (that our buyers have been happy with their ROI)

1. [Reunion Resort](#) - Priced from the mid 600's
2. [Champions Gate Country Club](#) - Priced from the mid \$500's
3. [Windsor at Westside](#) - Priced from the mid \$600's
4. [Solara Resort](#) - Priced from the mid \$600's
5. [Storey Lake Resort](#) - Priced from the mid 500's