



Managing Property in Florida

Compliments of Excel Villa Rentals



The Management Company

Once you have purchased your property you need to have it professionally managed. The role of the management company is quite involved and absentee owners are a considerable distance away. The management company acts as the owner's eyes and ears and duties include but are not limited to:

- ❖ Ensuring that house is maintained to a standard conducive to renting.
- ❖ Keeping accurate records of income and expenses
- ❖ Obtaining the correct licenses in order to comply with state and county laws
- ❖ Communicate with the owner reporting any problems that occur
- ❖ Report to and pay the relevant government bodies the taxes due on rental income.
- ❖ Ensure the property is kept up to the standard the owner requires
- ❖ Produce an end of year accounting package
- ❖ Paying all bills except mortgage and HOA fees
- ❖ Act as an intermediary by using a limited power of attorney between utility companies
- ❖ Reporting monthly statements to owner
- ❖ Obtaining bookings by marketing owners property.
- ❖ Organize the sub-contractors responsible for mowing lawns, cleaning pools, pest control
- ❖ Arranging the cleaning of the property after renters have left
- ❖ Providing emergency 24 hours service for clients and acting as front desk
- ❖ Checking in clients when they arrive
- ❖ Collecting security deposit for clients
- ❖ Assisting with owner bookings
- ❖ Organizing preventative maintenance on houses such as filter changes and servicing air conditioners
- ❖ Organizing routine maintenance on properties such as pressure washing and steam cleaning
- ❖ Delivering cots and high chairs to clients
- ❖ Turning on and off pool heaters

The list of activities performed by the management company is not exhaustive.

Excel Villa Rentals is a professional management company offering all of the above services.



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Setting Up the House

To set up a house requires getting all the proper licenses, getting the house inspected by the state and ensuring that the house complies with the state regulations. Making sure the house has all the items to be fully self-catering.

Licenses and Paperwork

The following are licenses and other paperwork that is needed before the house can be rented.

Transient License

This is the first license that is required to get the ball rolling. It is issued by the Department of Business and Professional Regulation - Division of Hotels and Motels. In effect you own and operate a 3, 4, 5 or 6 bedroom motel and as such you fall under the control of the Division of Hotels and Motels. The license is issued only after a state inspector has visited the house and signed off that the house complies with all the state regulations. The license costs \$170 annually with a \$50 initial application fee. The house will comply with the state laws and pass inspection but British Tour Operators have additional safety requirements that need to be met if any of their clients are to go into the house.

The following standards cover both state and tour operator:

- ❖ Pool has depth markings.
- ❖ Pool has a no diving and safety sign.
- ❖ Stickers on any glass doors one at 3 ft and one at 5ft.
- ❖ A sanitation notice is posted.
- ❖ Emergency numbers are on the phone and instructions on how to call them.
- ❖ Blind dead bolt on front door - can only be opened from the inside.
- ❖ Emergency lighting all working.
- ❖ Smoke detectors in working order.
- ❖ Water heater is clear for 2 feet around it.
- ❖ All fire extinguishers must have valid tags. You need two fire extinguishers for a two story house.
- ❖ There is a floor plan posted in the house showing location of all exits and the location of the fire extinguisher.
- ❖ Alarm on the pool door for new homes – not a bad idea for pre-owned as well. The alarm will sound if the door is left open for 10 seconds.
- ❖ An information book containing management information, a boil water notice in case of emergency, a pamphlet on fire exit drills in the home, a copy of the regulation the state has issued regarding hotels and motels - Florida Statutes chapter 500.9

Once the inspection has cleared and the license has arrived it is posted in the house.



Occupational License

Required to run a business. Renting property is considered operating a business. Lets the county and/ or city know that your house is be used for commercial purposes. Costs \$35 per year.

Sales Tax Certificate

Needed to allow the state to collect tax for the rentals that are put into the house. Tax is paid monthly in arrears. Application fee one time \$5. Sales tax is currently 7%.

Tourist Development Tax

Sometimes called bed tax. It is collected by the county and used to improve tourism. Tourist deveopment tax is Currently 6 % in Osceola and 5% in Polk County.

Utility Service and Limited Power of Attorney

In order to get all the house services switched on in your name a Limited Power of Attorney is completed and notarized. This gives the management company the right to act on your behalf to arrange for the services. There are deposits required with various companies.

Electric \$250

Water \$50

Phone \$25

Locks, Keys and Security

In addition all the locks on the house are re-keyed to the management company master and any security bars are installed, we also advise you of any items that may be required to bring the house up to the standard for rental purposes and purchase them on your behalf.

Once all of the above have been taken care of the house is ready for its first vacationing family.

Accounting

Being a rental property owner in Florida means you are the owner of a private business. As such you must comply with all the Florida laws pertaining to small businesses. You need to keep accurate records of all transactions that take place within your business and you need to file an end of year tax return with the Internal Revenue Service – IRS. We keep as part of our management fee accurate and up to date records of all financial and legal activity pertaining to your house. We provide an end of year accounts package for each house to allow you to file your taxes in a timely manner.

USA Individual Taxpayers Identification Number

You must apply for an ITIN number (Individual Taxpayers Identification Number) by using the form W7. Once you have the number, it is used for your end of year tax return. Any interest paid on a USA mortgage will give you a tax break. Interest on UK mortgages is not tax deductible.

The general cost for completing a tax return is around \$250.

If you use our accounting firm, we can send directly to them the financial reports produced by our software. They are experienced in completing tax returns for our homeowners.

Expenses

The general running costs of a house are as follows.

Management fees

Most management companies monthly fees total between \$270 - \$330 per month.

Excel Management and Rentals charges are as follows:

General Management Fee - \$100 per month

This is for managing the bookings, scheduling the cleaning, administering all the accounting and licensing functions.

Pool Fee - \$90 per month

This is a weekly service and includes:

- ❖ Addition of chemicals and maintenance to ensure correct water balance
- ❖ Weekly cleaning of the filter cartridge
- ❖ Vacuuming or brushing of the pool floor and walls
- ❖ Preventative maintenance on pump/ filter and associated fittings
- ❖ Weekly wash down of the deck, screen and furniture
- ❖ Clean tile line
- ❖ Empty skimmer and pump strainer baskets
- ❖ On site completion of weekly report card detailing pool condition and maintenance

Lawn Fee - \$65 per month

This is a weekly service.

- ❖ The lawns are mowed
- ❖ The lawn is edged and any strimming required is performed.
- ❖ If additional landscaping is required such as pruning, weeding etc then an additional charge will be incurred

Pest Control Fee - \$30 per Month

This is a monthly service.

- ❖ The perimeter of the exterior wall is sprayed with insecticide
- ❖ The inside of the house is sprayed with insecticide.

OwnerLink Fee - \$15 per Month

This is a continuous service.

- ❖ Online account access and reservations service
- ❖ Password protected.

Maintenance

Preventative maintenance and routine maintenance is essential to keep your property in good condition for rentals whilst retaining it's value should you wish to resell.

Deep Cleans

Excel Management conduct two deep cleans each year, this is what we call a high clean where our professional cleaning staff spend all day in the home getting it ready for the season. The seasons being Summer (May 1st - Oct 31st) and Winter (Nov 1st - April 30th).

During the deep clean all the high areas requiring ladders are cleaned and all the heavy appliances and furniture are moved out to gain access to areas which are bypassed during the normal cleaning routine. As renters come and go we endeavour to maximize the occupancy of the home in order to increase the rental revenue, therefore the cleaners have only a limited time to ensure each house is of an acceptable standard for the newly arriving renters. This is why twice a year we have a deep and high clean to bring everything back to its best possible condition.

Regular Maintenance

Throughout the year there are many things which we carry out to ensure that the houses are kept to a high standard. We have a full time property manager who inspects each house on a regular basis and keeps a record of any work carried out or work that needs to be done, the management follow his recommendation.

End of Season Maintenance

At the end of each season it is usual to carry out any necessary external painting or internal touch up to the paint inside the homes. Steam cleaning carpets at the beginning of each season is advisable.



Property Damage and Deposits

As an investment rental holiday home it is subject to a lot of use from various families and we therefore take a \$250 security deposit from each client that rents accommodation through us to cover incidental damage. In order to validate this we inspect the home at the beginning and end of each stay and any damage that is discovered is deducted from this deposit.

For your peace of mind, in over seven years of renting villas with well over 10,000 rentals we have not found it necessary to institute charges in probably more than thirty instances. Usual damages are broken lamps, stains on carpet, cigarette burns on furniture.

No Smoking signs are placed in all the houses and guests advised that they should smoke outside on the pool deck.