

What do you do with your homestay property?

By [Chelsea Viljoen](#)

30 Jun 2020

In light of the uncertainty around when borders will reopen and continued restraint even once travel for tourism is permitted, many owners of homestay accommodation (such as Airbnb listings) are considering securing longer leases for their properties.



[Chelsea Viljoen](#) of Just Property

Due to the impact Covid-19 has had on the short-term rental market, many landlords who focused on very short-term rentals in the past have entered the long-term market.

The supply is higher than the demand at this stage and many landlords have had to reduce their rental asking price. Landlords are hesitant to sign for longer than six months in hopes that the short-term rental market will improve.

But there is an opportunity cost to offering six-month leases. Moving is often expensive and always disruptive, so tenants may be disinterested in these shorter rental periods, leading to extended vacancies. There are other considerations too, making the shift from homestay to long-term rentals something to think long and hard about.

Conversion considerations

Most tenants will want the premises unfurnished. Remove pieces such as vases and paintings but leave more practical items like fridges and beds until you know for sure. If the tenant insists on having all furniture items removed, you will then have to store or sell these. If they want it fully furnished, do a thorough inventory and be clear about who will be responsible for repairing/ replacing items in the inventory.

Any subscriptions that were provided for homestay guests, for example, Netflix, DSTV, security etc might work to attract a tenant but if they don't want to take over the subscriptions, cancel them.

Evaluating the correct rental

When you post your listing, you will find out within a week if the rent is reasonable. If there is no response for days, it is almost certainly due to the rental being too high. Don't list above the going rate, thinking you can negotiate if you need to. Tenants do not search for properties above their budget and then negotiate but rather tend to search only for properties within their budget.

Drawing up the lease

It is very important to customise your lease agreement according to your specific property and tenants. The relevant laws and case studies with regard to the Consumer Protection Act and Rental Housing Act need to be taken into consideration.

If you bind yourself to a standard online lease agreement, you open yourself to risk. Rather work with an experienced rental agent who knows what to include and how to tailor it specifically to your property and your circumstances.

Marketing your property

The first thing a prospective tenant looks at when viewing an advertisement online is the pictures. Include as many high-resolution pictures as possible and try to show all angles/rooms/the interior/exterior etc. Ensure the beds are made, cupboard doors are closed, lights are on and toilet seats are down.

Many people are still wary of viewing properties in person, so we recommend filming a walk-through of properties. Making a few clips instead of a very long video allows us to easily share these via WhatsApp, email and on social media.

In your advert, include as much information as possible. If your property is connected to fibre wifi including that in the advertisement could lead to a tenant choosing your unit above another similar one.

Choosing a tenant

An extensive vetting procedure is the only way to ensure that you are placing the right person in your property. Chelsea insists on the following:

1. Credit check. Study it carefully.
2. Pay slips, bank statements, employment contracts etc to verify income.
3. References from friends, family and previous landlords.
4. Copies of ID or passport and visa if applicable.

Character traits that can give you an idea of the applicant include how responsive they are and whether they're good with communication; whether they pay rent on the same day every month; whether the rental amount paid varies; their spending habits and whether money being saved. Most of this can be deduced from bank statements.

Another good idea is to check out their profiles on social media. You can tell a lot about a person by their online presence.

Listening to an experienced letting agent so freely sharing her tips of the trade highlights the fact that for any homestay host hoping to become a landlord should really consider teaming up with a passionate and astute property professional who intimately knows the market and your area.

ABOUT THE AUTHOR

Chesley Viljoen has been an agent with Just Property since September 2016. She has always been enthusiastic about the real estate in Cape Town and combines her passion for property and people with the need to educate herself with up-to-date real estate and market trends. Her marketing background, along with her creative talents gives her a great advantage when it comes to advertising properties and representing clients. She is recognised as a Mastery Club member, an elite group of top-performing agents from across the national Just Property franchise network.

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