

Holiday letting versus permanent rental

If you have been looking to invest on the coast, you may be considering whether to holiday let or permanently rent out your investment. One advantage of renting your home to holiday makers instead of full-time tenants is that there is a potential for higher rental returns to be generated, particularly over the summer months. Another plus is that you can utilise the property yourself throughout the year and there is a lower likelihood of unpaid rental, as guests pay upfront when booking short stays.

Holiday rentals often experience less wear and tear than long-term rentals, as tenants are not moving their furniture in and out every six/twelve months. Also, cleaners and property managers are visiting the property more often due to the short-term stays of guests, so any issues or maintenance requirements are picked up relatively quickly. However, the benefits of holiday letting your property can be outweighed by the expenses.

Short-term rental returns can be higher but so are operating costs, with management fees typically around 12% instead of 8%. Plus, there are cleaning fees, electricity costs, etc. With a permanent tenant, they are generally responsible for costs such as electricity, gas and sometimes a proportion of the water bill. You are also not responsible for the upkeep of furniture and whitegoods in a permanent rental (unless

that has been agreed to as part of the Lease). If you choose to holiday let your property, you also need to invest in keeping your guests happy so that you get good reviews and repeat clientele. Guests often look for extras such as free Wi-fi, a well-appointed kitchen, appealing artwork plus comfortable beds and couches.

One of the downsides of holiday letting is that you may find your property is not rented out much throughout the cooler months. You also need to be aware of the risks that holiday homes attract. For example, holiday rental guests tend to be busy enjoying their getaway and may not be as careful with your flooring, furniture and walls etc because they are on holidays. It is important to have a security deposit to cover any extra cleaning or damage. Another thing to consider is that regular landlord insurance policies don't generally cover property investors who short-term let or rent by the room. This is an important consideration for those contemplating holiday letting their property.

There are hundreds of short-term accommodation options within Rainbow Beach and across the Cooloola Coast ranging from apartments with onsite management to individually owned houses with owners letting out single rooms on sites such as Airbnb.

Ultimately, there are pros and cons to both holiday letting and permanent rental and your individual circumstances will dictate which option you choose.

Property of the Month: 24 Bombala Crescent, Rainbow Beach



MUST BE SOLD! BARGAIN PRICE

Situated in an elevated, quiet and sought after street; this neat home boasts three bedrooms and a two bay shed in the fully fenced back yard. You can just see the ocean from ground level on this flat, 600m² block and the views would be amazing if you were to build up in the future. Features include: raked ceilings with exposed beams, combustion fireplace and slate floors throughout. Close proximity to everything in town. Make an offer today!

3 BED, 1 BATH, 1 CAR, 600m²

\$360,000



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