

BUYING A CONDO FOR AIRBNB

By Mike Lightbourn

SO, you're thinking about investing in a condo to put on the vacation rental market?

We've read all sorts of things lately about Airbnb and other sites and about the opportunity to tap into the vacation industry.

And with millions of people visiting the Bahamas every year, why not take advantage of the opportunity?

As with most things, there may be a caveat.

Owning a condo is distinctly different than owning a single family residence.

Condo owners are obligated to abide by their home owner association's (HOA) bylaws.

Bylaws differ, depending on the association.

For instance, some developments may allow for short terms rentals and others don't.

Rentals may be facilitated through a rental pool with a common leasing agent or a property manager with owners sharing expenses and splitting revenues on agreed percentages.

ON THE OTHER HAND

Some HOA's may hold the view that short term tenants aren't good for the condominium complex, especially if it mainly caters to full time occupants

There is the concern that Airbnb-type guests may not respect the property and they may be noisy.

This usually is not the case, but the concern is legitimate.

Another concern evolves around security.

It may be more difficult to determine whether or not a person is rightfully on the property.

Then there's the issue of keys being widely distributed. You get the drift.

There are various scenarios. It all depends on the bylaws governing a particular development.

THE CONSEQUENCES

Owners who violate their HOA's rules are subject to various penalties, including fines.

However, before a penalty can be handed out, the HOA would have to call a meeting and give the owner an opportunity to present his or her case.

If a fine is meted out and the condo owner refuses to pay, the matter can become contentious and even end up before the courts.

BOTTOM LINE

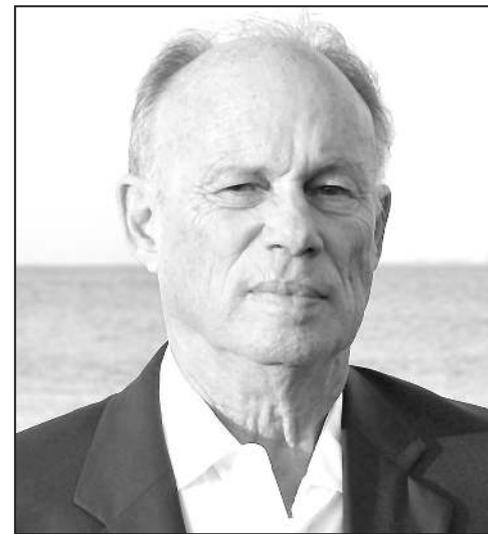
If you're thinking about buying a condo as a vacation rental property, read the HOA's bylaws and any other regulations carefully before making a commitment.

Learn about government regulations/taxes surrounding vacation rentals.

Airbnb type rentals are a relatively new phenomenon in the Bahamas. As they evolve, so too will regulations governing the industry.

More to the point, does investing in a condo for vacation rental purposes make financial sense?

This will depend on the demand for rental units in



Mike Lightbourn is president of Coldwell Banker Lightbourn Realty

what can be a fickle market, the location and overheads.

If you invest in a vacation rental friendly condo in one of the out islands, such as Exuma, then you will also have a second home to enjoy yourself, as well as an income producing unit that will at the very least help offset costs.

Questions or comments?
Contact me at ask@cbbahamas.com

**TO ADVERTISE
CALL:
Charles Gaitor
502-2356
or Email:
cgaitor@tribunemedia.net**

Pinder ENTERPRISES

Prince Charles Drive • Tel: (242) 324-1943
Fax: 324-5382 • P.O. FH-14378

We offer:

- Roofing Materials • Lumber • Septic Tanks
- Chain Link Fencing • Wooden Fencing
- Stone Paver • Plywood

Visit Us: <http://www.tribune242.com>