

Management firms change Tahoe rental market

By Kathryn Reed

Owning a vacation rental may be a luxury, but it is also a business.

And for most people, they would prefer a middleman handle the business end. That's why property management firms became so popular. The industry for a time had become static, but now it is growing and changing.

With about 75 percent of the residences on the South Shore being owned by second homeowners, there is a definite market for people to handle renting them. While not all of those people put their property on the rental market, a large percentage do.

The going rate is 30 to 50 percent of a night's fee to handle renting the property. The firms deal with noise complaints, cleaning services, and checking people in and out.

TurnKey is a firm out of Austin that this fall opened an office in South Lake Tahoe. It's biggest selling point is that for the first year it takes a 14 percent cut, with that figure going to 18 percent in subsequent years.

It is handling properties from Glenbrook to Christmas Valley and out to Camp Richardson. Expanding to the North Shore and Truckee are goals.

"We had been with the other company a long time. We were dissatisfied," John Puccinelli of Cupertino told *Lake Tahoe News*. "It was brick and mortar. This is Internet. I thought that's where the future is."

He has owned a vacation rental in the Tahoe Keys for 20 years

and was with the same company that whole time. Puccinelli said it was time for a change and opted for TurnKey.

One thing that TurnKey does that most other agencies don't do is treat vacation rentals more like hotels. While hotels and airlines traditionally raise and lower rates based on peak times, vacation rental rates are often stagnant – except perhaps for Christmas, New Year's and Fourth of July – the three busiest weeks of the year in Lake Tahoe.

Jon Sween, general manager of the South Lake Tahoe office, said being able to tweak prices for clients allows for annual revenues to be greater and less emphasis on actual nights rented.

Using algorithms for people inquiring about a rental helps operators in Texas to determine if queries were sent out to multiple agencies or just TurnKey. This then allows them to direct their resources to whom they deem to be the most serious potential renters.

Technology is something that separates TurnKey from other rental agencies.

“I like the ability for them to change door locks remotely and track people when they come in and out of the house so they can provide security for the house as well and not just for vacation rental,” Roger Isaac told *Lake Tahoe News*. He has had a vacation rental off North Upper Truckee for a couple years and is now using TurnKey. “When a vacation renter comes up they change the lock remotely so each person has a personalized entry key to come in the house.”

TurnKey also uses an Android tablet to communicate with renters. This includes eliminating the traditional binder full of info in the rental; it's on the tablet. The tablet is also available for guests to use while in Tahoe to research places to go.

Housekeepers must take 25 photos with it when they are done. Guests are asked to rate the cleanliness when they check in.

“If they check five, the housekeeper receives a bonus. If it’s a one, we call the client about it right away,” Sween told *Lake Tahoe News*.

Renters also receive a welcome call when they arrive; which in part is to check on any issues at the get-go.

The tablet also has a built in decibel meter. This has to do with noise being the biggest complaint about vacation rentals. If it gets too loud, the renters are sent a message to keep it down. They don’t know (until now) that their noise level is being monitored.

TurnKey isn’t the only newcomer to the market. Denver-based Evolve mailed info to owners last month offering 10 percent fees. Evolve and Red Awning offer marketing and reservation services only. TurnKey will do the same. It just means no active management, just bookings.