

“Winners in the Resort Real Estate Market” for *Sandestin Living Magazine*

By Sallie Boyles

Solving the resort real estate supply and demand equation during an uncertain economy and sluggish market requires different tools than the ones used when business was booming. To foster a new segment of win-win opportunities, Sandestin Real Estate established a long-term rental department. As one of three local brokers who specialize in the niche, Sandestin’s team represents only Sandestin Resort properties and specifically manages agreements which range from six months to one year.

Since launching in May of 2010, eighty-nine properties have been rented under the long-term program, and according to Jason Green, Sandestin’s Long Term Rental Manager, the majority of those contracts were written in the last six months. Demand covers the full spectrum of homes—from a \$950-per-month, single-bedroom condo to a \$5,000-per-month, luxury Burnt Pine home. Green, in fact, says, “We have far more interest than available properties.” Homes are promoted on the MLS and on Sandestin’s website.

Renters’ demographics vary along with the mix of homes offered. Although prospects for Sandestin range from the young military family to the retired executive couple, certain categories of tenants have emerged:

- Those in transition who want to live in the area before deciding to relocate to the Emerald Coast
- Military and corporate transferees who want to take their time learning about available properties and neighborhoods before purchasing a home
- Individuals who have lost or sold their homes for financial reasons and need time to get back on their feet
- Snowbirds who are committed to spending at least six month of the year in Sandestin

Simply put, renting solves all kinds of financial problems. As stated in an article published in *Money Magazine* on September 2, 2011, four million foreclosures across the country have created a sweet spot for the rental market. The story also reports that 35 percent of occupied homes were rented in 2010, a rate that represents a 33.8 percent increase compared with 2000.

Attracted to the steady stream of income promised by long-term rental agreements, Sandestin’s pool of owners continues to grow with demand. The decision is not only a no-brainer for investment property owners, but the option also makes sense for those who are personally attached to their vacation homes but need to pay the bills. Rather than vying for vacation renters who come and go, owners realize that securing a long-term tenant means doubling their income.

“I have owners who generate so much more income on the long-term program versus the short-term that it pays for them have a long-term tenant and then rent someone else’s nice condo for their own family vacation,” says Green. “Our resort is seasonal,” he continues. “Although we just enjoyed our busiest July in years, activity drops off after the summer. Homes in our long-term rental program, however, aren’t affected by the highs and lows; they stay occupied year-round.”

He adds that while beachfront locations are the most hotly demanded for individuals on holiday, homes and condos situated throughout Sandestin are appealing to the long-term renter. “Another benefit for the homeowner is the fact that long-term renters, as a whole, take better care of the place,” says Green.

Interestingly, long-term renters most commonly request unfurnished homes. “They want to move in with their own possessions,” says Green. Homeowners, therefore, can choose to place their furnishings in storage to accommodate their tenants.

Flexibility, indeed, is a hallmark of Sandestin’s long-term rental program. “While using our knowledge of comparable properties to steer our owners and renters, the parties involved are ultimately free to enter individual agreements that make sense for them. Owners, for instance, dictate the amount they will charge in rent, their pet policies, and other conditions,” says Green. “Renewal terms are also specific to each contract.”

Both renters and owners benefit from the specialized knowledge that Green and his assistant manager, Lynde Carlyle, bring to the table. “Our insights are different from other agents,” he says. “I’m often surprised that our area’s most seasoned realtors know so little about the long-term rental market.” Green and Carlyle also live on the resort, so prospective renters rely on their personal perspectives for choosing the ideal home and making certain Sandestin suits their way of life.

If prospective renters are drawn to resort living, they should make certain that any rental agreement they enter permits them to use the amenities. Sandestin’s Long Term Rental program includes the advantage of the property’s complete amenities package. “Those who rent through other brokers, or even directly from some owners, will not have complimentary access to our private facilities, such as the fitness center, the beautiful pools, the tram to beach, bikes or kayaks,” says Green. “I recently met a renter who wanted to know how he could obtain a pass to the pool. Unfortunately, he had rented from an owner who had not purchased the amenities option for guests, so I had to explain why he could not go swimming.”

Green and his team work to avoid such issues by managing every detail. Receiving a large number of referrals, they are serious about living up to the expectations of fellow real estate professionals and building lasting relationships with owners and renters.

So far, their efforts are working. As Karen Bass, who owns a Magnolia Bay villa with her husband, says, “Jason Green and his staff have handled all details of our contract and rental with ease. Their friendly, efficient, and professional manner makes the long-term rental program a great experience.”

Additional information is available on the Sandestin Real Estate website at www.sandestinrealestate.com. Jason Green can also be reached directly by phone at 850.267.8100 or by email at jansongreen@sandestin.com