



Finding and Managing a Rental Property in Medellín

Lee Harrison

Finding and Managing a Rental

- ◆ The property manager
- ◆ Finding the right location
- ◆ Selecting a productive property
- ◆ Outfitting your property
- ◆ Expenses to plan for
- ◆ Examples of income and expenses



The Property Manager

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◆ What’s a property manager?

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- ◆ Can often be the same agency

- ◆ Ideally, with separate fee structure

The “Property Manager”

For today’s presentation, I’ll assume that one agency is both the property manager and rental manager.

Selecting a Property Manager

Look for these services

- ◆ Statements
- ◆ Records (who was there, maintenance costs, etc)
- ◆ Payment Processing
- ◆ Meet & Greet, and orientation... and check-out.

Selecting a Property Manager

Look for these services

- ◆ Maintenance
- ◆ Cleaning
- ◆ Inventory of property contents/check for damages
- ◆ Bill Paying and Taxes

Selecting a property manager

◈ How to they rank on Google when searching for “furnished rental in Medellín”?

Selecting a property manager

- ◆ How to they rank on Google when searching for “furnished rental in Medellín”?
- ◆ Is their website attractive, and easy to navigate?
- ◆ Do they cross-market to Airbnb? VRBO? FlipKey?

Selecting a property manager

- ◆ Personal recommendations from other property owners? Renters?
- ◆ Anything to see on Tripadvisor?

Selecting a property manager

- ◆ Personal recommendations from other property owners? Renters?
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- ◆ How many properties do they manage? Too many?
 - ◆ Check their booking calendar to see how busy they are.



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- ◆ Access to attractions and services – walkable, or public transportation.

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- ◆ Will you be happy visiting your investment? Do you care?
- ◆ Visit any proposed location at night and on weekends (noise, safety).



Finding the Property



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Finding the Property

Finding your property

Rental Terms

- ◆ In Medellín, rentals must be 30 days or longer... unless the building's HOA allows short-term.
- ◆ Changing to short-term requires 70% majority
- ◆ Some buildings built as short-term buildings

Finding your property

Rental Terms

- ◆ Short term: Under 30 days
- ◆ Mid-term: 30 days, or indefinite month-to-month
- ◆ Long-term unfurnished: Contracts of six months or more
 - ◆ Cap on rent is 1% of assessed value, cap on increases
 - ◆ Other protections for renters

Finding your property

- ◆ Speak with a property manager
 - ◆ What do they need in their inventory?
 - ◆ Where do they need these properties?
 - ◆ What types of clients go to which areas, and which properties?

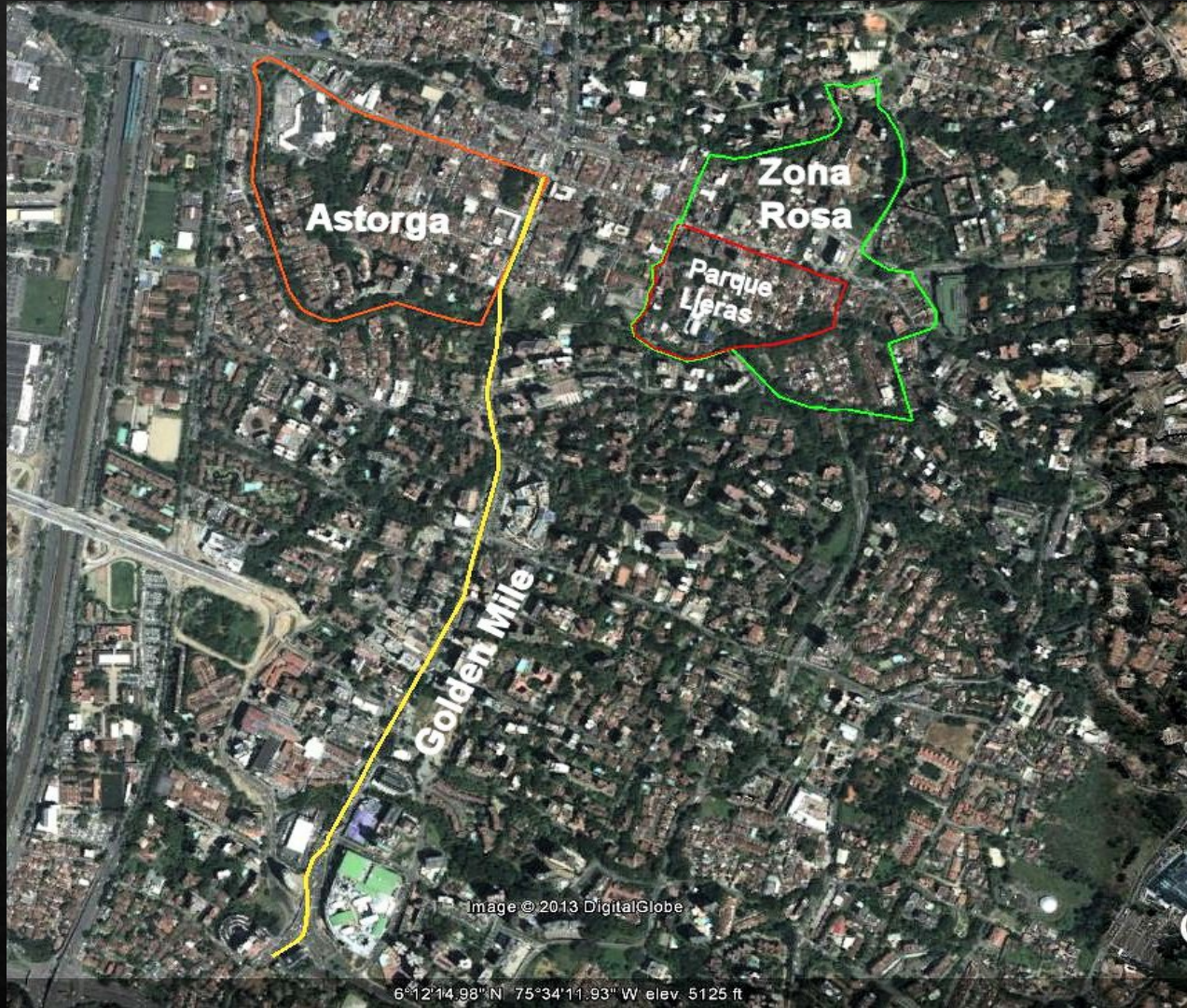
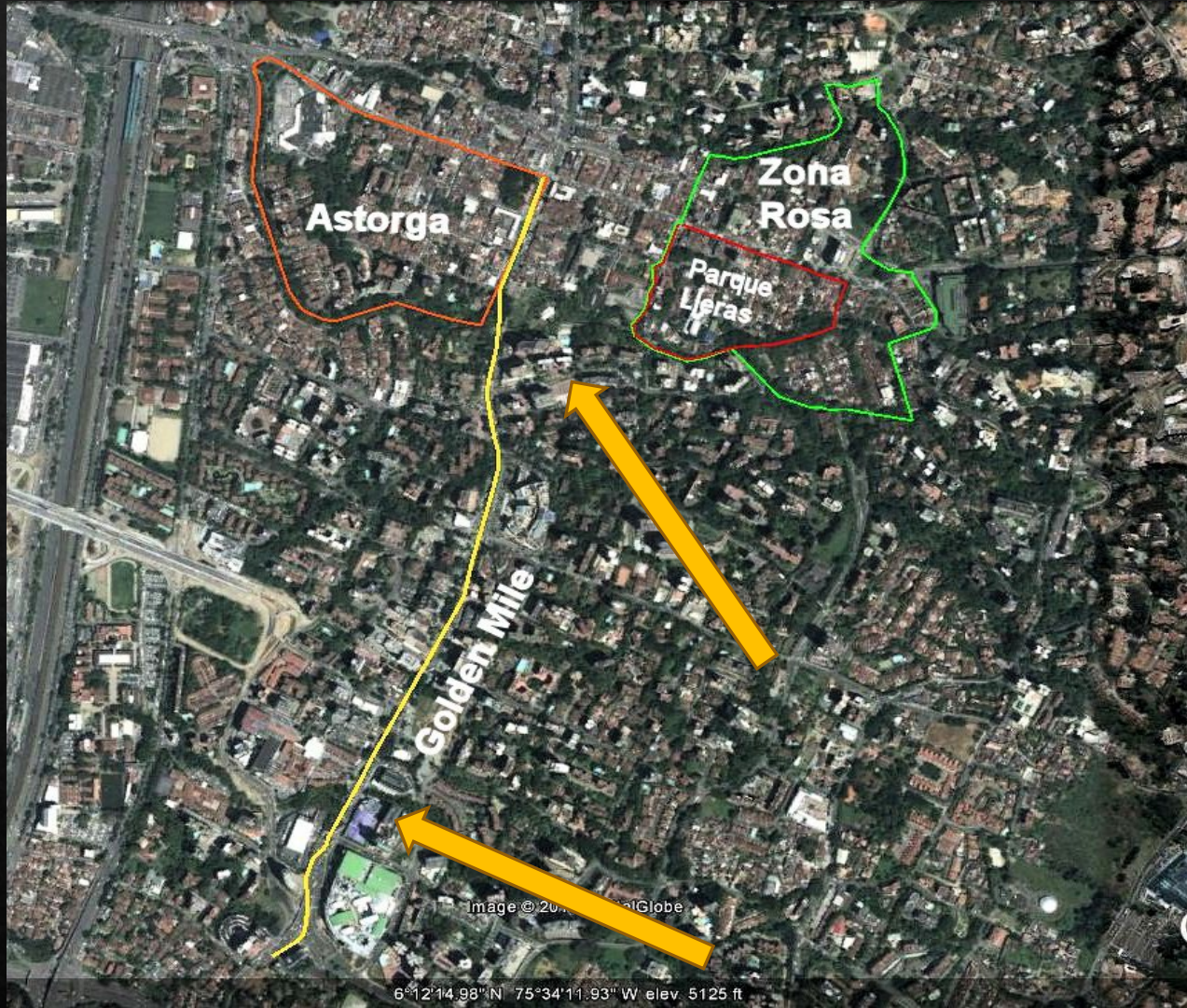


Image © 2013 DigitalGlobe

6°12'14.98" N 75°34'11.93" W elev. 5125 ft



Finding your property

- ◆ Location
- ◆ View (and how likely it is to change)
- ◆ Curb appeal: Assess the building, not just the apartment
- ◆ East-facing units are valued higher than west-facing

Finding your property

- ◆ Don't buy common!
- ◆ Don't over-invest
- ◆ Avoid hot tubs
- ◆ Swimming pools are of limited appeal... and costly
- ◆ Avoid high-maintenance amenities





Outfitting Your Property

Outfitting your property

- ◆ Start with fast internet
- ◆ TV in each bedroom
- ◆ Good cable package

Outfitting your property

◆ Don't over-furnish



Outfitting your property

- ◊ Don't over-furnish
- ◊ Clean, bright, uncluttered, photogenic



Outfitting your property

- ◆ Don't over-furnish
- ◆ Clean, bright, uncluttered, photogenic
- ◆ Little extras can increase customer satisfaction
 - ◆ Printer... coffee grinder... bottle of wine

Outfitting your property

- ◊ Don't over-furnish
- ◊ Clean, bright, uncluttered, photogenic
- ◊ Little extras can increase customer satisfaction
 - ◊ Printer... coffee grinder... bottle of wine
- ◊ Get professional photographs!





You won't do any better than the
quality of your photos



Expenses

Expenses

- ◆ Commissions (15% to 20%)
- ◆ Management fees (Fixed rate, around \$50)
- ◆ Cable, Internet, and electricity
- ◆ Property Tax 1% of assessed value

Expenses

- ◆ Condo/HOA fees
- ◆ Cleaning Fees (often paid by renter)
- ◆ Inventory replacement for damaged/missing items
- ◆ Maintenance

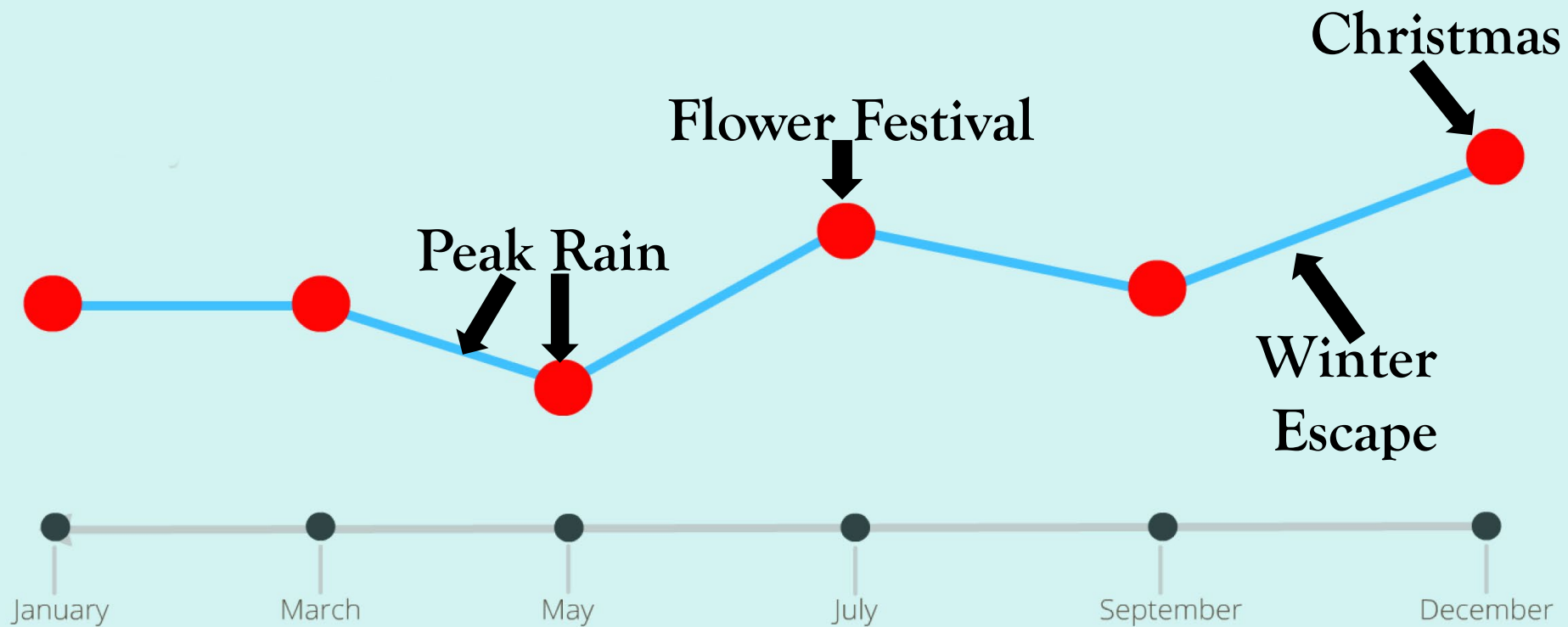
Rental Income-Expense Spreadsheet

Mes	Renta	Internet/Cable	Electricidad	Administracion	Mantenimiento	Predial	Gastos	Neto
Atelier 1703								
Ene	COP 4,492,538	COP 102,700	COP 305,128	COP 510,000	COP 0	COP 571,905	COP 1,489,733	COP 3,002,805
Feb	COP 6,729,800	COP 102,700	COP 194,207	COP 510,000	COP 0		COP 806,907	COP 5,922,893
Mar	COP 4,810,369	COP 102,700	COP 287,228	COP 510,000	COP 0		COP 899,928	COP 3,910,440
Abr	COP 6,729,800	COP 102,700	COP 294,850	COP 510,000	COP 0	COP 571,905	COP 1,479,455	COP 5,250,345
May	COP 4,826,250	COP 102,700	COP 301,583	COP 510,000	COP 0		COP 914,283	COP 3,911,967
Jun	COP 4,914,051	COP 102,700	COP 279,568	COP 510,000	COP 1,379,800		COP 2,272,068	COP 2,641,984
Jul	COP 2,930,258	COP 102,700	COP 293,563	COP 510,000	COP 0	COP 571,905	COP 1,478,168	COP 1,452,090
Ago	COP 6,729,800	COP 102,700	COP 295,924	COP 510,000	COP 0		COP 908,624	COP 5,821,176
Set	COP 6,729,800	COP 102,700	COP 230,327	COP 510,000	COP 0		COP 843,027	COP 5,886,773
Oct	COP 5,210,500	COP 102,700	COP 284,990	COP 510,000	COP 0	COP 571,905	COP 1,469,595	COP 3,740,905
Nov	COP 2,348,462	COP 102,700	COP 280,950	COP 510,000	COP 0		COP 893,650	COP 1,454,812
Dic	COP 5,113,992	COP 102,700	COP 160,121	COP 510,000	COP 0		COP 772,821	COP 4,341,171
Total	COP 61,565,619	COP 1,232,400	COP 3,208,438	COP 6,120,000	COP 1,379,800	COP 2,287,620	COP 14,228,258	COP 47,337,362
Precio	COP 650,000,000							COP 650,000,000
%	9.5%							7.3%

Know when to keep it on the market

- ◆ Save maintenance/upgrades for the slow times
- ◆ Don't block it for yourself during high season
- ◆ Tourism has not yet recovered from COVID setback

When Visitors come to Medellín)



5 Steps for Managing Your Rental

- ◆ Find your Property Manager/Rental Manager
- ◆ Select the right location
- ◆ Find your property
- ◆ Outfitting, photos, and marketing
- ◆ Track your income and expenses



Medellín:

A great rental market
and a great place to be