



# MANAGING PROPERTY IN FLORIDA

COMPLEMENTS OF:



# TITAN

VACATION HOMES

"Supporting Your Investment"



## CONTACT

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## The Management Company

Once you have purchased your property you need to have it professionally managed. The role of the management company is quite involved as absentee owners are a considerable distance away. The management company acts as the owner's eyes and ears and duties include but are not limited to:

- ❖ Ensuring that house is maintained to a standard conducive to renting.
- ❖ Keeping accurate records of income and expenses.
- ❖ Obtaining the correct licenses in order to comply with state and county laws.
- ❖ Communicating with the owner and reporting any problems that occur.
- ❖ Reporting to and paying the taxes on rental income to the relevant government bodies.
- ❖ Ensuring the property is kept up to the standard the owner requires.
- ❖ Producing an end of year accounting package.
- ❖ Paying all bills except mortgage and HOA fees.
- ❖ Acting as an intermediary by using a limited power of attorney between utility companies.
- ❖ Reporting monthly statements to owner.
- ❖ Obtaining bookings by marketing owners property.
- ❖ Organizing the sub-contractors responsible for mowing lawns, cleaning pools, pest control.
- ❖ Arranging the cleaning of the property after renters have left.
- ❖ Providing emergency 24/7 service for clients and acting as frontdesk.
- ❖ Checking in clients when they arrive.
- ❖ Collecting security deposit from clients.
- ❖ Assisting with owner bookings.
- ❖ Organizing preventative maintenance on houses such as filter changes and servicing air conditioners.
- ❖ Organizing routine maintenance on properties such as pressure washing and steam cleaning.
- ❖ Delivering cots and high chairs to clients.
- ❖ Turning on and off pool heaters.

The list of activities performed by the management company is not exhaustive.

**Titan Orlando is a professional management company offering all the above services.**

## Setting Up the House

Setting up a house requires obtaining all the proper licenses, having the house inspected by the state (to ensure that the house complies with state regulations), and making sure the house has all the items needed to be fully self-catering.

### Licenses and Paperwork

The following are licenses and other paperwork that are required before the house can be rented:

#### **Hotel and Motel License -TransientLicense**

This is the first license that is required when placing your house under management. It is issued by the Department of Business and Professional Regulation - Division of Hotels and Motels. In effect you own and operate a 3, 4, 5 or 6 bedroom motel and as such you fall under the control of the Division of Hotels and Motels. The license is issued only after a state inspector has visited the house and signed off that the house complies with all state regulations. The license costs \$170 annually with a \$50 initial application fee. The house must comply with the state laws and pass inspection.

#### **Compliance Requirements:**

- ❖ Pool has depth markings.
- ❖ Pool has a "No Diving" and a safety sign.
- ❖ Stickers are applied on all glass doors: one at 3 ft and one at 5ft.
- ❖ A sanitation notice is posted in house.
- ❖ Emergency numbers are on/or near the phone with instructions on how to use them.
- ❖ The front door has a blind dead bolt- which can only be opened from the inside.
- ❖ All Emergency lighting works.
- ❖ All Smoke detectors work; with back-up batteries in place.
- ❖ Water heater is clear for 2 feet around it.
- ❖ A carbon monoxide detector is present in any room with gaslines.
- ❖ All fire extinguishers have valid tags- With each floor having an extinguisher.
- ❖ A floor plan is posted in the house showing location of all exits and location of all fire extinguishers.
- ❖ A pool safety fence or alarms on all doors leading to the pool- with alarm sounding if the door is left open for 10seconds.
- ❖ An information book containing management information, a boil water notice in case of emergency, a pamphlet on fire exit drills in the home, and a copy of the regulation the state has issued regarding hotels and motels - Florida Statues Chapter 509.1

Once the inspection has cleared the license is kept on file with the management company.

**Business Tax Receipt**

Required to run a business. Renting property is considered operating a business. Allows the county and/or city know that your house is to be used for commercial purposes. Costs approximately \$35-\$65 per year depending on which county your property is located.

**Sales Tax Certificate**

Needed to allow the state to collect tax for the rentals that are put into the house. Tax is paid monthly in arrears. Application one-time fee of \$5. Sales tax is currently 6-7.5% depending on county.

**Tourist Development Tax**

Sometimes called bed tax. It is collected by the county and used to improve tourism. Tourist development tax is currently 6% in Osceola, 5% in Polk County, and 4% in Lake County.

**Utility Service and Limited Power of Attorney**

In order to get all house services switched on in your name, a Limited Power of Attorney is completed and notarized. This gives the management company the right to act on your behalf to arrange for the services. The approximate deposits required for installation for these services varies, as shown:

Electric \$350-500                      Water \$50-100                      Phone/Cable/Internet \$125-\$200 bundled

**Locks, Keys and Security**

All the locks on the house are re-keyed to the management company's master. We also advise that any items that may be required to bring the house up to security standard for rental purposes are purchased.

Once all of the above have been taken care of the house is ready for its first vacationing family.

**Accounting**

Being a rental property owner in Florida means you are the owner of a private business. As such you must comply with all Florida laws pertaining to small businesses. You need to keep an accurate record of all transactions that take place within your business and you need to file an end of year tax return with the Internal Revenue Service – IRS.

As part of our management fee we keep accurate and up to date records of all financial and legal activity pertaining to your house. Additionally, we provide an end of year accounts package for each house to allow you to file your taxes in a timely manner.

**USA Individual Taxpayers Identification Number**

As a foreign national when you buy a house in the US you will be issued with an ITIN. This is an individual taxpayers identification number. This is used when you submit your yearly tax return, to obtain licenses specific to the house and is necessary when selling your property. Your ITIN will be erased from the IRS data base if you do not file a tax return for 3 years and you will be required to submit an application for a new one.

## Expenses

The general running costs of a house are as follows:

### **Management Fees**

Most management company's monthly fees total between \$350-400 per month.

Titan Vacation Homes charges are as follows:

### **General Management Fee - \$150 per month**

This is for managing the bookings, scheduling the cleaning, and administering all the accounting and licensing functions.

### **Pool Fee - \$95 per month**

This is a weekly service and includes:

- ❖ Maintenance and addition of chemicals to ensure correct water balance and pH.
- ❖ Weekly cleaning of the filter cartridge.
- ❖ Vacuuming or brushing of the pool floor and walls.
- ❖ Preventative maintenance on pump/filter and associated fittings.
- ❖ Weekly wash downs of the deck, screens and furniture.
- ❖ Cleaning of tileline.
- ❖ Emptying of skimmer and pump strainer baskets.

**Lawn Fee - \$75 per month** This is a weekly service.

- ❖ Lawns are mowed.
- ❖ Lawn edging and any trimming required is performed.
- ❖ If additional landscaping is required such as pruning, weeding etc. an additional charge will be incurred

### **Pest Control Fee - \$30 per Month**

This is a monthly service.

- ❖ Perimeter of the exterior wall is sprayed with insecticide.
- ❖ Inside of the house is sprayed with insecticide.

### **Owner Link Fee - \$20 per Month**

This is a continuous service.

- ❖ A password protected on-line account access and reservation service

### **Additional Fees**

- ❖ Annual fire extinguisher inspections, bulb and filter changes, and battery replacements will also be conducted and charged as required.

## **Maintenance**

Preventative maintenance and routine maintenance is essential in keeping your property in good condition for future rentals, whilst retaining its value should you wish to resell.

## **Deep Cleans**

Titan Vacation Homes conducts one deep clean per year.

During the deep clean all the high areas requiring ladders are cleaned and all the heavy appliances and furniture are moved out to gain access to areas which are bypassed during the normal cleaning routine. We endeavor to maximize the occupancy of the home in order to increase the rental revenue, therefore the cleaners have only a limited time to ensure each house is of an acceptable standard for the newly arriving renters. This is why once a year we have a deep clean to bring everything back to its best possible condition.

## **Regular Maintenance**

Throughout the year there are many things which we carry out to ensure that the houses are kept to a high standard. We have a full time property manager who inspects each house on a regular basis and keeps a record of any work carried out or work that needs to be done, the management follows their recommendations. Additionally annual fire extinguisher inspections, bulb and filter changes, and battery replacements will also be conducted.

## **End of Season Maintenance**

At the end of each season it is usual to carry out any necessary external painting or internal touch ups to the paint inside and outside the homes. Steam cleaning carpets at the beginning of each season is also advised.

## **Property Damage and Deposits**

Rental holiday homes are subject to a lot of use from various families, therefore we hold a damage waiver from each client that rents an accommodation through us to cover incidental damage. In order to validate this we inspect the home at the beginning and end of each stay using a GoPro camera, and any damage that is discovered is deducted from this deposit.

No Smoking signs are also placed in all the houses and guests are advised that they should smoke outside on the pool deck.

