

Vacation

PROPERTY SELLER'S GUIDE



**What you need to know
when selling a vacation
property.**

real
Real Broker

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Selling a vacation property or short-term rental?

Here's What You Need to Know to Maximize Your Sale!

Selling your vacation home, short-term rental, or Air BnB can be a lucrative opportunity, but only if you approach it the right way. Avoid the common pitfalls and ensure a smooth transaction with the essential guide to selling your resort or vacation property.

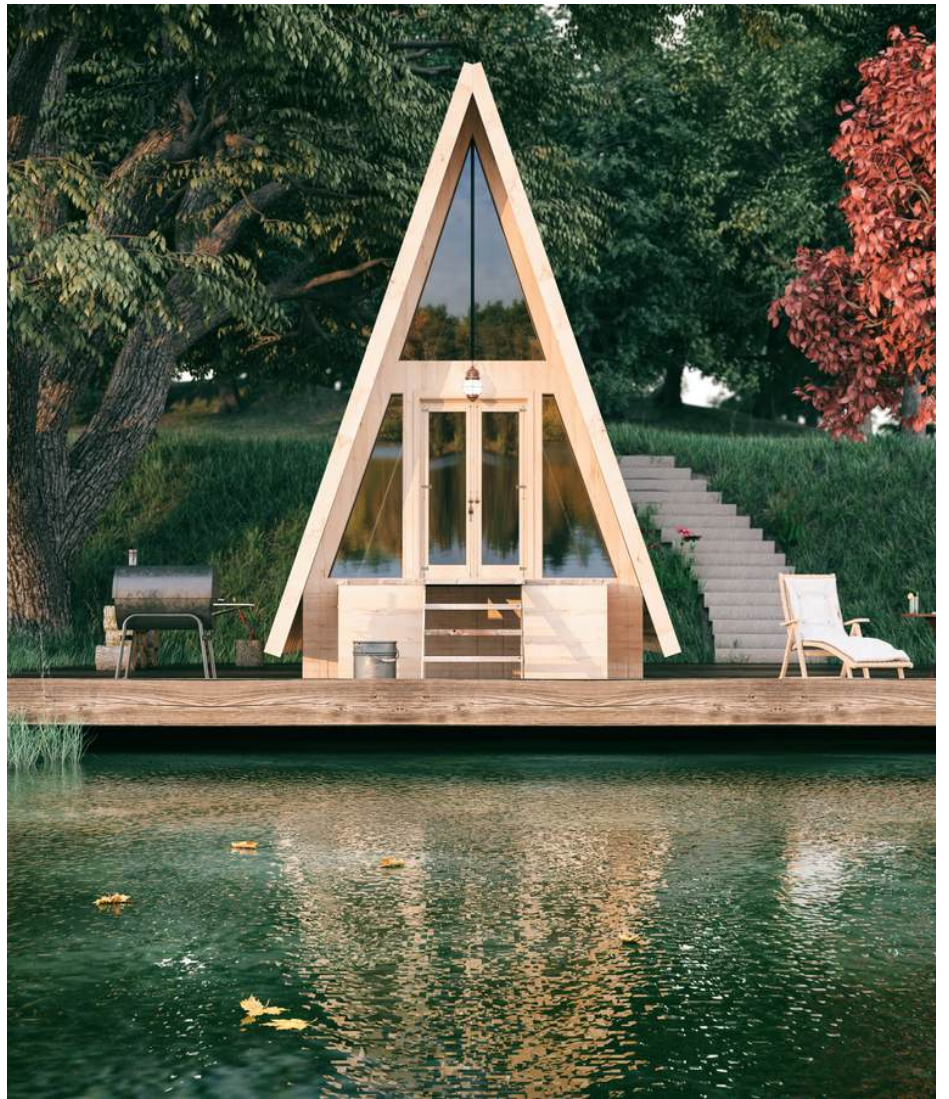
In this report, you'll discover the top mistakes sellers often make and how to avoid them—so you can secure the highest price and the best terms for your property. From pricing strategies to marketing tips, we've got you covered!

Why this report is a game-changer for selling your property:

- Expert insights to help you navigate the unique challenges of selling vacation properties
- Proven strategies for attracting the right buyers and boosting your property's value
- Step-by-step guidance on how to make the process as seamless and profitable as possible

Get ready to unlock the full potential of your vacation property sale and achieve a successful, stress-free transaction!

Know your numbers.



Do you have your income and expenses up to date to share with the prospective buyer?

The first question any investor buyer will have is “how much money does this property make?”

We’d suggest that you show the following:

- Nightly rental rate
- Occupancy rate
- How much time is available for rental? (for example, if you use it 70% of the time; it shows why the occupancy might only be 25%)

Have your expenses available and if they are favorable, it would be recommended that you share that with your initial package. If they are extreme, then you might want to omit those until asked.



Reviews & Management.

Tell buyers how you are doing.

If your property has great reviews, make that part of our marketing assets. Not all buyers will be looking to do the same thing as you, but sharing these has no downside! Great reviews will work in your favor.

Who's running the show?

If your property is professionally managed, it would be worthwhile to have information on the management group including contract etc.



Review your management contract in advance of listing the property for sale.

Most management companies will have some terms and conditions that outline responsibilities when selling a property. There can be some terms that can throw a wrench into your sale if you aren't prepared.

Are there bookings that will need to be honored or canceled?

Let's say your buyer is a family who's super excited about buying a ski hill condo in November so their family can enjoy Christmas and all of January on the slopes. Then, they find out that it's booked for Christmas and all of January.... If those bookings cannot be canceled, your buyer might just move onto another unit.

There may be some other penalties that you need to consider with Air BnB, VRBO and any other booking platforms that you might be using.

Remember that just because you want to use it as a short term rental, your buyer may have no interest in that at all! You might think that \$30,000 booked stays is a good thing, but not always!

Make a list of what comes with the property and what does not.

If you have things with sentimental value or personal things at the property, it would make sense to remove those or indicate what does and does not come with the property. The assumption is often that the property will come with everything that the buyers see. Clarity is key here...

It needs to be easy to show.

If we can't show it, it can be very hard to sell. You might need to sacrifice some cash flow to get your buyers in.

We can be strategic in our planning on this. Sometimes if we just time our listing launch with a week or two of vacancy in the 3 to 4 weeks following, we can have everything we need to get an accepted offer and conditions removed. You might not need to leave it empty for a season to sell it. We can tell you more about that when we connect to walk you through the process.

It needs to show well.

Make sure all maintenance, cleaning etc. is 100%.

Buyers want “turn-key” and “move in ready”. Make your property look like a luxury resort that you'd be happy to stay at!

Here's a link to a video about preparing your property to sell.

[Prepare Your Home To Sell Video](#)





'Tis the season.

Lean into the season you are selling your property and in some cases get in front of it. Let me describe what I mean by that.... If you are selling a lake house, you might not get as many people looking in November as you might in early spring.

On that note, make sure that you have professional high quality photos of the best seasons. Having some action shots of people boating in front of your house, will be pretty impactful. Probably better than a frozen landscape.

Now if you are selling a ski hill property, it would make sense to have the fireplace on, skis outside, the hot tub ready to go, maybe even set up a hot chocolate station....

Sell the dream.

Market your property as if your buyers know nothing about it.

Buyers might not be “from around here”. Showcase your property with professional photos. Lifestyle shots. Videos. 3D Tours. And pay special attention to promoting the town, resort, and amenities that are nearby. If you are going to convince a buyer to hop on a plane to go to a place they’ve never been on the off chance that they may like it, you need to be telling a great story with your marketing. Here’s a link to a video about some of the tools that are available. [Marketing Toolbox Video](#)

Screen your buyers wisely.

Vacation and resort properties can have rules and regulations that can derail your sale and the buyer’s financing. It’s important that there is clarity and understanding to make sure everybody is successful. A great example of this is that not all banks like certain properties.... Your buyer may be preapproved for millions with their bank, but it doesn’t mean their bank will give them \$400,000 to buy your condo.

On this note. There are a number of things that most lenders really don’t like when it comes to financing vacation properties.

- Most banks don’t like lending on short term rentals. So showing up with a listing that’s boasting about Air BnB and the outrageous income your property makes, might actually hurt the ability of the buyer to get financed.
- We’ve learned that “Rental Pools”, “Front Desks”, “Hotel Condo”, and things like this are big turn offs for lenders. It might be better for you to leave that out of your listing.
- Make sure the lender explores the zoning before spending too much time. We’ve seen buyers get 2 weeks into their financing application and then had the bank come back with “we don’t lend in a resort area”.... Asking the question up front is worthwhile “Does your lender know that the zoning is and are they familiar with that type of lending?”
- Have the right lender that you can recommend. We see this all the time where a buyer will offer on one of our listings and then they struggle with financing. We have the right lender ready to to save the deal if necessary.



Tax Planning

YOU NEED TO READ THIS PART!



Tax planning and implications.

***Talk with your accountant / tax professional!!**

This is no substitute for professional advice.*

Did you know that GST might be applicable on the sale of your property? This can be a costly mistake. Can you imagine if you sold your property and then got a bill for 5% of the sale price?! That could be \$20,000 to \$50,000, \$100,000 or even more!

Now you might be tempted to say "Buyer pays GST..." However, how your offer is constructed will dictate who pays. In many provinces, the default is that the sale price INCLUDES ANY APPLICABLE GST. Don't make this mistake!

CRA has this definition:

"The purchase of a vacation property that has been occupied as a place of residence or lodging since it was constructed or last substantially renovated is taxable where the vendor has claimed input tax credits (ITCs) for the GST/HST paid or payable on the last acquisition of the property, or in respect of improvements made to the property since its last acquisition.

The purchase of a vacation property is also taxable where the property is not used primarily (more than 50%) as the vendor's place of residence and all or substantially all (90% or more) of the rentals of the property are for periods of less than 60 days (i.e., the property is operated like a hotel-type establishment, for example, it is included in a rental pool). As a result, most purchases of previously occupied vacation properties that were placed in rental pools are taxable.

If the vendor is an individual or a personal trust and is not a registrant, the purchase of a vacation property is taxable where the property is capital property used primarily in a rental-income business carried on by the vendor with a reasonable expectation of profit.

If the vendor is an individual or personal trust that is a registrant, the purchase of a vacation property is taxable if the property was used primarily in making taxable short-term rentals, even though the individual or personal trust may not be engaged in a business carried on with a reasonable expectation of profit."

Here's the link to that site if you want to read more:

[The GST/HST and the Purchase, Use and Sale of Vacation Properties by Individuals - Canada.ca](#)

Here's another fun fact. If you convert to a different use (say you go from a short term rental to a long term rental), then there may be some GST implications at the time of change: More on that here:

[Tax alert: new rules for short-term rentals in B.C. | MNP](#)

Now, let's talk about income tax.

For now, you can still sell your principle residence in Canada and be exempt on income tax for your gain*. If you sell a second home then you will not qualify for the principle residence exemption and you will be taxed at 50% of the gain on the first \$250,000 and 66.67% on any gains over this amount. For example this could mean if your profit was \$100,000, then \$50,000 could be added to your income in the year the property was sold. **This is always changing so make sure to, **ASK YOUR TAX PROFESSIONAL.**

Also, if your accountant was depreciating the property, you might have some additional taxes to pay beyond what you expect.

Why is this important?

1. We only like good surprises... Not bad surprises.
2. Plus GST can make your property far less desirable to a buyer, meaning a lower sale price or less buyers to choose from.
3. You NEED to contact your accountant / tax professional!

Pro Tip.

Ask your accountant if you should sell early in your tax year to defer some tax payable. That can be a great strategy for some sellers.

*When you sell your principal residence in Canada, any profit (capital gain) is typically exempt from taxation, provided the property was your principal residence for every year you owned it.

Choose a Pro to Represent You.

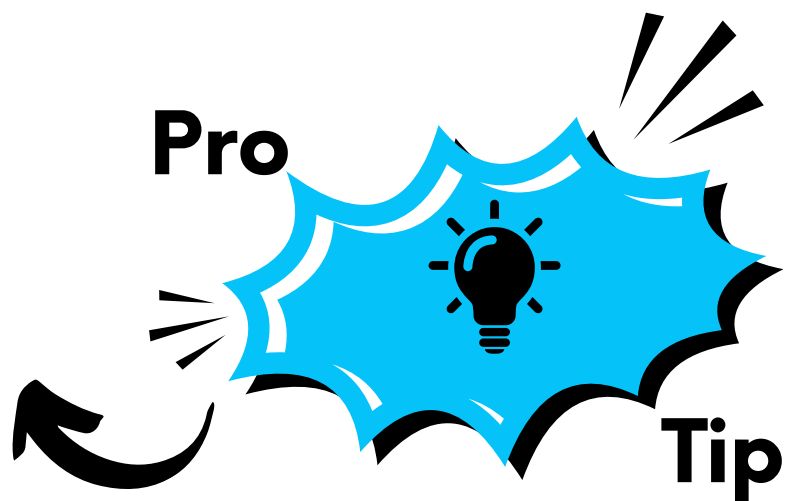
You will want to find a pro with experience selling short term rental / vacation properties.

You need:

- Somebody who understands the unique marketing required.
- Somebody who understands the nuances of this type of property.
- Somebody who has a network of people looking for this type of property.
- Somebody who knows how to negotiate the strengths of your deal (for example, if your property consistently produces outrageous income, it might be worth more than the "market comparables" based on an income approach.

Our group specializes in marketing and selling short term, Air BnB, investment rental properties.

If you have questions, feel free to reach out to us directly.



Want to learn more?

Our team is here to make selling your vacation property a seamless and rewarding experience, handling every detail with care so you can focus on the memories you've made and the opportunities that lie ahead.

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