

? Why Are You Buying?

Every ownership situation is unique. Is this purchase primarily a real estate investment? Or will this be your family's long-awaited dream home? Vacation Rentals are open to the public, and the successful Vacation Rental Property Owner should be prepared for the unique challenges that come with such a business.

If Planning To Renovate, Consider Wear & Tear In Your Choices.

Choosing the right furnishings and materials for your Vacation Rental is critical to your long term satisfaction and to avoid mounting costs for repairs. Furnishings should be substantial, and able to stand up to repeated and frequent use. Flooring and other building materials should be of commercial grade, paints should be high quality and washable. Glassware and dishes should be easily replaced, and not difficult to find when seasonal fill-in is required.

PROPERTY SECURITY

Managing a vacation rental has a lot of moving pieces. Five Star Lodging's streamlined operations are built to match with automated guest services requests, provided in-room tablets for guest information, and ISSA® certified cleaning and stocking. Secure and reliable electronic keypad access, detailed maintenance inspections, and our Guest Damage Guarantee* all mean that you can rest easy knowing your property is in good hands.

? How Much Will My Property Earn, Per Night?

We advise Property Owners avoid putting too much importance on individual nightly rates. While nightly rates can fluctuate based on demand, they can also change based on how far in advance the dates are booked (our systems offer some incentive to book early). Reservations made last minute may book for extraordinary pricing (our systems also increase rates during high demand). The best way to evaluate your property's revenue performance is by analyzing the annual performance.

When Financing, Be Cautious About "Condo-Tels"

Favorable interest rates are readily available even for investment properties and second homes, however if the complex you're considering includes a front desk or visible signs of rental agents, it may be flagged during your escrow as a "Condo-Hotel" (or "Condo-Tel"). Lenders generally regard these complexes as a niche product, and consequently you may not be able to find a market rate loan, (possibly having to pay higher rates to sub-prime lenders). Buyers considering such a purchase should plan to put 35-50% down at minimum and there may be difficulties with minimum loan amounts for lower priced properties.

PROPRIETARY, CONSTANT CONCIERGE®

The future is here with our custom-designed, proprietary technology that blends the best of cutting-edge automation with good, old-fashioned, 24-7 human attention. We have figured out the best way to deliver top quality guest service in a challenging rural market; and that means outstanding service for your guests, and great reviews for your property.

SO YOU WANT TO BUY A VACATION RENTAL?

Ask yourself these questions as you consider your options

? What Is A Vacation Rental?

A Vacation Rental is a regulated, professional, tourism business. Investors purchase residential condominiums or townhomes for personal use and contract a manager to monetize their investment when not in use. When purchasing an actively renting Vacation Rental, it is important to remember that you are not just buying a home, but an ongoing business.

Think Hospitality Management, Not Property Management

While Property Managers have an important responsibility safeguarding long-term rentals and managing the occasional maintenance issues that may arise, Vacation Rental Managers are expected to deliver a hotel-like experience to today's traveler. A typical Vacation Rental in Mammoth Lakes, CA can generate between 50 to 80 confirmed reservations per year as well as hundreds of inquiries that don't ultimately result in bookings. Vacation Rental Managers are part Property Manager, part travel agent, part concierge; the quality of service they provide can significantly impact the return on your investment.

24/7 AUTOMATED SMART SALES ©

Smart Sales© means your property is being managed and represented to customers 24/7 through a combination of high-tech, custom-built automation; machine learning; algorithmic processes and tools which combine the best of today's technology with careful, 24-7 human oversight. From our friendly and professional 24/7 guest attendants to the included in-room e-tablets which give guests access to Five Star's constantly evolving world of proprietary guest automation; your guests will rave about the unbeatable hotel-like service.



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How Much Home Should I Buy?

Unlike long term property management, the Vacation Rental business is highly seasonal. While revenues can be more lucrative than renting long-term, it comes with a certain degree of unpredictability. In the Mammoth Lakes market the greatest risks to maximizing revenue include poor snowfall, overly severe weather, economic disruption, and social or travel emergencies which impact demand. When demand suffers, larger units perform better than smaller ones due to less competition. There are far fewer large Vacation Rentals available than small ones and so larger homes can better maintain higher rates during lower demand periods. At the same time, the lower price point and lower maintenance costs of a smaller unit provide a different protection by reducing your up-front cost. Your unique situation and your planned use will influence which option is best for you, but we are happy to assist you in your analysis.

Be Aware Of The Risks!

Mammoth Lakes is a wild, natural environment and vacationers don't always treat their vacation home like their own. Mistakes and oversights by managers and guests can cause expensive damage to your valuable investment and eat up your revenue in waste on utilities, HOA fines, etc. Fluctuations in snowfall, economic conditions and seasonality can dramatically impact the value of a given night and limit your investment return. Make sure the manager you select has the resources necessary to handle the real world problems that arise throughout the year.

ISSA CERTIFIED, SANI-SWEEP® 3-STEP CLEANING

Sani-Sweep® 3-Step Cleaning means we send no fewer than THREE ISSA Anti-microbial Sanitation Certified team members to your unit on every departure. First, a "Linen Stripper/Asst. Housekeeper" arrives to clear trash and dirty linens, and deliver the clean linens and supplies for the maid. Next the maid arrives and thoroughly cleans the unit. Because she didn't have to carry as much as 160 lbs of linen in & out, she's much less tired and does a better job. Additionally, units are assigned the same cleaner each time as they develop familiarity with your home. Finally a supervisor or maintenance tech conducts a pre-arrival, Quality Control check the day of guest arrival to ensure everything is in tip top shape for guest arrival.



How Much Do You Plan To Use Your Property?

Some buyers are more reliant on revenue to make the purchase work, while others have more flexibility in the use of their home. Family use of vacation homes, similar to boats and RVs, generally begins with more use in the early years and use often declines in later years as the family's makeup and needs evolve. How much and when you use your home can significantly impact the fiscal return on your investment.

Availability = Revenue

Consider how and when you plan to use your new home. We never discourage owner use, nor penalize owners who "overuse" their home (as other managers often do) but holidays and weekends generate the most revenue; and winter and summer (peak pricing) are significantly more valuable than fall and spring. If the plan is to visit your new mountain getaway for the holidays every year, that's great! Just be sure to adjust your revenue expectations accordingly.

SAFE, SECURE, NAKED ACCOUNTING®

At Five Star Lodging, Naked Accounting® means our records are fully exposed. Property owners can see past present AND FUTURE bookings, access all financial records, and even see the names of the guests. With Naked Accounting you know nothing is being hidden from your view.

Management Commission

CONCIERGE® ALL-INCLUSIVE Elite Property Management	33% Commission
FULL SERVICE Professional Management	15% Commission
OWNER MANAGED A La Carte Support Services	10% Commission



How Much Can I Earn?

Generally speaking, larger units generate more revenue. Sleeping capacity is the important factor here, and in Mammoth Lakes (by town ordinance) sleeping capacity is limited to two people per bedroom (or legal sleeping loft) plus two. For a one bedroom condo, this means four people; for a three bedroom + loft, it means ten. Any property which seeks to house more than ten people requires a special permit from the town. Factors such as snowfall, owner use, and economic conditions can impact your performance. Don't make life plans based on estimates or sales pitches! Call 844-626-STAY (844-626-7829) today to request actual sales figures for comparable properties before making your purchase!

The Biggest Threat To Your Success

Its not just availability that effects your performance, but the evolving reputation your property establishes online. Travelers can spend thousands of dollars per stay in a Vacation Rental and they expect the property and service to measure up. Cleaning, operational or other management failures reflected in angry guest reviews complaining about YOUR HOME is the biggest threat to your profitability. Future renters make buying decisions based on the feedback of past reviewers.

ADVANCED OPERATIONS

Every manager cleans and tries to keep things in working order. The difference between okay service and Five Star Service, is great systems and great people. When problems get missed, guests are disappointed and they complain in reviews. Sales performance suffers. At Five Star, we pay our people more and we support them with the best systems money can buy. Maintenance problems are caught and cleaning problems corrected before the guest checks in. The result is consistently high reviews and top revenue performance.