**Rental Group Newsletter / July 31, 2018**

**3-Bedroom Spot Check of NSB winter rates**

A spot check of what our competitors are doing with their 3BR rates shows the Watermark vacation rentals in the middle of the pack – 7th out of 15.

Surveys of this type are done periodically for information purposes only. This one, taken in June and July, lists what NSB condos are charging winter tenants (specifically for February-only rentals).

3/2 Sunrise 4185

3/3 Sandpiper 4000

3/3 The Pelican 3700

3/2 EbbTide 3700

3/3 Moontide 3675

3/2 Schooner Point 3475

**3/2 Watermark 3450**

3/2 Moontide 3360

3/2 Seascape Towers 3200

3/2 Southwind 3200

3/3 Las Brisas 3020

3/2 Oceanwalk 3083 (across street from beach)

3/2 Golden Arms 2833

3/2 Sea Woods 2476 (across street from beach)

3/2 Ponce Inlet Club So 2395

This data may be especially useful to the four Watermark owners who rent out their 3BR units in the winter. [Only 3 do so in the summer.] But it is important as well to the entire rental group because the 3BR figures represent the highest price point in a range of price points around which a logical pricing structure is hopefully built.

Here are a few noteworthy things we found in this data:

* Of those charging more than the Watermark, all are on located on the no-traffic beach… and all but one actively promote rec/fitness/meeting rooms among their amenities. [The Watermark is on the driving side and has no rec/fitness/meeting room]…Of those charging more than us, three offer 3-Bedroom/3 bath units; the Watermark’s 3BR units are all 3/2s.
* Schooner Point’s 3BR rent is most like the Watermark in terms of winter rates ($25/mo. higher for a 3BR). Like the Watermark, it is a well-maintained condo community built in the 1980s…with heated pool, no smoking, no renter pets. All SP units are 3BRs… A big difference is location: the Watermark is walking distance to the food & fun of Flagler Ave…SP is far from, however, it advertises its location being on the no-traffic beach.
* Because Watermark was built around the same time as Moontide by the same developer, that South Beach-condo has served as a kind of benchmark for us through the years when rates are discussed. In that context, it is interesting to note that Moontide’s 3/3s are priced $225 more than Watermark’s 3/2s; but its 3/2s rent for $90 less.
* Of our nearby competitors, Win San, Holiday Cove North and Coronado Towers are not included in the survey because they do not offer 3-bedroom accommodations.

 From the rental manager’s perspective: 3BRs are more popular in the summer when school is out and the extra space in demand by larger parties…but they pose some unique challenges in the winter due to prospective snowbird tenants coming in twos and mostly on fixed incomes. Those snowbirds typically don’t need the extra space… However,a 3BR does make sense if the snowbirds are wanting guests to stay with them; or 2) if money is not an issue, or 3) if it’s getting late and a 3BR is only size left. Three-bedroom rentals are hardest to rent in the “off season” because the kids are all in school.

 The rental group approves rental adjustments in October at the annual rental meeting. The last time rates were adjusted was 2016. At that time, the 3BR rates were actually decreased somewhat because some of their owners agreed that they may have gotten a bit too pricey and out of line with other Watermark rates.

What our competitors are doing with their prices is only one of the factors we should consider before adjusting rates. We should also take into account the overall shape of the economy and, more specifically, the outlook for discretionary spending, the key component that drives vacation travel. We should also consider pertinent regional travel trends as measured periodically by AAA, the U.S. Travel Association, the State of Florida and Volusia County.

We welcome your thoughts.

**Bill & Sandy (#203)**