



COSTA RICA
Investments

Buying a Costa Rica Vacation Rental

YOUR GUIDE TO OWNING ONE AND
MAXIMIZING REVENUE



If you are looking to purchase or build a property in Costa Rica you may also be considering renting it as a vacation rental. This guide attempts to give you the reality of owning one and also how much you can expect to see as a return on your investment, as well as tips from experts on maximizing your rental returns.



Can I get a 10% return?



In short, no. It is possible, just not easy unless you are looking to invest millions of dollars into a beachfront home in some of Costa Rica's most popular destinations or take on another job and manage all the marketing and sales on your own.

You can expect to cover your costs and, at best, get a 3-5% return. With property management companies taking 20%+ of all revenue and the general costs of owning a rental property, these eat into your revenue.

Below are some characteristics you can look for to help maximize your revenue and bring you closer to 10%.

THINGS TO LOOK FOR:

- **Ocean View:** An ocean view will add at least a 25% premium to your rates.
- **More than 3 bedrooms:** over 75% of rentals in most areas have 3 or fewer rooms, so stand out and have more rooms. This also means that you can get more per night for the more rooms you have.
- **Ground floor bedrooms.** With an aging population and many families traveling with elder parents or family members, a ground floor bedroom is becoming much sought after.
- **Build something unique** so as to not have competition: luxury yurts, tree houses, tiny homes, etc. Look at other destinations and take ideas.
- **Low HOA fees:** these really eat into your returns and can range from \$50-\$1,500. The higher the HOA fees the more rental income you will need to cover this fixed cost?

Here at Costa Rica Investing we do manage and have helped some properties get **10%+ returns per year.**

Feel free to contact us to see if we can help you.

Property Management

A property management company does exactly what it says on the label, they manage your property while you are away. This normally includes cutting the grass, cleaning the pool, and inside the house, maintenance, paying bills, and paying taxes.

When searching for a property management company, our opinion is to look at how many properties they have and how many that are similar to yours. Browse their online presence to see how easy it is to find them online and whether they advertise on Google or other online mediums.

What you are looking for is a strong PM that doesn't have too many similar properties, as this will allow them to focus their revenue on your property, maximizing your returns.

Check out their rentals calendars for the upcoming months to get an idea of how well they rent properties. However, when choosing one, ask a variety of them for rental projections, what makes them think they can achieve this and to show real life examples of where they are doing this.

When looking for a property management company there are **2 levels of management**:

Manage the property and also the rentals:

This means they will be in charge of managing your property and also the rentals, usually taking anywhere from 20-40% depending on the location. Typically 20% is the norm, however, there are areas like Jaco that charge 30%.

Manage the property solely:

This means you pay a fixed fee for them to take care of your property only. All marketing and sales are handled by yourself or someone else that you choose to manage it. See more information below on managing your own marketing and sales.

PROPERTY MANAGEMENT COMPANIES IN COSTA RICA:

ALL OVER COSTA RICA

[Namu Travel Property Management / Costa Rican Vacations](#)
[Cayuga Collection](#)
[Vacasa](#)

PAPAGAYO/PLAYA DEL COCO

[Luxury Papagayo](#)
[PEXS](#)
[Zindis Group](#)

TAMARINDO/FLAMINGO

[FivestarTamarindo](#)
[Tropical Homes of Costa Rica](#)
[BlueWater Properties](#)

NOSARA

[AlbaNosara](#)
[Beach Management](#)
[Nosara](#)

SANTA TERESA

[Santa Teresa Rentals](#)
[Phoenix Property Management](#)

JACO

[Stay in Costa Rica](#)
[Costa Rica Dreammakers](#)

MANUEL ANTONIO

[BlueHorizon](#)
[2CostaRicaRealEstate](#)

DOMINICAL/UVITA

[Paradise Management](#)
[Pico Mar](#)



Self Promotion: Sales & Marketing

If you take option 2 above, then you can manage the rental calendar and the interaction with guests. The PM companies will of course still maintain your property and charge for check-ins, but you will communicate with prospective clients and manage the relationship with them. This allows you to keep the 20% that would normally be subtracted by the PM company. Remember that they will normally charge around \$100 per check-in and you will still have a monthly Property management fee to pay

If you are thinking of managing your own property you have a variety of channels available to help find bookings for your rental. You can manage each of these manually or purchase a Property Management System that manages all of the rates, availability,

payment and cancellation terms from just one system. This allows you to promote through a variety of channels and when a booking is made it updates on all channels. A list of the top channels are below:

PROMOTION CHANNELS

Airbnb
VRBO & Homeaway
Flip Key/Tripadvisor
Booking.com
Expedia
Hometo go

PROPERTY MANAGEMENT SYSTEMS

[Escapia](#)
[Lodgify](#)
[Cloudbeds](#)
[Guesty](#)

TIPS ON MAXIMIZING YOUR REVENUE:

1. Don't use your property from Dec 20th until after Easter. If you do, use it last minute as this is generally where 70% of the annual revenue is generated.
2. Get an amazing photographer to take pictures of your vacation rental. A picture says 1000 words and the property with the best picture always wins! This will typically cost \$500-\$1000 but will return quickly.
3. Produce a webpage for your vacation rental as many people will look to book direct. This allows you to keep 100% of the revenue.
4. Have a house mum or someone to come in and cook breakfast every day.
5. Include a car rental or golf cart.

Building or developing a vacation rental?

TIPS TO INCREASE REVENUE.

If you are building or thinking of building below are some of the features in our experience with over 20 years of working, developing, and owning vacation rentals that help increase revenue:

- Outside kitchen
- Pizza Oven
- An amazing pool with a slide
- En suite for every bedroom
- Ground floor bedroom
- Office space, high-speed internet
- Amazing sound system
- Games: pool, corn holes, table tennis
- Golf cart
- House mum/chef and daily maid service

In summary, people are looking to rent a fantastic vacation rental and most of the time, experience what it's like to have a house that is better than theirs. **At the end of the day, it is all about creating memories so make sure you are doing just that!**

COSTA RICA VACATION RENTAL CONSULTANTS

If you'd like assistance maximizing your vacation rental experience or in the design phase of a vacation rental, Costa Rica Investing has years of experience helping people.

[CONTACT US FOR A NO-OBLIGATION CHAT.](#)



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