



MOVEZEN
Mid-Term
Management

Preparing for Mid-Terms

Navigating the modern “mid-term” market is not that difficult, but executing for successful results is. We fall somewhere between a hotel and a standard rental, and resident needs and desires that drive our success do as well. A key strategy is making sure they understand this is not a hotel, but that their comfort and happiness are still paramount. More than any other industry guest reviews are absolutely crucial to short and mid-term success so charging a resident \$50 for a coffee maker that was not misused is usually much more costly if they leave a blistering review while citing the home specifically. Like short-term, mid-term residents carefully scrutinize the reputation of the manager they will be relying on for most of their housing needs for several months. A host of unimportant negative reviews will deter them quickly.



Furnishings

High-end mid-term residents expect trendy and premium furnishings. However, the key is to find value because personal property degrades more quickly, which limits deposit reimbursements and net income



Insurance

Be sure to notify your insurance company that the home is now an investment. The cost will go up but it also includes added coverage. Be sure you add loss of rent coverage



Turnover & Reserves

Even with mid-term rentals we want to limit turnover, but it is still pretty common. Always escrow 3 months of rent in a dedicated bank account, then income fluctuations aren't felt in your daily life



Supplies & Conveniences

Mid-term renters expect to have all basic needs supplied by the rental owner / management. Coffee makers, utensils, wine openers, working ice makers and other luxuries are requirements for mid-term success



Straight-Line Depreciation

When damage charges are levied we follow a well documented procedure of setting standard rental lifespans for various items such as wood flooring vs an oriental rug, then charge for the remaining life left



Real vs Personal Property

Real property damage is a tough enough topic, but personal property is even more so. Our company must maintain our reputation to continue to attract the highest quality residents to pay top dollar for our units, so we don't nickel and dime to replace minor items ever



Lifespan of Real & Personal Property

When determining fair damage charges we must first understand the value that was lost. We apply a common accounting principal of setting generally accepted rules regarding value and how long the item lasts on average



Maintenance Problems

Mid-term renters fall between short term and long term, and they expect to be treated accordingly. Where a hotel would fix your AC or move you immediately, that's not a luxury for long term renters. For mid-term, speed is a priority even with added cost



Disaster & Accommodation

While we will require that the resident carry renters insurance, in the event of disaster we feel it's our obligation to house a resident temporarily using rent, if safety issues arise, or major work is being performed.



Strategy

We note that furnishings and supplies are required but obviously the selection of items is a crucial topic. For items already in the home it's less complex, but when replacing items specifically for rental use, value and durability come into play. Most important honestly is that they need to be insta-worthy and not poor quality.

Preparing for Mid-Terms

Straight-Line Depreciation

"Straight-line depreciation is an accounting method that spreads the cost of an asset over its useful life in equal amounts each year. It's the most common method used to calculate depreciation"

Another important term to understand is "depreciable base," which is the difference between the asset's cost and its salvage value. The depreciable base is divided by the number of years the asset is estimated to be useful, in order to calculate the annual depreciation expense. In each accounting period, this depreciation amount is uniformly charged, stepping down the asset's book value until it reaches its salvage value. - Personal property rarely has much salvage value so it's a simpler equation. Total value of the item divided by its expected years in service, minus what we lost as a result of the damage. If a value can't be instantly identified generally accepted principles are applied.

<https://www.netsuite.com...>

Lifespan of Real & Personal Property

We cover the lifespan of real property (the home, fixtures, and other things that are a part of the home itself) on our FAQ page. Real property depreciation is often discussed in the Federal tax code so it's a well documented process.

Section on deposit charges and move outs...

Personal property is a much tougher topic. Some owners may argue that an oriental rug should last 15 years which would be on par with mid-tier laminate flooring, but it would not be reasonable to charge a renter \$4000 to replace a rug under any circumstances unless the home is renting for over \$10k per month. The key point is that you don't put a \$4000 rug in a rental. Quality matters, but \$400 would likely suffice and \$1000 would definitely do the trick. Even if you already have the high-value item in your home, we are not going to levy massive charges for minor mistakes. Remove those items and replace them with more rational rental quality decor, at rational prices that we can apply general lifespan figures too.

The Misuse & Golden Rule Tests

We've all had things break. It's part of life we all know well. So the fact that a set of blinds may have a broken pull string does not imply on its own that the resident should be charged. If the house is in generally very rough shape then we are much more likely to bill for things that don't show obvious misuse, but when obvious misuse isn't present either generally or regarding the specific item, our company is not going to charge. We instead consider that "normal wear and tear", a common concept in our industry and not a legal charge in most states. We also don't view minor accidents such as a wine-stained coffee table as egregious, or "full charges".

Furnished Finder & Reviews

The Importance of Reputation in Short Term Rentals & Marketing

"We purchase and maintain a Furnished Finder profile for your property. They are a leader in the furnished mid-term market and that is likely to grow. Probably not to the degree that AirBnB has, but as with that platform service and reputation will be paramount, and the work put in now to keep residents pleased will pay off for years to come as future travelers read those stories. In most cases small gestures can make a huge difference and is just part of doing business if you can prepare yourself in advance for those inevitable outcomes. It's imperative that you price customer service into the model and expectations now, just as you would maintenance. 1-2% of income would be a fair assessment. Customer service could including opting not to charge for something you technically can, or paying to send a contractor on Saturday for a non-emergency.

Furthermore searches on Reddit, Facebook and others which are standard procedure for someone researching a mid-term furnished rental will turn up poor performance quickly. Landlords often fail to understand just how insidious those costs are. If even one month is missed as a result of a reasonable bad review that is thousands lost for what often could have been fixed for a couple of hundred dollars. We like Marriot and Hilton are investing in an experience and experiences have hard to quantify costs. Brand reputation has value that is not hard to quantify though because company wise they are mostly the S&P 500.

Next steps

Confirm that you definitely can pursue mid-term rentals. They do not have city restrictions in our areas but HOA's in particular will often have very strict rules that trip owners up. Verify that thoroughly first.

Confirm that we have all the necessary furnishings and appointments to get started using our [Mid-Term Furnishings Checklist](#).

While it's advisable to create a dedicated LLC for your rental, that is a major undertaking and rare. Either way, create a dedicated bank account, escrow 3 months rent and then the standard fluctuations in rent and expenses will be a lot less stressful or even something to worry much about other than twice a year when you audit results. However, an AC replacement runs \$5K+ these days so you would need to escrow more if you expect major capex costs like new roofs etc. While you can tap equity it would likely be at a 15% rate so if you can fund from operations that will add a significant amount to your net performance.

Sign the agreement, set up direct deposit, transfer the necessary utilities to us (residents pay gas and electric) which would be reliable high-speed internet, water, sewer, trash, in most cases.

Be prepared for photos.

Resources

Helpful resources are popping up all over the place for this newly popularized business model

Furnished Finder: [Best Practices for Landlords Looking to Rent to Travel Nurses, Corporate Travelers, and other Monthly Tenants](#)

<https://www.furnishedfinder.com/blog/why-mid-term-rentals>

<https://www.youtube.com/@thelandlorddiaries>

<https://www.furnishedfinder.com/blog/>

<https://www.furnishedfinder.com/blog/> Travelers FAQ

<https://www.furnishedfinder.com/Resources/podcast>

<https://www.turbotenant.com/blog/what-landlords-need-to-know-about-midterm-rentals/>

<https://www.azibo.com/blog/mid-term-rentals-pros-and-cons-for-property-owners>

<https://www.kopa.co/blog/posts/mid-term-housing-everything-you-need-to-know>

The shortest terms we currently handle are 3 months or more to begin, but we can extend for any reasonable term from there. Anything less tends to expose us to high occupancy taxes and local regulations meant for short terms. We initially try to rent without including power and gas but it's often firmly requested and for the right situation should be accommodated. In effect we use it for bargaining at times, and present the terms to you for approval.