

No. 88: It's an economic opportunity.

What's Mine Is Theirs

There's a nice chunk of change to be had by renting your house out for Derby. Here's how from a homeowner who's done it.

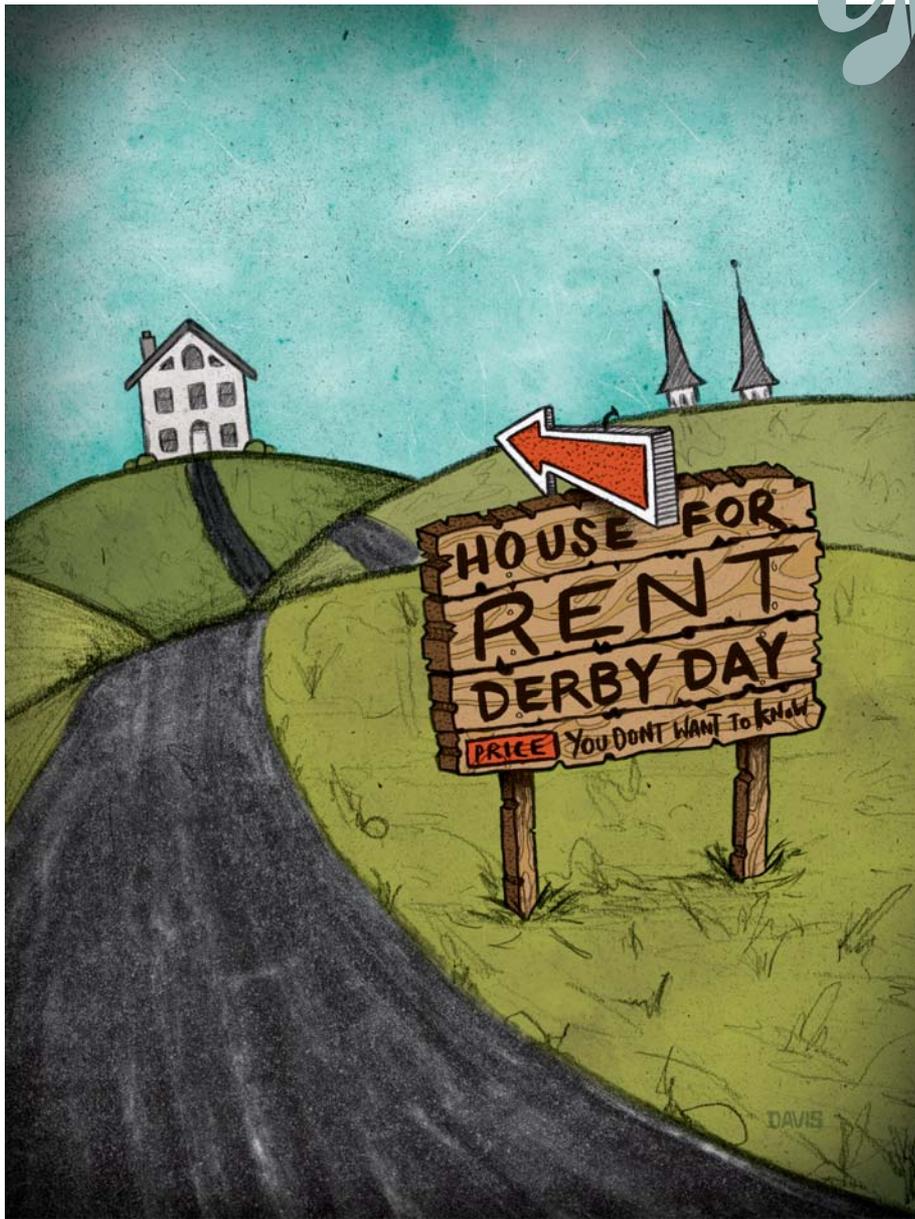


ILLUSTRATION BY ROBBY DAVIS

“You’d make a killing renting out this home for Derby,” my real estate agent tells me. It’s November 2008, and we’re on the walk-through of the three-bedroom 1938 four-square home in the Highlands I’ll be closing on two hours later.

On the cusp of the biggest purchase of my life, his advice resonates.

The following spring I call another agent, who seemingly has a monopoly on Derby rentals. But she doesn’t anticipate much interest in my home, despite it being a pack of gum’s throw from the Barnstable Brown party. She also charges a hefty commission.

So I go it alone: \$20 buys me the URL kentuckyderbyhomerental.com. And a day on my Mac results in a finished website marketing my house and prime search-engine rankings. Derby 2009 is fast approaching, however, and while I receive a few inquiries, nothing comes of them.

The following January, though, my home rents out for the 2010 Derby — \$5,500 for three nights, Thursday to Sunday. And in 2011 it leases for the same amount. When the inquiries continue — not just from out-of-towners, but also from Louisvillians — I retool the site to trumpet other homes. Of the seven homeowners who pay me \$250 each to advertise in 2011, four find renters, earning them \$3,500 to \$5,500.

So how can you get in on a tradition even older than Derby — profiteering?

OWN A DESIRABLE HOME — The perfect Louisville residence is not necessarily the ideal rental. Proximity to Churchill Downs and après-track activities matters — your school district and home gym do not.

PHOTOGRAPH YOUR HOME — Declutter and hide personal artifacts. Derby-goers don’t want to see your kid’s name in fun cutout letters dangling over a bed in which they’re hoping to hook up. On a sunny day, raise your shades, turn on all lights and photograph every room from angles that make them appear as spacious as possible. Also snap pictures of your front and back yards.



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ADVERTISE YOUR HOME ONLINE — Craigslist is free, but it's difficult to make your listing stand out. Advertising on a website like mine addresses that problem, but you're on your own for negotiating with renters and preparing your home. A full-service agent has the incentive to chase clients, but is it worth renting out your home after paying a 30 percent commission? Creating your own website is a possibility, of course, but it requires tech savvy.

DESCRIBE YOUR HOME — Think PowerPoint bullets, not lyrical ballad. Most important: the number of bedrooms and bathrooms. Focus on amenities renters will use (a \$30 coffeemaker is more valuable than a Vulcan stove). Map out distances to the airport, track and local hot spots. Set policies about kids, pets and smoking. For which dates is your home available (arrive Thursday and depart Sunday is standard)? Decide if you want to provide additional services, like stocking the fridge or chauffeuring tenants. Assess your competitors to set a fair price. Expect dickering.

GENERATE INTEREST — If you post your home on Craigslist, refresh your ad weekly to get it to the top of its chronological listings. If you advertise on a website, periodically ask how many visits your ad has received; if it's getting traffic but you're not receiving inquiries, rework the description, change the photos or lower your price. If you go with an agent, stay on him or her like a jockey whipping his mount with a one-length lead and a furlong to go. If you create your own

website, promote it and maintain its search-engine ranking.

SIGN A CONTRACT — Google potential renters to ensure you're comfortable with them and their posse about to commandeer your home — and expect similar concerns from them about mailing some random Kentuckian a few thousand bucks. After you've negotiated a price, sign a contract. (You can find templates online.) I require 50 percent of the total cost up-front; if they cancel, it's refundable only if I find new renters. The other 50 percent is due 30 days before Derby, as is a 20 percent security deposit, which is roughly equal to my homeowners' insurance deductible.

PREPARE YOUR HOME — Having already arranged to stay with friends, I schedule a cleaning for the day my guests arrive. Derby Week, I relocate my valuables, toiletries and clothes to the basement; empty my refrigerator and pantry; hide or guzzle my liquor; tend to my yard; tackle neglected homeowners projects; and procure ample trash bags and toilet paper — you don't want guests to get creative in those departments. Draft a welcome letter that includes essentials like your contact info, the house's WiFi password and directions to the nearest hospital (it is Derby, after all). Then leave. And if you're staying in town, resist the urge to monitor your home.

INVEST YOUR WINNINGS AT THE TRACK (OPTIONAL).

— *Zach Everson*

Nos. 89-93: The moniker mystery.

How five Derby hopefuls got their names.

El Padrino

"When we go to an auction we have a group of about 10 investors each submit a name and we vote on it. 'El Padrino' was mine, actually. It's from *The Latin Godfather*."

— *Let's Go Stable owner Kevin Scatuorchio*

Creative Cause

"Well, when we bought him, he was already named. He's from Giant's Causeway, but I don't know where the 'creative' came from."

— *trainer Mike Harrington*

Gemologist

"We bought him as a yearling, and we put his photo on our Facebook page and asked people to submit names. I believe the name we chose had something to do with him being a Crystal Shard colt."

— *WinStar Farm bloodstock assistant Amy Nave*

Currency Swap

"All of (Klaravich Stables owner Seth Klarman's) names come from the financial markets. The horse names are primarily Wall Street-inspired."

— *Klaravich Stables secretary Heidi Popkin*

Alpha

"Usually there's a method behind the madness to submitted names. You send in so many to the Jockey Club, and most come back refused — 'already taken, already taken, already taken.' It's just laborious. So I'm afraid these names don't have much of a story behind them."

— *Jim Cox,*

Darley America's head of marketing

— *CS*