

Top 15 Poconos STR Buyer Mistakes *... And How to Avoid Them*

STR Conference Presentation



Mark Shay



- Lives in Glenside, Montgomery County
- **Vacation homeowner, VRBO listing**
- **Poconos Realtor with STR Focus**
- **Started PoconoVacationHomeSales.com home of the STR Scorecards**
- **Joined Keller Williams in 2022**
- **Co-Founded Poconos VRO to help clients**
- **Pocono Vacation Home Sales revenue growing 40%/year, now with three employees**



Nate Silver

GOWANDERHOME.COM

- Lives in West Chester, PA
- Developed 2,000+ apartments in Washington DC
- Owner of Wander Home – luxury, full service STR Manager since 2020
- Real Estate Investor and consultant. Specializes in unique hospitality assets.
- Owns a STR super property in Lake Harmony (thanks to Mark)
- Boutique Hotel investor
- Owner of Pocono STR Maintenance – suite of seasonal and readily available handyman services



1) Buying Where STRs Aren't Allowed

Rules vary by township AND HOA.

- Confirm township ordinance, HOA bylaws, and deed restrictions.
- Verify current licenses, occupancy caps, odd restrictions (see Paupack Township).
- Example: Penn Estates, Emerald Lakes, Indian Mountain Lake cover multiple townships – allowed in one, not the other

2) Ignoring License & Inspection Requirements

Many townships require annual permits & inspections.

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- Example: Penn Estates, Emerald Lakes, Indian Mountain Lake cover multiple townships – allowed in one, not the other

3) Assuming 'It Was an Airbnb' Means It's Legal

Past use ≠ current compliance.

- Request copy active permit + written confirmation, township might require "right-to-know" request
- Grandfathering may require Certificate of Non-Conformity.
- Grandfathering means continued use, not STR, to LTR back to STR.

4) Overpaying Without Planning for Appraisal Gap

STR value \neq appraisal value.

- Turnkey furnishings often ignored in appraisal.
- STR Premium can be 20% higher
- Market premium for lakefront can be \$250K, hard to find real estate comps
- Appraisal guidelines are a fallback. Not all appraisers match STR to STR, they match house to house.

Plan for cash reserves & use strong comps
Buyers adjusting offers – “Highest and Best”



5) Overly Optimistic Income Projections

Revenue can be seasonal.

- Use multiple data sources AirDNA, BnBCalc, etc.
- Airbnb market share varies by submarket (Penn Estates vs. Lake Harmony)
- Direct Bookings, personal use, ski season rentals, snowbirds all impact occupancy reporting
- Mud Season – Mid-March to Mid-May
- Proximity to Ski Areas (4)

6) Underestimating Utilities & Winter Costs

Electric/propane heat impacts margins.

- Snow removal & emergency services add cost.
- Budget for winter stress on home.
- Not all homes are Air Conditioned.
- Public Water vs. Well Water

7) Ignoring Septic & Occupancy Limits

Sewage capacity defines legal occupancy.

- Licenses follow legal bedroom count.
- Check tax records for BR count.
- Building permits, zoning by Township, county manages tax records
- Upgrading septic isn't always possible.

8) Overlooking HOA Dues & Changing Policies

Review HOA financials & meeting notes.

- Watch for assessments or STR restrictions.
- Compare amenity value vs dues.
- Impact of STR on community budget
- Do you get what you pay for?
- Gossip versus Action
- Facebook groups, alarmists
- STR owners can be board members

9) Buying for Yourself, Not for Guests

Guests prioritize layout & amenities.

- Bedroom count is a big factor in booking search
- Suburban style homes are big, not as photogenic
- Cabins/A-frames aren't always space-efficient, but iconic and photogenic

Flight to Quality?

- Hot tub, game room, fire pit boost ADR.
- Swimming pools (Indoor and Out)

10) Choosing the Wrong Layout

Choose your Guest Avatars

- **Single gender, age group, multiple family, celebrations (reunions, bachelor/bachelorette) Groups travel together in the Poconos.**
- **Open common spaces & multiple baths matter.**
- **Parking capacity impacts bookings.**
- **Townhomes (Winter/Summer)**
- **Yard Size, pet friendly, kid friendly**

11) Ignoring Competitive Set

Compare against top 20 listings nearby.

- Evaluate ADR, reviews, amenity stack.
- Hot tub vs alternative investments?
- Look at listings, create competitor set, set benchmarks, track commonalities, gaps
- Read all guest reviews, why to they come? What do they not like?

12) Underinvesting in Design & Branding

Photos drive clicks.

- Design drives reviews & pricing power.
- Sell an experience, not just beds.
- Images of what to do, not just what is there

Themes

- Align décor with desired guest avatar
- Tie theme to your networks

Diversify where you get your bookings



13) Underestimating Self-Management

Out-of-state management is difficult.

- Underwrite with pro management costs (25%)
- Build trusted cleaner/vendor team.
- Co-Hosts can take slices of duties
- Licenses require local emergency contacts
- Who oversees Quality Control, pre-check-in walk through?
- Tech tools getting better and better

14) Not Planning for Repairs & Maintenance

Vacation homes take heavy wear.

- **Build/budget maintenance reserve.**
- **Use 'mud season' for capital projects.**
- **Accelerated Depreciation in Year One, Section 128 in later years.**
- **Preventative maintenance, mean time between failures**
- **Plan for the worst, build redundancy, build backups**

15) No Exit Strategy

Rules & demand cycles change.

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Bottom Line

The Poconos is a strong STR market — but legality & underwriting matter.

- Best homes are legal, well-managed, guest-focused.
- Verify rules. Underwrite conservatively. Design for experience.
- Be a host, be your guest, **test drive.**