

Vacation Rental Act

When vacation rental property changes hands with reservations pending...

Whether you are buying or selling vacation rental property, you need to be aware of your legal responsibilities under the North Carolina Vacation Rental Act passed in August 1999. Both the buyer and the seller have specific responsibilities under this act which include, but are not limited to, the following:

1. The Buyer of residential property in a weekly rental program must honor all existing vacation rental leases which end no later than 180 days after recordation of the sale.
2. Prior to entering into any contract of sale, the Seller shall disclose to the Buyer the time periods that the property is subject to a vacation rental agreement.
3. Not later than 10 days after entering into a sales contract, the Seller shall provide the Buyer the names and addresses of all tenants and a copy of each rental agreement.
4. Not later than 10 days after closing, either the Buyer or his agent must:
 - a. Notify each tenant in writing of the property transfer, the Buyer's name and address, and the date the property was transferred;
 - b. Advise each tenant whether they have the right to occupy the property subject to the terms of the Vacation Rental Act; and
 - c. Advise each tenant whether he or she has the right to receive a refund of payments made.
5. Within 30 days of the recordation of the sale, the Seller, the Seller's agent, or real estate broker shall transfer all advance rent paid by the tenant and the portion of any fees remaining after lawful deduction to the Buyer and notify the tenant by mail of such transfer and of the Buyer's name and address.
6. For vacation rentals that end more than 180 days after the recording of the property transfer, unless the Buyer has agreed in writing to honor the vacation rental agreement, the Buyer or his real estate broker shall, within 30 days, transfer all advance rent paid and the portion of any fees remaining after lawful deduction to the tenant.

Courtesy of Beach Realty & Constructions