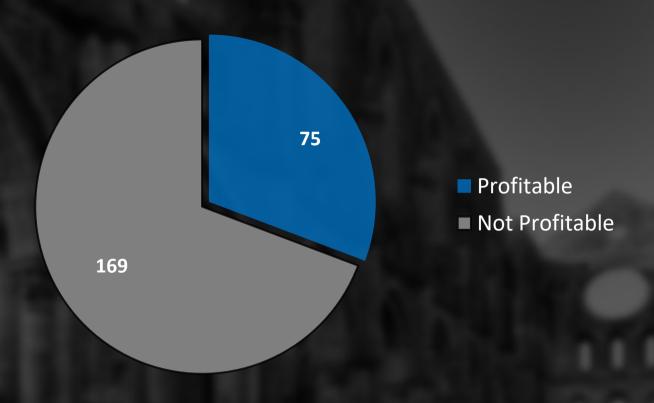


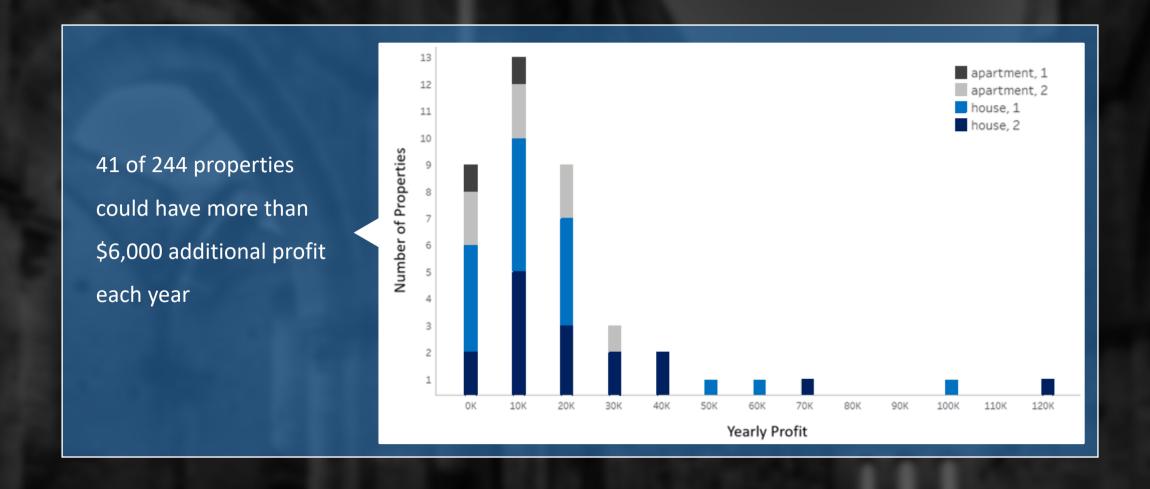






## 75 of 244 Properties are more profitable on short-term rental







Consideration	Worst Case Scenario	Best Case Scenario
Additional profit needed for a property to be considered	\$10,000	\$5000
Cost to convert property to short-term rental	\$40,000	\$20,000
Years to depreciate capital expenditures	3	7
Yearly upkeep	\$8,000	\$5,000
Service fees to short-term stay website	25%	15%
Regulatory fees	15%	10%
Hospitality charges	\$150	\$70
Typical stay duration	1 day	4 days
Monthly utilities	\$400	\$200

Additional Annual Profit	\$173k	\$2,594k

# **Most Sensitive Assumptions**

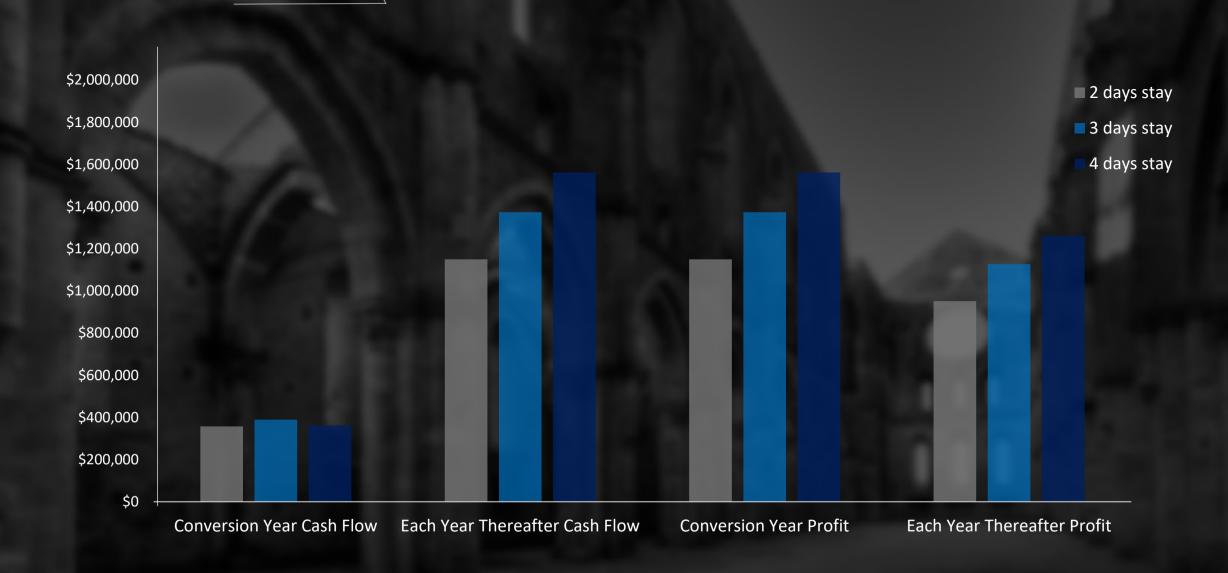




#### **Transaction Fees**



### Average Length of Stay

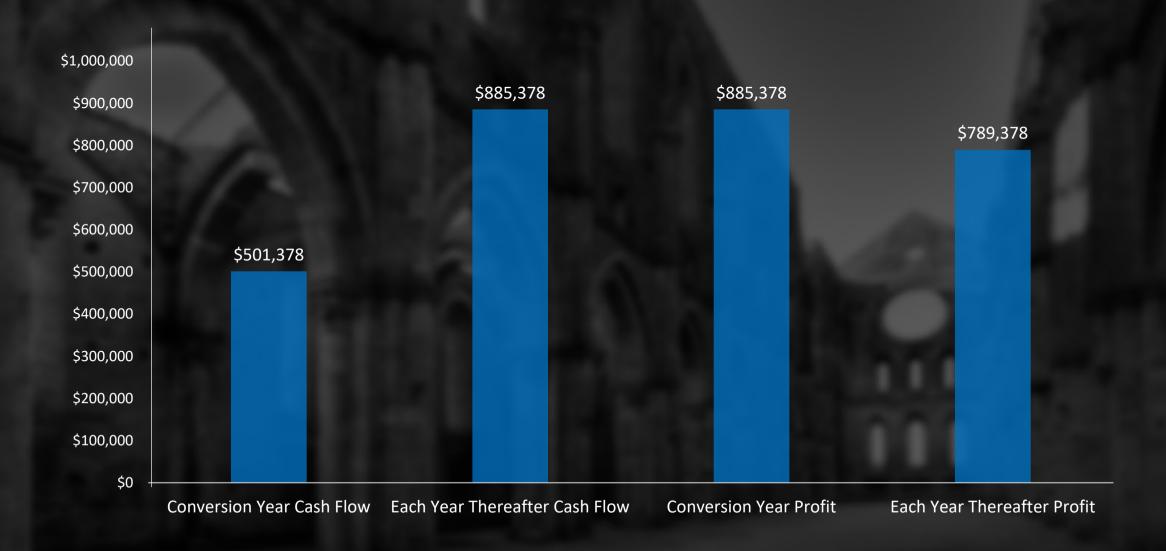






- The initial capital required to convert a longterm rental property to a short-term rental property is \$30,000 (for furnishings, linens, etc.)
- Under the budget of Watershed, choosing 16
  most profitable properties: W46, W66,
  W67, W107, W108...(See White Paper)
- The initial capital investment needed to implement the recommendation would be \$480k (16×\$30,000).

#### **Profit & Cash Flow**



# Location New York, NY Palo Alto, CA B San Diego, CA Austin, TX Miami, FL

