

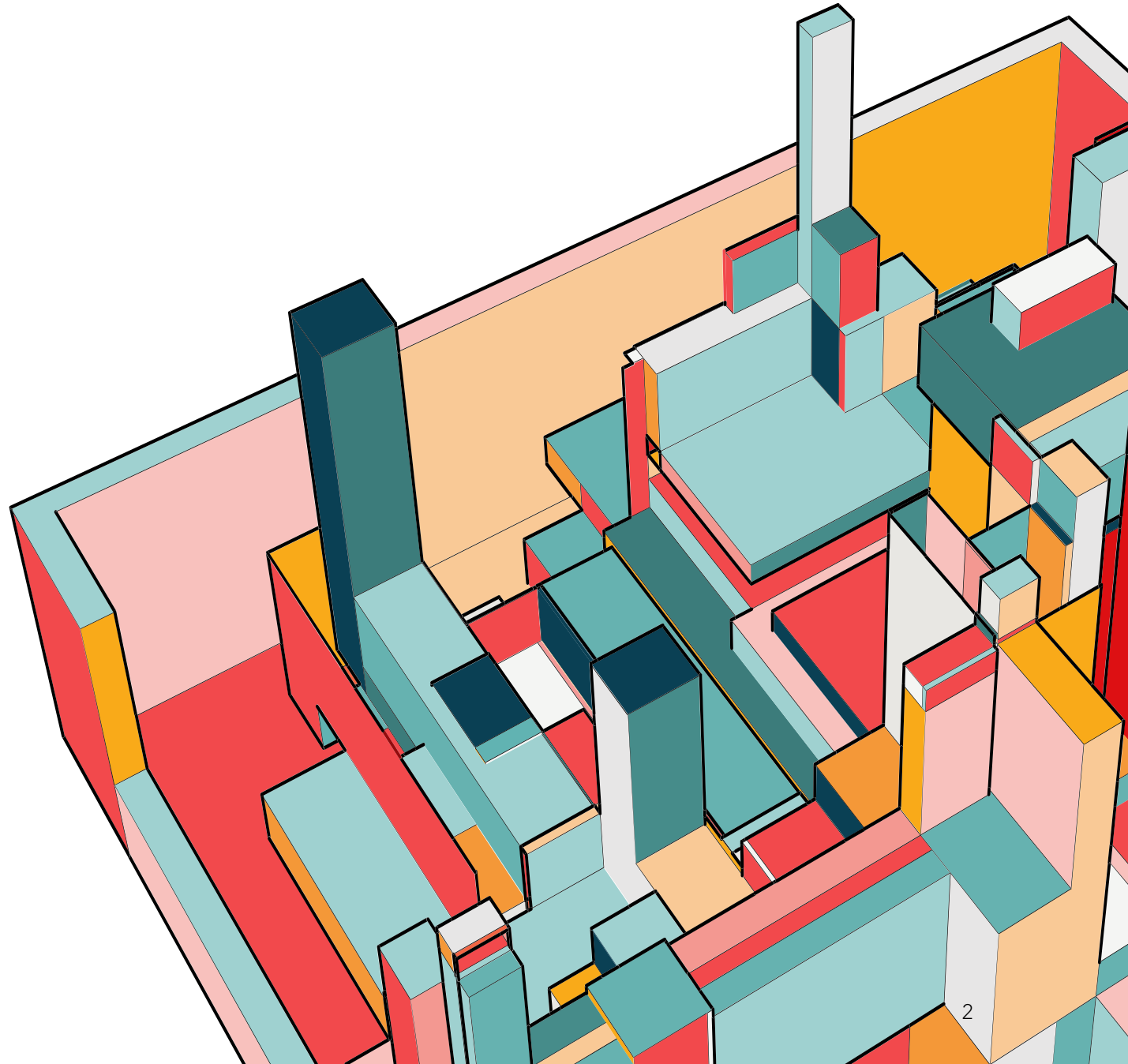


AIRBNB RENTAL BUSINESS OPPORTUNITIES

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BUSINESS PROBLEM

1. What are the main determinants of accommodation price on Airbnb?
2. Which districts in Madrid have higher potential to invest?
3. Which accommodation category is best to invest?





SOLUTIONS

PRICE DETERMINANTS

Number of accommodates, room type, neighborhood, number of beds, number of bathrooms (1-2)

DISTRICTS WITH HIGHER POTENTIAL

Barajas airport, Chamartin, Chamberi, San Blas-Canillejas

BEST PERFORMING ACCOMMODATION CATEGORY

Entire place, 1-2 beds, 2-4 accommodates

TIMING

Late spring-early summer and autumn

PRODUCT OVERVIEW



1-3 room
apartments



Provides local
resident
experience



"At home" feeling,
healthy eating

BUSINESS MODEL



HOSPITALITY

Short-term rentals, add-on travel services



DESIGN

Unique design to incorporate local patterns, colors, family-friendly facilities



ABSTRACT

Local lifestyle experience, "not a hotel"

MARKET OVERVIEW

€51K

Average Annual Revenue

Low seasonality

81%

Occupancy Rate

Growing high demand

20,5K

Number of Competitors

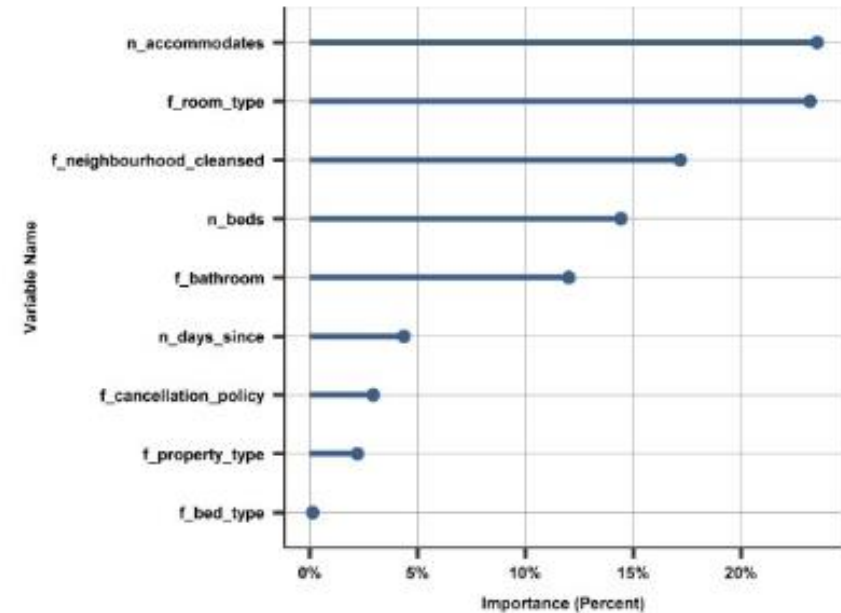
Low competition areas

Niche markets

PRICE DETERMINANTS

Forecasting for success

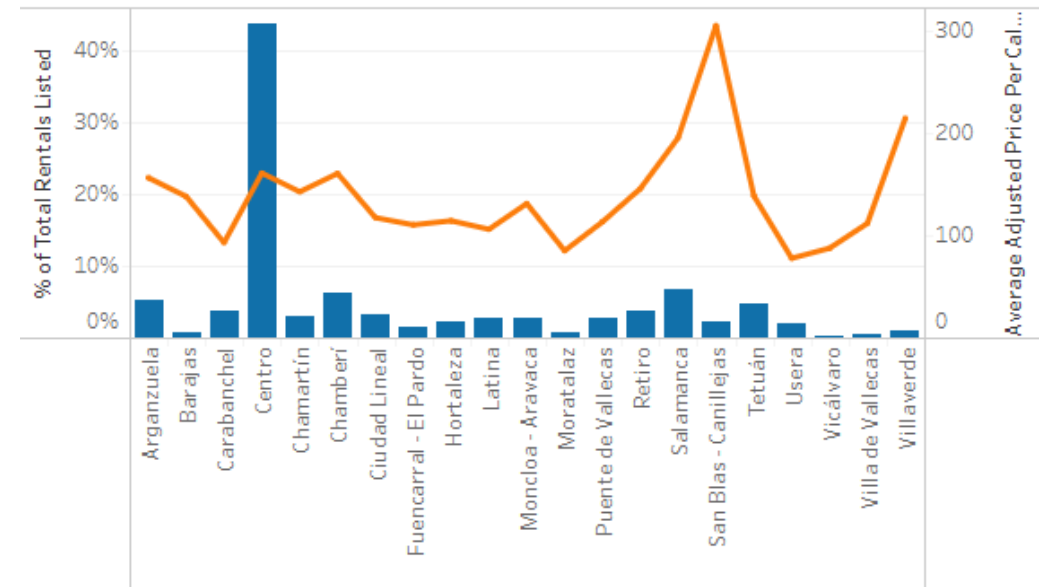
- Major factors that determine the price are number of accommodates, room type and neighborhood.
- Number of bathrooms matters when it is 1 or 2. Further on it loses significance.



OUR COMPETITION

- Competition is extremely high in the city center
- Price-wise competition is very low in certain popular areas: San Blas-Canillejas, Barajas airport, Chamartin and Chamberi
- Competition is unexistent near the airport, which can be explained by short stays.
- San Blas and Salamanca districts are best for luxurious accommodation for up-market segment.

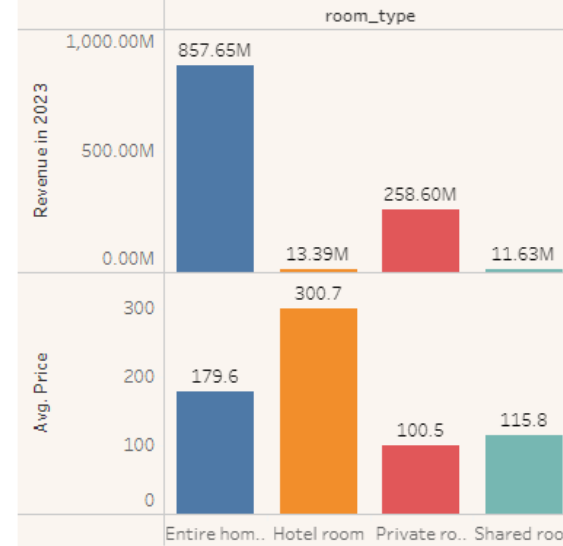
Competition Density vs Price



ACCOMMODATION TYPE

- Entire homes generate the most revenue in general.
- One-bed apartments lead the revenue rating even though they are the cheapest category.
- Competition is fierce in 2-person and 4-person apartment categories. Also, these two generate highest revenue among others.
- Considering the relatively small price difference between 1 and 2 accommodate homes, it is recommended to invest in 2-accommodate category due to stark revenue difference.

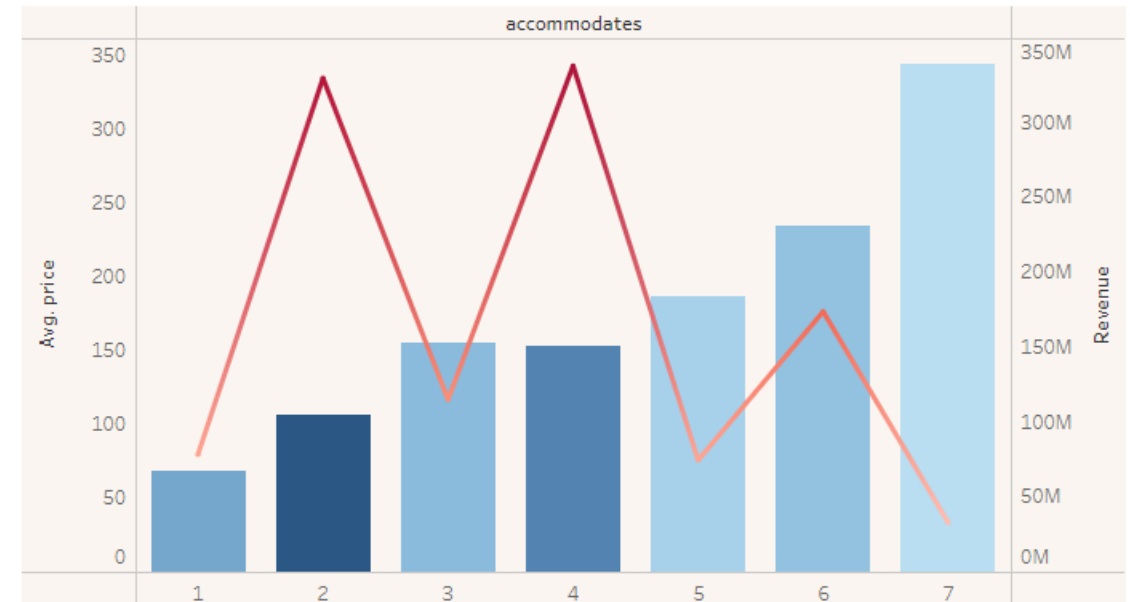
Room Type



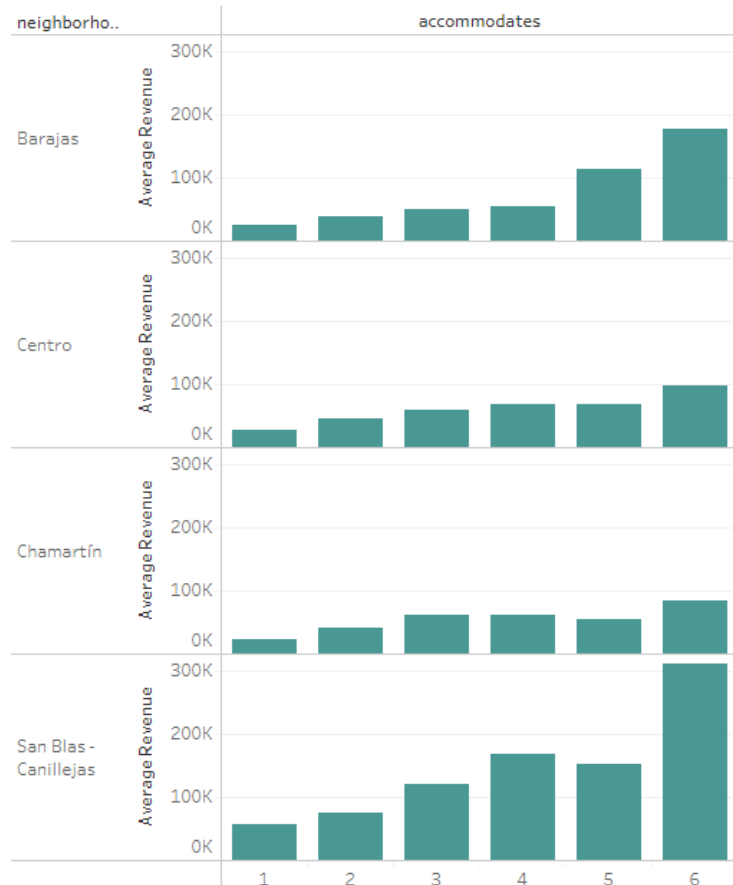
Price by Number of Beds

beds	Avg. price	Revenue
1	98	404.93M
2	147	335.28M
3	174	205.01M
4	231	124.58M
5	280	42.73M
6	234	10.03M
7	183	1.60M

Price by Number of Accommodates

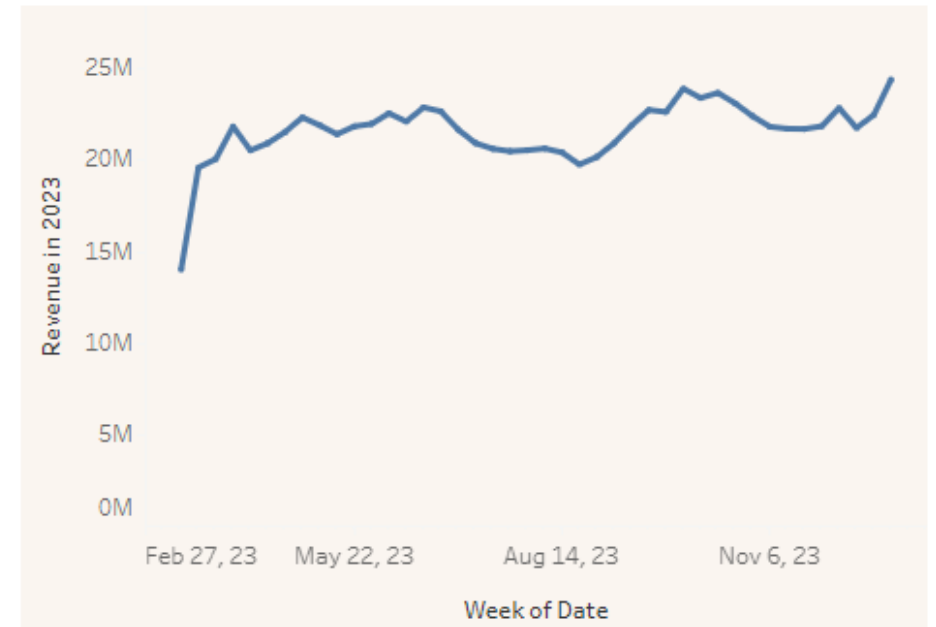


TIMING AND EXPECTED REVENUE



- Expected revenue in the selected neighborhoods starts from about 38 000 EUR.
- Revenues are higher in luxurious type homes and bigger apartments in general.
- It is best to launch in early spring or late summer in order to gather enough reviews for the following season.

Seasonality





RECOMMENDATIONS

- Consider the districts with lower competition but high potential for tourism.
- Mind the launch timing. Early spring or late autumn should work best.
- Invest in 2-4 accommodate apartments or bigger houses if up-market segment is chosen.
- Don't spend on more than 2 bathrooms as it will not make a difference.
- Focus on providing "at home", "local lifestyle" feeling via design items.
- Offer add-on travel services such as airport pick-up, museum tickets, festivals or football match tickets.

THANK YOU