

Executive Summary: Vacation Rental Market Analysis in Manhattan

Objective:

The primary objective of the data analysis project was to assist the client, a consulting company, in making informed decisions about investing in vacation rental properties in the Manhattan borough of New York City. The focus was on leveraging data from current Airbnb listings to identify key insights that would guide the client in targeting optimal properties.

Approach:

The approach to the project involved thorough data cleaning, analysis, and strategic filtering to narrow down the options for the client. The aim was to identify the most popular neighborhoods, determine the optimal number of bedrooms, and pinpoint listings with the highest occupancy ratings.

Key Findings:

Neighborhood Selection:

After analyzing the data, Hell's Kitchen emerged as the most promising neighborhood for vacation rental investments. The area demonstrated strong potential based on various factors, including demand, pricing, and occupancy rates.

Optimal Bedrooms:

Two-bedroom properties consistently stood out as the optimal choice. This finding aligns with the preferences of travelers seeking a balance between space and affordability.

Occupancy Ratings:

Focusing on listings with the highest occupancy ratings allowed properties to be pinpointed that have consistently performed well in terms of guest satisfaction and booking demand.

Assumptions:

Exclusion of Luxury and Low-priced Listings: Luxury listings, defined as those with prices greater than \$450, and low-priced listings, those with prices less than \$150, were intentionally filtered from the analysis. This decision aimed to tailor the focus towards properties that align with a more general market segment and to ensure that the findings are reflective of the broader vacation rental landscape.

Reviews as a Proxy for Rental Frequency: Reviews gathered during the last twelve months were utilized as an estimate for gauging the frequency of a listing's rental activity over the preceding year. This assumption leveraged the correlation between reviews and rental occurrences to provide insights into the popularity and demand for each property.

Definition of Inactive Rentals: Properties with fewer than a specified threshold of reviews in the last twelve months were considered as inactive rentals. This criterion was employed to distinguish listings that may not have been actively rented during the assessed timeframe, allowing for a more nuanced understanding of the rental landscape.

Recommendations:

Considering the comprehensive analysis conducted, it is recommended that the client concentrate their investments on two-bedroom properties in the Hell's Kitchen neighborhood. This strategic combination ensures alignment with market preferences and maximizes the potential for positive returns. According to the analysis, the most promising listings are as follows:

Time Square/Broadway Two Bedroom Condo - id: 39561110 - url: <https://www.airbnb.com/rooms/39561110>

Centrally Located Stunning 2 Full Bedroom Apt - id: 40654219 - url: <https://www.airbnb.com/rooms/40654219>

Homey 2 Bedroom Apt by Times Square & Central Park - id: 581957116197906248 - url: <https://www.airbnb.com/rooms/581957116197906248>

Stylish 2 bedrooms steps away from Times Square - id: 42529554 - url: <https://www.airbnb.com/rooms/42529554>

Conclusion:

In conclusion, the data-driven approach has provided valuable insights into the Manhattan vacation rental market. By honing in on the Hell's Kitchen neighborhood and the two-bedroom property category, the client can make well-informed decisions that are poised to yield success in the competitive vacation rental market.