

What are the factors influencing the occupancy rate of each neighbourhood group?

Airbnb Listings 2022 (Singapore)

4035

Average of Room Price

191.25

Average of Minimum Nights

58.03

Listings across Singapore

Central Region

2490

East Region

166

North Region

797

North-East Region

107

West Region

475

Listings based on room type

Entire home/apt

2212

Hotel room

146

Private room

1563

Shared room

114

Average of Prices across Neighbourhood

Central Region

221.46

East Region

187.30

North Region

121.59

North-East Region

161.08

West Region

157.96



Neighbourhood Group

North-East Region

East Region

North Region

West Region

Central Region

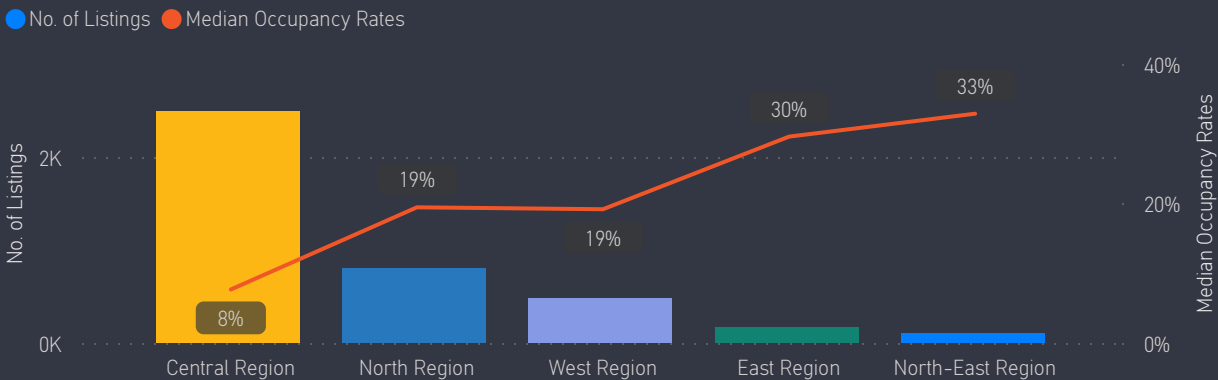
Overview of Occupancy Rates and Revenue

Neighbourhood Group	Median Occupancy Rates	Median Revenue	Median Price	No. of Listings
Central Region	8%	3721	155	2490
West Region	19%	5100	78	475
North Region	19%	4686	65	797
East Region	30%	10800	112	166
North-East Region	33%	12358	90	107

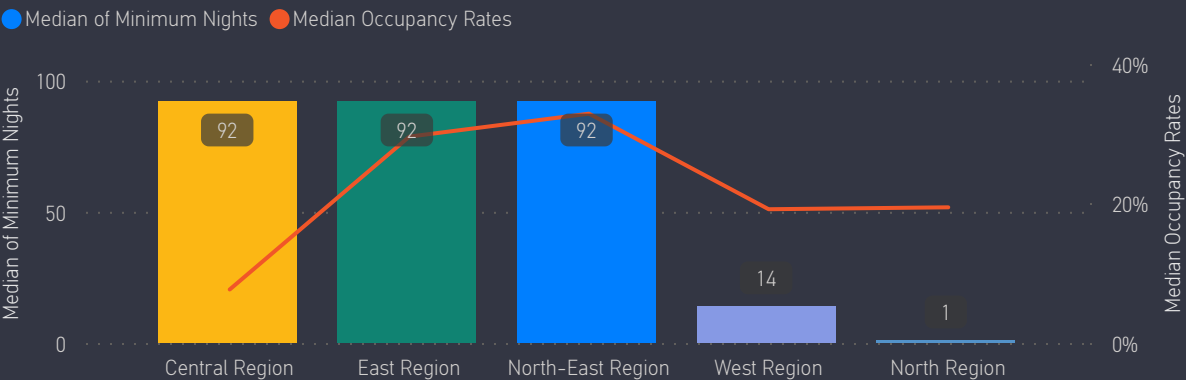


"Occupancy rates are influenced by two key factors: the number of listings and minimum nights."

No. of Listings and Median Occupancy Rates by Neighbourhood Group



Median of Minimum Nights and Median Occupancy Rates by Neighbourhood Group



The Business Question: What are the factors influencing the occupancy rate of each neighbourhood group?



From this map we can see the segregation of the neighbourhood group

Before I unveil the factors lets understand why is occupancy rate important to our business.

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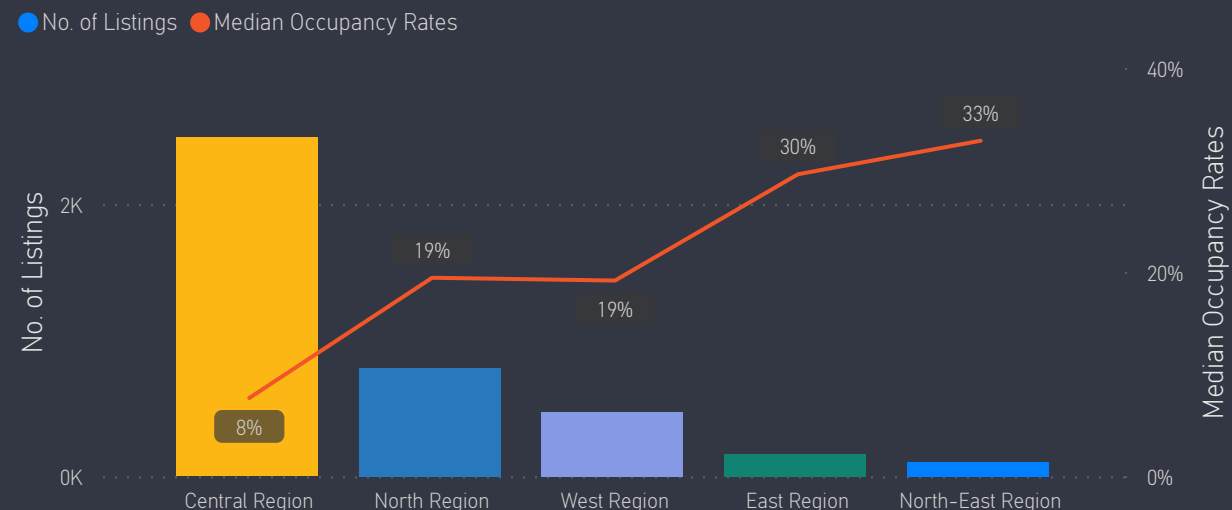


From this table of median values, with the colors, we can see that the occupancy rates have positive correlation with revenue. And revenue is probably one of the most important metrics for our business. Although price is another important business metric, from this table we do not see a direct correlation with the revenue.

Now to answer our business question, there are 2 key factors influencing the occupancy rates and they are, the number of listings and minimum nights.

Dive deep to understand the factors vs occupancy rates in different neighbourhood groups

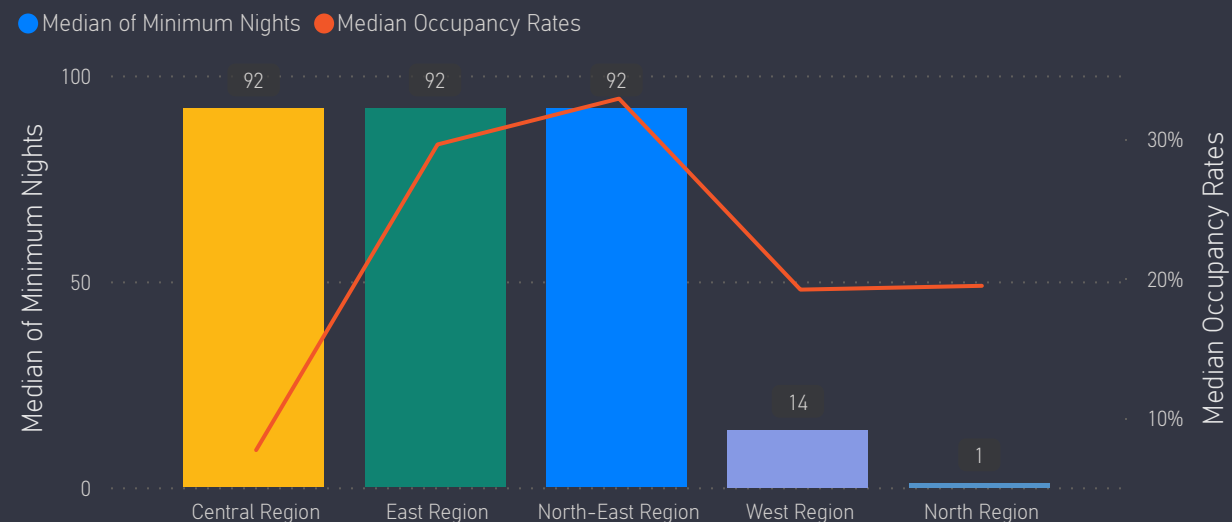
No. of Listings and Median Occupancy Rates by Neighbourhood Group



This bar and line chart shows **the number of listings and occupancy rates**. The yellow bar shows the central region, with large number of listings, exhibits an exceptionally low median occupancy rate of 8%, attributed to a significant number of vacant listings.

In contrast, areas outside the central region demonstrate substantially higher occupancy rates ranging from 19% to 33% with significantly lower number of listings.

Median of Minimum Nights and Median Occupancy Rates by Neighbourhood Group



This chart shows **the minimum nights and occupancy rates**.

As most of us understand that having a low minimum nights requirement is good for business, because it gives customers more flexibility and fewer booking restrictions.

Despite the comparatively high minimum nights requirement of 92 nights in the North-East and East Regions, these areas exhibit decent level of occupancy rates when contrasted with the Central Region.

Lets analyze how **these factors** influence **the occupancy rates**.

Factors

The number of listings

The minimum nights

Neighbourhood Group

Central Region

Outside Central Region

Central Region

Outside Central Region

Observation

Large amount of listings due to investors favoring the region's investment potential.

Smaller number of listings due to property owners mainly acquiring for own stay.

Minimum nights restriction may contribute to low occupancy rates.

less impacted by minimum night conditions.

Result

This has led to a significant number of vacancies.

Fewer vacancies compared to the central region.

The presence of more tourists and visitors in central regions, who will prefer shorter stays, potentially impacting the occupancy rates.

Consumers booking for longer-term stays, probably for work or family-related purposes.

Conclusion

Low occupancy rates will have a negative impact on revenue and net profit margin.

Recommendation

To boost occupancy rates effectively, consider collecting check-in date data. This will unveil insights into peak and low seasons, enabling targeted strategies for improved occupancy rates.