WHAT FACTORS AFFECT AIRBNB PRICE IN MELBOURNE

How to gain more profit in Airbnb competition

SWS3019_08   DEEPAKSHI MATHUR
LI LESHU
LI ZHENGJI   ZHANG DANTING
ZHANG JING

INTRODUCTION

Airbnb, the service that connects travelers with local house owners who have spare houses, is getting more popular this day due to the rapid sharing economy.
Our aim is to find the business strategies which could help the **neighborhood commit management** to **gain more profit**.

ROOM TYPE

This graph shows the average profit of each room type in Melbourne.
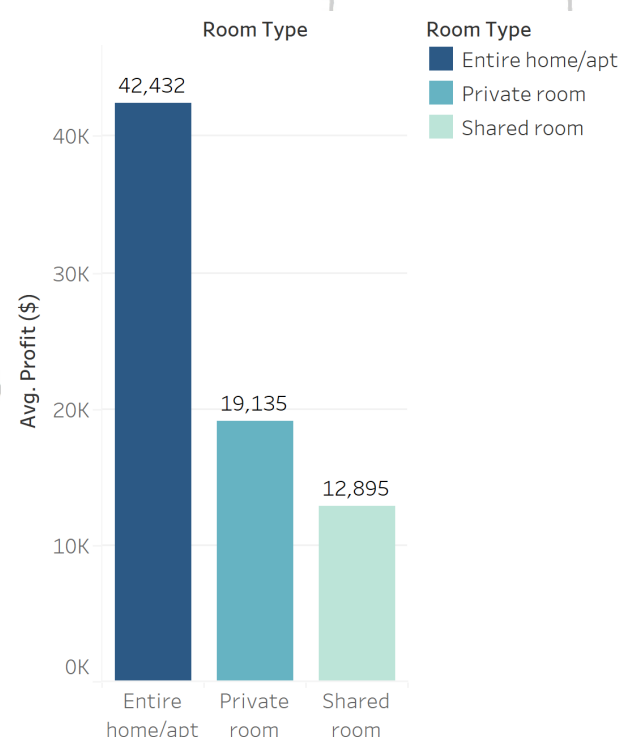
In this graph we could see that the **Entire home/apt** has the **highest** average profits.
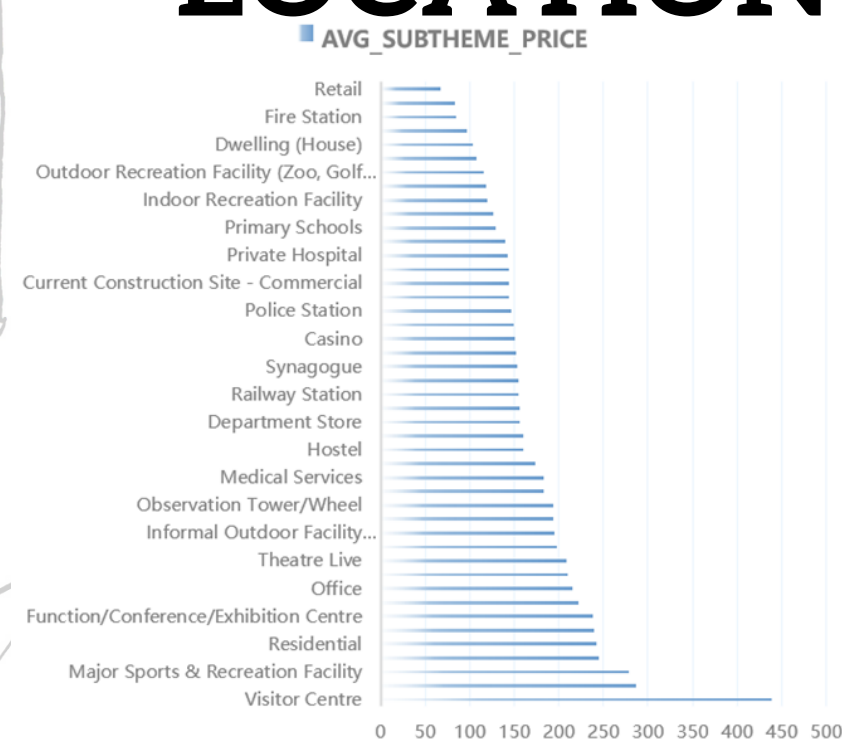

TIMELINE

The two pictures show that **the occupancy rate of Airbnb** in six neighborhoods of Melbourne has changed **over time**. The first one shows **the trend of residential rates** in most parts of Melbourne, can clearly see the off-season and peak season. The second one shows the **change curves of the residence** rate of three more special areas.
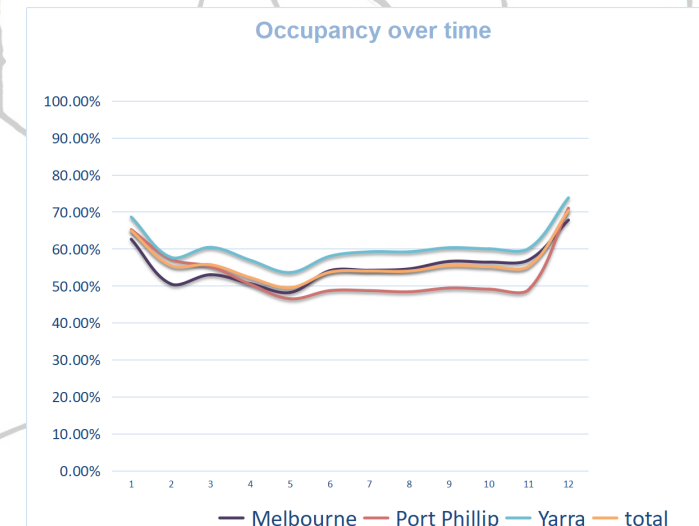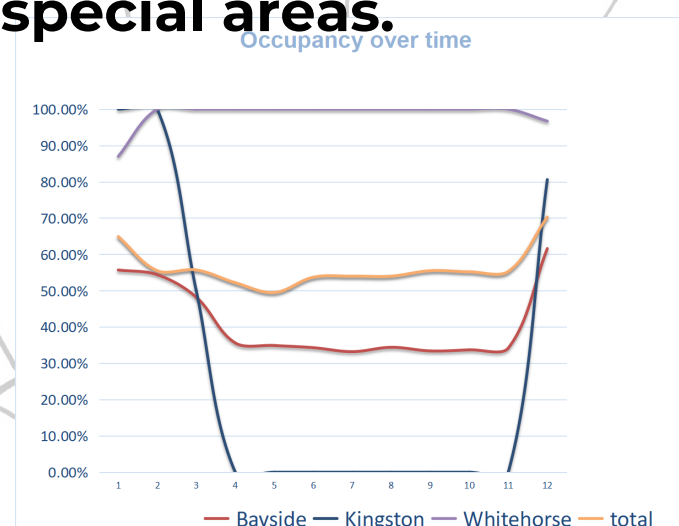
LOCATION
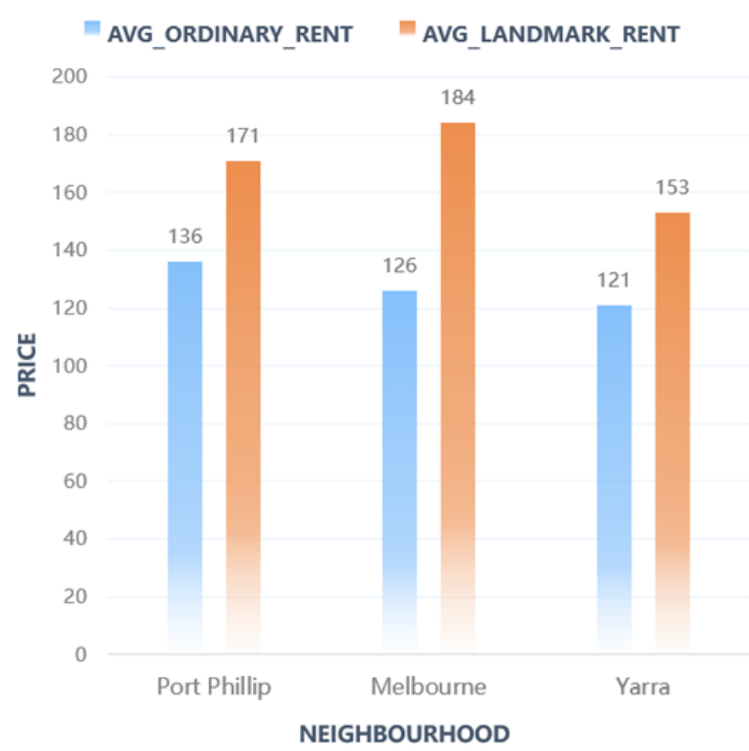
In a neighborhood, the average rent in a landmark is **generally higher** than the average rent in the ordinary area.

Different types of landmark have different rental prices

REVIEW

LISTING	NUMBER OF REVIEWS	SENTIMENT OF THE REVIEWS	AVERAGE PRICE (IN $)
2449576	479	NEUTRAL	109
1603061	439	NEUTRAL	129
411059	367	NEUTRAL	132
3125217	150	NEUTRAL	364
74548	64	NEUTRAL	366

Listing Id	Avg. Number Of Reviews	Avg. Price
2449576	538	100
16181637	1	8000

The reviews were mostly observed from the graph for the listings that have a price range of around 100 - 300. The number **quickly declines as the price goes up**.
It shows that there is no necessity for an expensive listing to have more reviews. Hence, the Prices **have no relation to the number of reviews**.

CONCLUSION

To Raise Your Rent:
- Rent out your house as an entire room/apartment.
- Your room/apartment is near a landmark.

In Off Season:
TO INCREASE OCCUPANCY BY:
- Decreasing rent to $100 (>$100)
- Discounting the rent by half (<$100)