

Solutions to hosts of AIRBNB in Amsterdam by predicting rental prices

Introduction/Business Problem:

Airbnb is a marketplace for short term rentals, allowing you to list part or all of your living space for others to rent. The company itself has grown rapidly from its founding in 2008 to a 30 billion dollar valuation in 2016 and is currently worth more than any hotel chain in the world. One challenge that Airbnb hosts face is determining the optimal nightly rent price.

In many areas, renters are presented with a good selection of listings and can filter on criteria like price, number of bedrooms, room type, and more. Since Airbnb is a marketplace, the amount a host can charge on a nightly basis is closely linked to the dynamics of the marketplace.

The Challenge:

As hosts, if we try to charge above market price then renters will select more affordable alternatives. If we set our nightly rent price too low, we'll miss out on potential revenue.

Stakeholders :

The hosts of the Airbnb properties.