
Orlando Rental Market

Best choice for you

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Famous attractions + good weather



warm **subtropical** climate

the most **visited destination** in the US

second-largest **trade show** destination

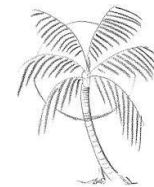
Why
Orlando?

world famous **theme parks**

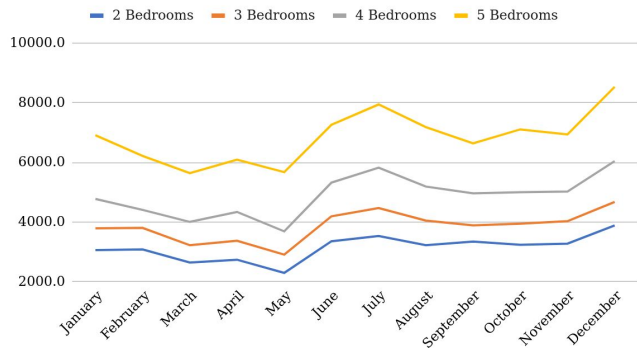
known as **The City Beautiful**

North America's up-and-coming **tech market**

Seasonality - general overview (Airbnb data)



Average revenue by month and number of bedrooms



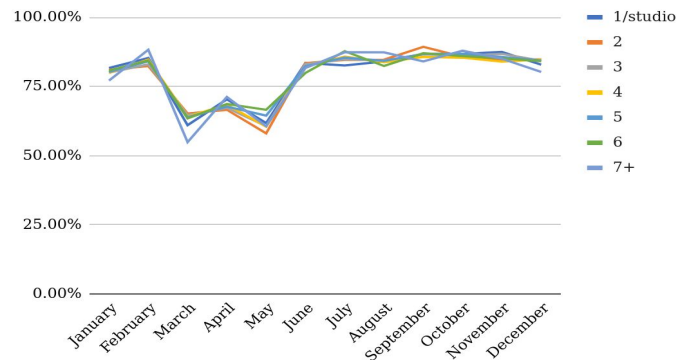
Peaks - July and December

High season - from late spring until autumn

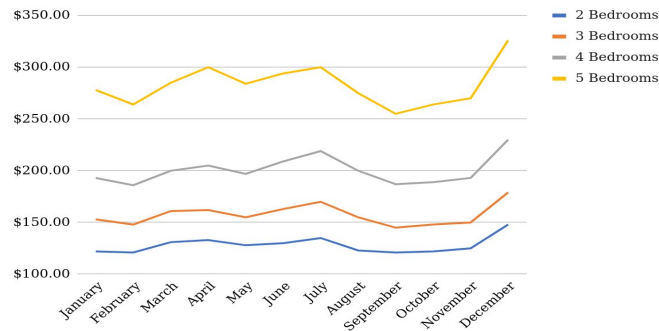
General drop - in spring for occupancy rate and revenue

Higher variation of price and occupancy rate for 5+ bedrooms properties.

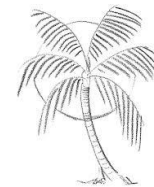
Average occupancy rate is 79.27%



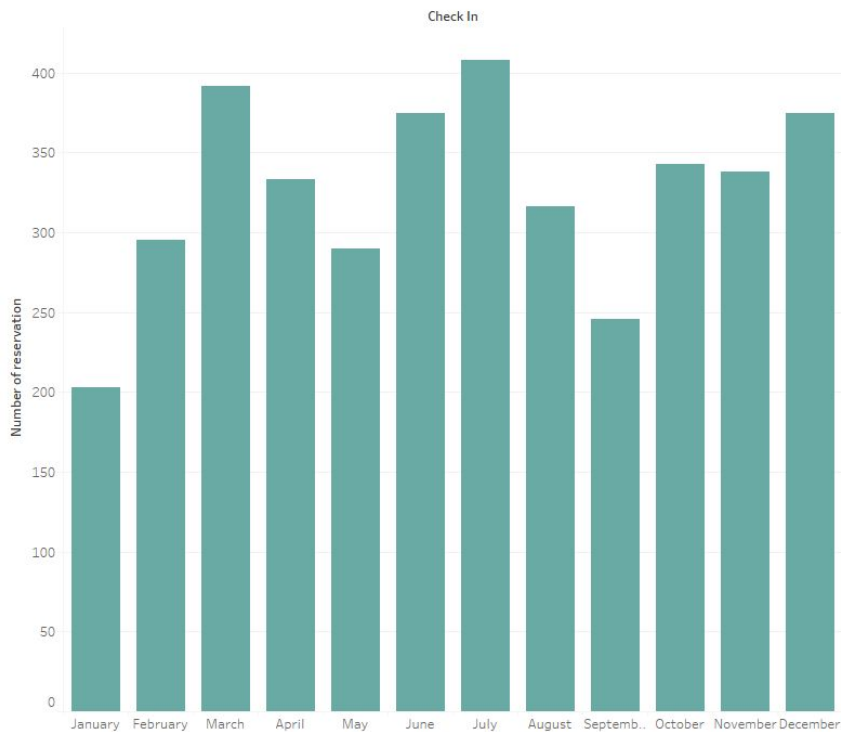
Average daily price over a year



Seasonality - MyRental Agency data



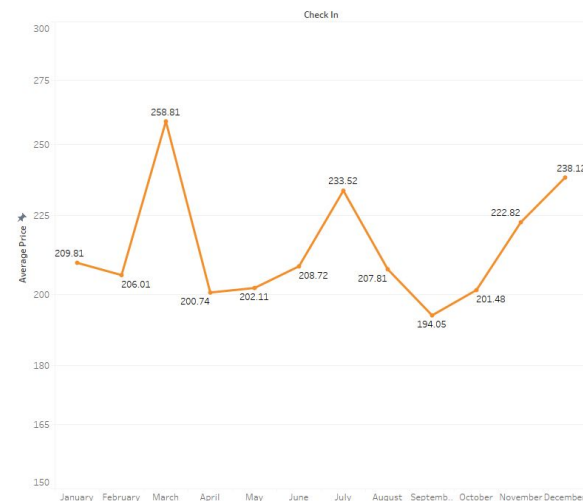
Number of reservations by month



The agency was capable to maximize a general slight peak in March (spring break) as well as peaks in July and December.

We can observe the **increase** in the number of reservations and high average price for the **month of March**.

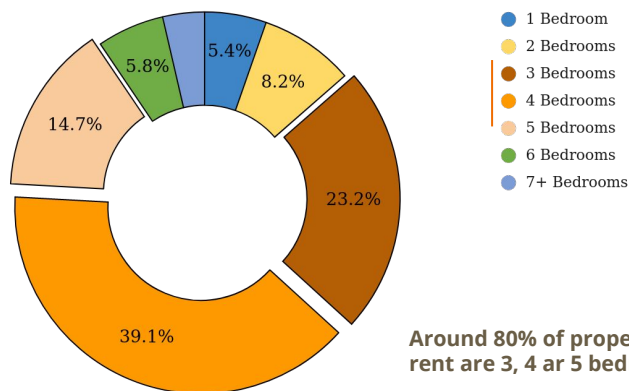
Daily average price by month



What are the most rented properties?



Airbnb listing structure by number of bedrooms



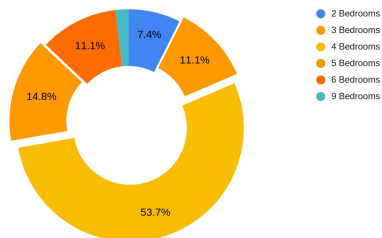
Around 80% of properties for rent are 3, 4 or 5 bedrooms.

72% visitors are a group from 2 to 6 adults (MyRental Agency data).

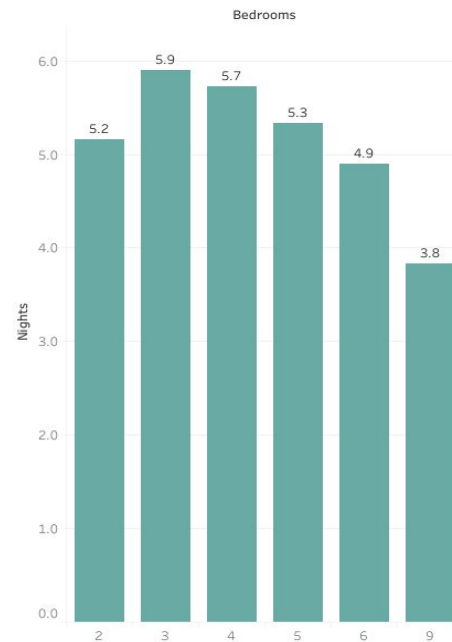
3, 4 and 5 bedrooms properties also have on average longer stays. (MyRental Agency data).

50% of reservations are without visitor under 12y age, 38% with 1-3 children (MyRental Agency data).

Properties by number of bedrooms (MyRental Agency)



Average stay length



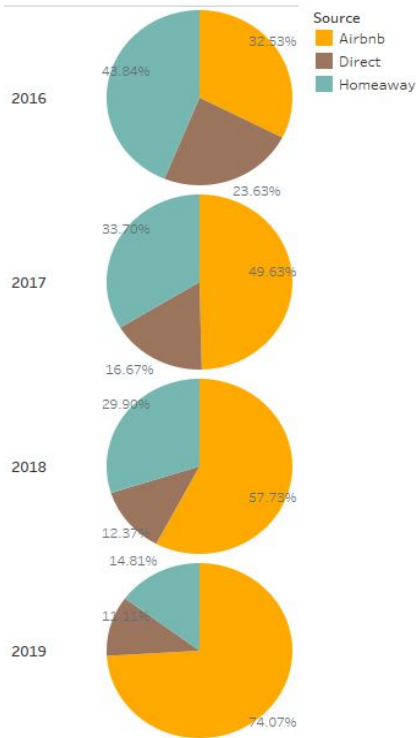
Average of Nights for each Bedrooms. The marks are labelled by average of Nights. The view is filtered on Bedrooms, which keeps 6 of 7 members.

Num of visitors adults	Frequency of the group size
1	109
2	803
3	308
4	819
5	493
6	710
7	328
8	384
9	85
10	154
11	26
12	56
13	12
14+	40



What sources bring the most of the guests in?

Source



Source	% of total reservations (2016-2019)	Average fee	Average revenue by source	Revenue for 1\$ of fee
Airbnb	51.6%	\$39.1	\$909.73	\$23.3
Homeaway	31.0%	\$39.3	\$1,005.51	\$25.6
Direct	14.3%	\$0.3	\$1,143.53	\$3,968.3
Owner	1.6%	\$0.0	\$211.86	
Web	0.9%	\$83.8	\$1,779.06	\$21.2
Friends/Family	0.3%	\$44.3	\$2,155.55	\$48.7
Instagram	0.3%	\$139.0	\$2,112.23	\$15.2
Orlando Plus	0.0%	\$64.7	\$1,553.10	\$24.0

Airbnb is the main source and its part has increased significantly while **Homeaway** has dropped. **Direct** channel is cheap and still brings guests, but its part has also decreased.

Airbnb, Homeaway and Direct are sources for 95.9% reservations.

What are the visitors looking for?



The most viewed properties on Airbnb are

near **Disney parks** (Kissimmee) - have **pool** - have **high rating** - **low price** - mostly **4 bedrooms**

Properties with 1000 weekly views

4 bedrooms property is most sought after and valued.

But relatively high demand for 2 bedrooms.
Opportunity?!

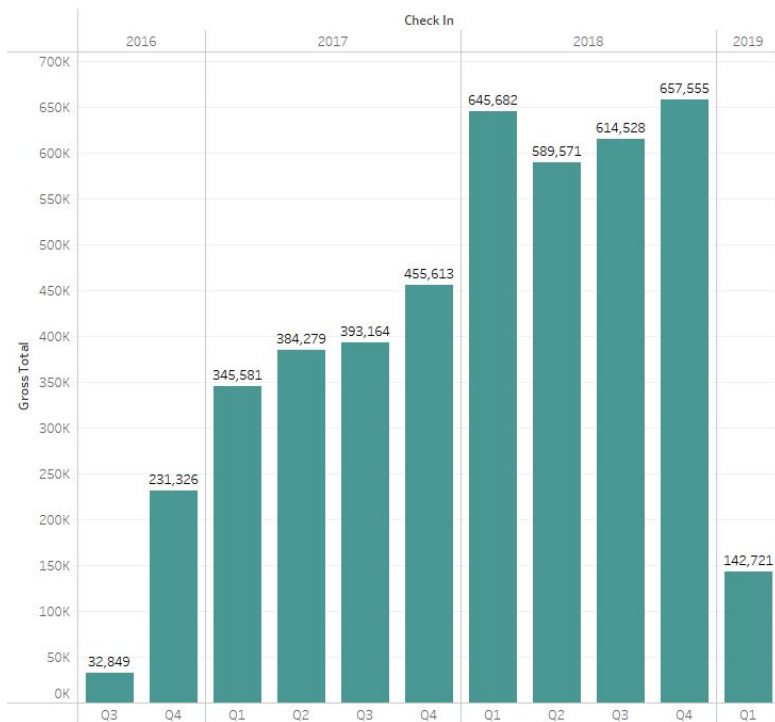
- Tech market and its employees housing
- Good occupancy rate, varies the least
68% (MyRental Agency) & 79% (Airbnb benchmark)
- Market growth - price indicates demand

Bedrooms	Quantity	%	Average price (1000 weekly views)	Average price (general listing)	Price diff % relative to avg. price 1000 view
1/Studio	3	13%	\$59.7	\$69.50	-14.15%
2	4	17%	\$123.0	\$100.50	22.39%
3	1	4%	\$75.0	\$104.26	-28.07%
4	7	30%	\$161.8	\$130.11	24.36%
5	3	13%	\$94.0	\$170.94	-45.01%
6	2	9%	\$124.5	\$211.84	-41.23%
7	3	13%	\$101.0	\$206.95	-51.20%

MyRental Agency overview



Revenue



Properties under management

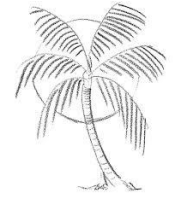
- 2016 - 30
- 2017 - 43
- 2018 - 56

Steady revenue and managed property growth.

Diversified by bedrooms type and reflecting the actual vacation rental demand structure.

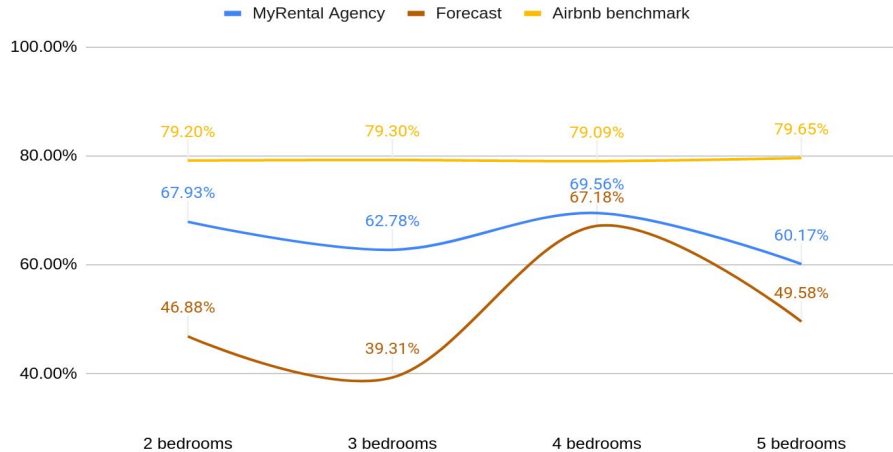
Bedrooms	Quantity
2	4
3	6
4	29
5	9
6	6
7	1
9	1
Total	56

Average annual revenue (occupancy vs avg. price)



What can be expected based on MyRental Agency , Airbnb benchmark and forecast data (on properties for sale)?

Average occupancy rate by number of bedrooms



Average revenue is impacted more by occupancy rates which varies more than the average prices.

Airbnb benchmark occupancy rate are the most optimistic (*overestimated?*) and that reflects on average annual revenue. While a **forecast** occupancy rate seems to be a bit underestimated, specially for 2 and 3 bedrooms. **MyRental** agency general occupancy rate represents the best the market state.

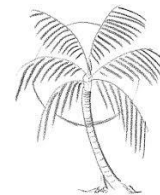
Average annual revenue



Average price



Performance - Return on Investment (ROI)



$$\frac{\text{Average annual revenue} \text{ minus } \text{costs (opex, mortgage, taxes)}}{\text{Deposit plus home setup plus closing costs}}$$

2 evaluation cases on 8 listed properties available for sale

1. **Benchmark case scenario** (*more optimistic*) :
Based on Airbnb benchmark average annual revenue. Calculated using monthly average occupancy rate times monthly average price by number of bedrooms.
2. **Close to market scenario** (*more realistic*):
Based on a forecast average price and MyRental agency occupancy rate

Benchmark case ROI



With the management fee and without it

Bedrooms	Region	Type	Condition	PRICE	ROI 30% deposit +mgmt fee	ROI 30% deposit w/fee	ROI 40% deposit +mgmt fee	ROI 40% deposit w/fee	ROI 50% deposit +mgmt fee	ROI 50% deposit w/fee
2	Kissimmee	Apartment	new	\$211,100.00	4.34%	8.15%	5.62%	8.74%	6.58%	9.25%
3	Kissimmee	Townhouse	new	\$234,490.00	7.89%	11.72%	9.46%	12.59%	9.82%	12.51%
3	Orlando	Apartment	old	\$155,000.00	21.42%	26.70%	19.48%	23.87%	18.55%	22.35%
4	Kissimmee	House	new	\$389,000.00	3.77%	6.72%	5.30%	7.69%	6.21%	8.24%
4	Kissimmee	Apartment	new	\$461,105.00	-0.22%	2.32%	1.99%	4.04%	3.53%	5.27%
4	Kissimmee	Townhouse	new	\$338,990.00	7.32%	10.63%	8.05%	10.74%	8.55%	10.85%
5	Kissimmee	House	new	\$394,990.00	17.35%	20.58%	16.21%	18.83%	15.51%	17.74%
5	Kissimmee	Townhouse	new	\$366,990.00	20.04%	23.47%	18.40%	21.19%	17.39%	19.78%

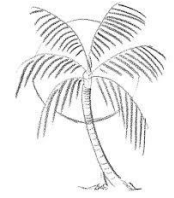
Close to market case ROI



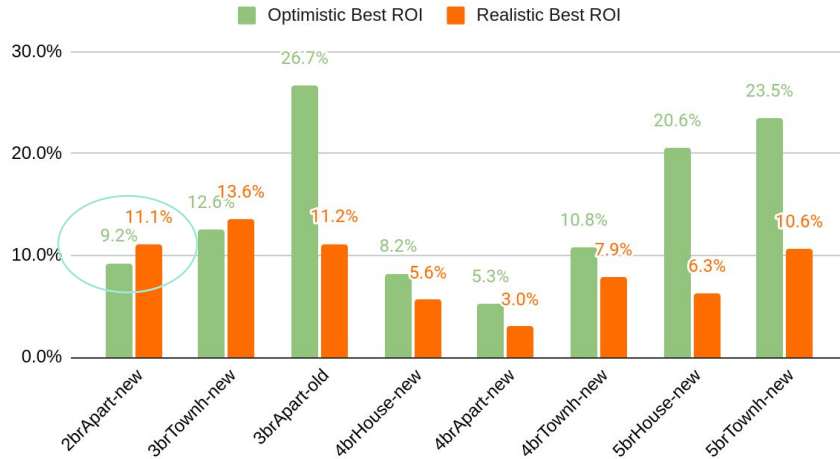
With the management fee and without it

Bedrooms	Region	Type	Condition	PRICE	ROI 30% deposit +mgmt fee	ROI 40% deposit +mgmt fee	ROI 50% deposit +mgmt fee	ROI 30% deposit w\fee	ROI 40% deposit w\fee	ROI 50% deposit w\fee
2	Kissimmee	Apartment	new	\$211,100.00	6.97%	7.78%	8.42%	10.79%	10.89%	11.10%
3	Kissimmee	Townhouse	new	\$234,490.00	9.08%	10.43%	10.66%	12.91%	13.56%	13.34%
3	Orlando	Apartment	old	\$155,000.00	5.88%	6.56%	7.36%	11.16%	10.94%	11.16%
4	Kissimmee	House	new	\$389,000.00	0.00%	2.25%	3.61%	2.95%	4.63%	5.65%
4	Kissimmee	Apartment	new	\$461,105.00	-3.48%	-0.64%	1.30%	-0.93%	1.42%	3.04%
4	Kissimmee	Townhouse	new	\$338,990.00	3.09%	4.61%	5.61%	6.40%	7.30%	7.91%
5	Kissimmee	House	new	\$394,990.00	0.79%	2.74%	4.02%	4.02%	5.36%	6.26%
5	Kissimmee	Townhouse	new	\$366,990.00	6.92%	7.71%	8.26%	10.35%	10.51%	10.65%

Best returns



Optimistic and Realistic Best ROI



As 4 bedrooms are most rented and most looked for properties their market value is quite high. ROI is pushed down by total price.

2 bedrooms property price per sqft is quite high but ROI is promising.

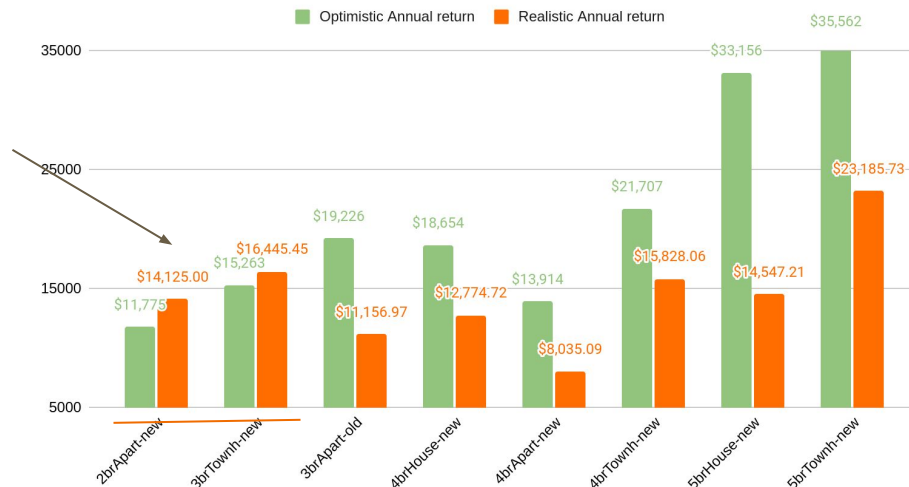
Property	Price per sqft	Realistic Best ROI
4brApart-new	\$180.40	3.04%
4brTownh-new	\$177.11	7.91%
2brApart-new	\$172.89	11.10%
5brTownh-new	\$172.46	10.65%
3brTownh-new	\$130.34	13.56%
4brHouse-new	\$119.44	5.65%
3brApart-old	\$106.24	11.16%
5brHouse-new	\$98.87	6.26%

Best annual returns



Bed rooms	PRICE	Optimistic Best ROI	Annual return	Realistic Best ROI	Annual return	Realistic compared to optimistic
2	\$211,100	9.25%	\$11,775	11.10%	\$14,125	\$2,350 19.96%
3	\$234,490	12.59%	\$15,263	13.56%	\$16,445	\$1,182 7.75%
3	\$155,000	26.70%	\$19,226	11.16%	\$11,157	-\$8,069 -41.97%
4	\$389,000	8.24%	\$18,654	5.65%	\$12,775	-\$5,879 -31.52%
4	\$461,105	5.27%	\$13,914	3.04%	\$8,035	-\$5,879 -42.25%
4	\$338,990	10.85%	\$21,707	7.91%	\$15,828	-\$5,879 -27.08%
5	\$394,990	20.58%	\$33,156	6.26%	\$14,547	-\$18,609 -56.13%
5	\$366,990	23.47%	\$35,562	10.65%	\$23,186	-\$12,377 -34.80%

Best annual returns



ROI for 2 bedrooms apartment and 3 bedrooms townhouse is even higher in close to market (more realistic) case. It gives more confidence over its return.

Recommendations

Final notes

- Most wanted properties are with pool, in Kissimmee area, have a good rating and competitive price
- 2 bedrooms demand seems promising, good occupancy, good ROI
- 3 bedrooms have better ROI than 4 brs, but the occupancy rate is a bit lower than 2 brs.
- 4 bedrooms are in high demand as most visitors comes in group of 4-6 adults, but it seems this demand rise property price and it lowers ROI
- 5 bedrooms has good demand, good ROI, but occupancy rate more seasonal.
- ROI is best with 50% down payment for properties with 2 and 3 brs listed for sale , for 5 bedrooms depends on case.

FOCUS

2 bedrooms, Annual return ~ \$ 13,0K
4 bedrooms, Annual return ~ \$15,5K
5 bedrooms, Annual return ~ \$ 26,6K

- Diversified portfolio
 - Maximized ROI
 - Reach for all most important visitors groups
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