

The Airbnb Expert's Playbook



**Secrets to Making Six-Figures
as a Rentalpreneur**

By Scott Shatford

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My Story

I was laid off from my high paying corporate job at the beginning of 2013 and, against the advice of my colleagues, I booked a one way ticket to Bangkok to explore the world. Instead of packing my stuff up in storage while I was away, a neighbor recommended that I list my Santa Monica apartment on Airbnb. I snapped a few photos with my iPhone, created a listing, recruited a friend to manage the apartment in exchange for free use of my SUV, and away I went! Within a week I was flying over the Pacific, nervous that I had just opened the doors of my home to a bunch of lunatics.

I got my first booking just two days later from a sweet retired couple from Wisconsin. Upon hearing that I was in Southeast Asia they proceeded to send me pages of recommendations from their trip to Thailand the previous year. I was instantly reassured that this world is full of interesting and trustworthy travelers. Within three weeks I had six different guests come and go without incident and I had already earned enough money to cover my \$3,000 rent for the month.

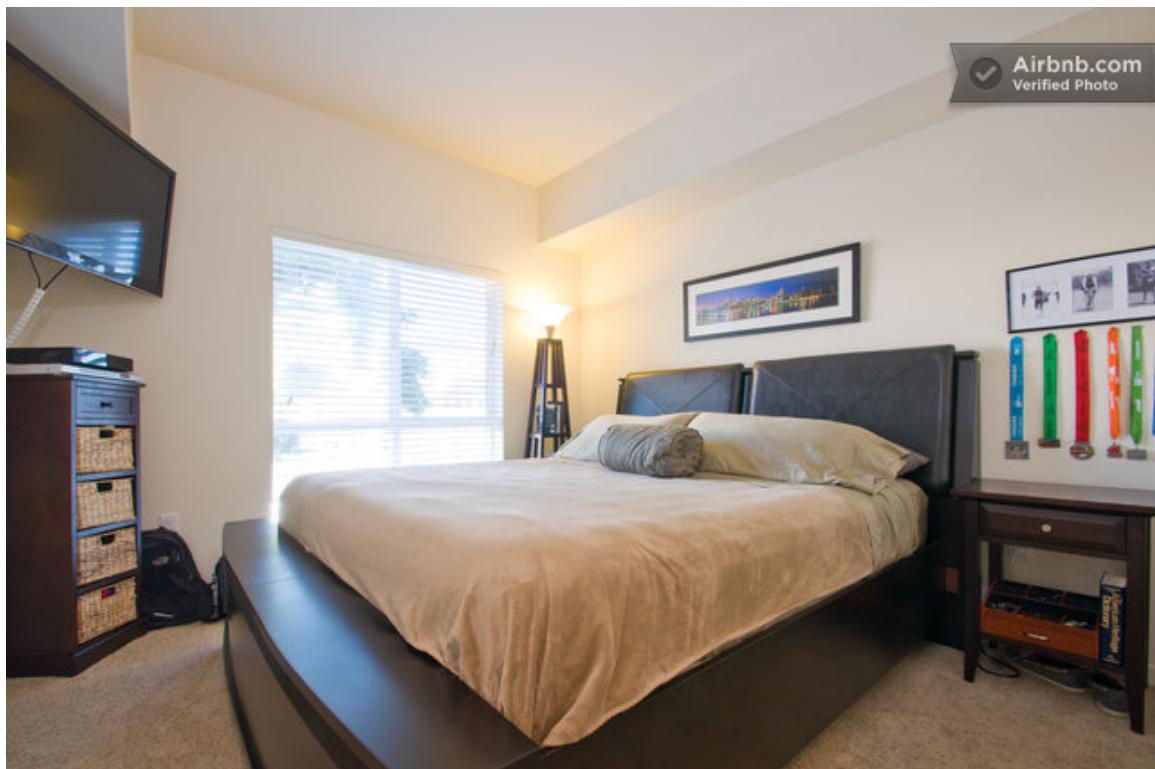
Returning to Santa Monica a few months later, I decided to further postpone the 9-5 grind and see if I could support my new lifestyle by continuing to rent my one-bedroom apartment full-time on Airbnb. My girlfriend was nice enough to welcome me into her cramped apartment with only a couple bags of clothes and a vision. Using skills I had acquired from my previous life in corporate operations I began analyzing the business. Cutting utility costs, automating check-in processes, and improving my pricing until I was able to see \$6,500 in income each month while reducing my work to less than 4-hours a week.

I had proven that I could make a significant profit from an existing apartment that was already furnished, but would it work to rent and furnish another apartment just to list it with Airbnb? After a month of researching and number crunching, I decided to pull the trigger and rent a high-end penthouse apartment for \$3,695 a month. I made my money back on that investment in less than four months and am now profiting \$3,500 on that property each month.

Since then I've added a property about every 4 months and now have 5-full time rentals. Without owning any property, I've will receive rental income in excess of \$300,000 in 2014 with a profit margin of about 60%. You can do the math, but my profits will be well into six-figures. It seems unreal when I calculate my new hourly income of \$425 per hour. I don't think corporate America is going to be paying me that much any time soon.

A Review of the Numbers

Property 1 - "The Bachelor Pad"



Revenue	\$74,890
Cost	\$35,250
Rent	\$33,600
Furnishings & Supplies	\$845
Cleaning & Maintenance	\$420
Insurance & Other	\$385
Profit	\$39,640

Property 2 – “Penthouse” – Furnished from Scratch



Revenue	\$78,920
Cost	\$52,235
Rent	\$44,340
Furnishings & Supplies	\$6,915
Cleaning & Maintenance	\$645
Insurance & Other	\$335
Profit	\$26,685

I've opened three other properties that look much like these two, high-end apartments in highly trafficked tourist areas year around. Each of these apartments typically nets about \$25,000 in profit in its first full year, and about \$35,000 in subsequent years.

I've consulted for several other 'rentalpreneurs' that have taken this model and put in on steroids. Many have 20-50 full-time rentals and a few of them have 100+ full time vacation rentals on Airbnb. The problem with that sort of growth is that at some point they've had to sacrifice quality for growth. In the course of this book I

will focus the strategies to create a six-figure passive income stream while maintaining a high level of service delivery.

The Shared Economy

The shared economy is empowering people to capitalize on their idle assets. Instead of your car sitting in your drive way when you are on a business trip, why not rent it out to a neighbor who just got in a fender bender. Having a hard time rationalizing buying a new band saw for your home improvement project? Why not pay for it by leasing it out to other handymen in the area? This new method of collaborative consumption is changing the way we think about the cost of ownership. Is it really cheaper to own a car vs. rent? Chances are if you live less than 10 miles from your office you could Uber to work every day for less than the cost of your car payment, insurance, gas, and maintenance.

Leveraging upon social media, better search technology, and an improved perception of digital relationships, the shared economy is creating new income streams for all. People everywhere now have a variety of digital markets to advertise their assets and services while cutting out traditional big businesses.

Airbnb has grabbed international attention for being the most disruptive company in the travel/hospitality industry today. Airbnb empowers anybody to rent out their room, apartment, or home that provide a unique experience at more competitive rates than traditional hotels.

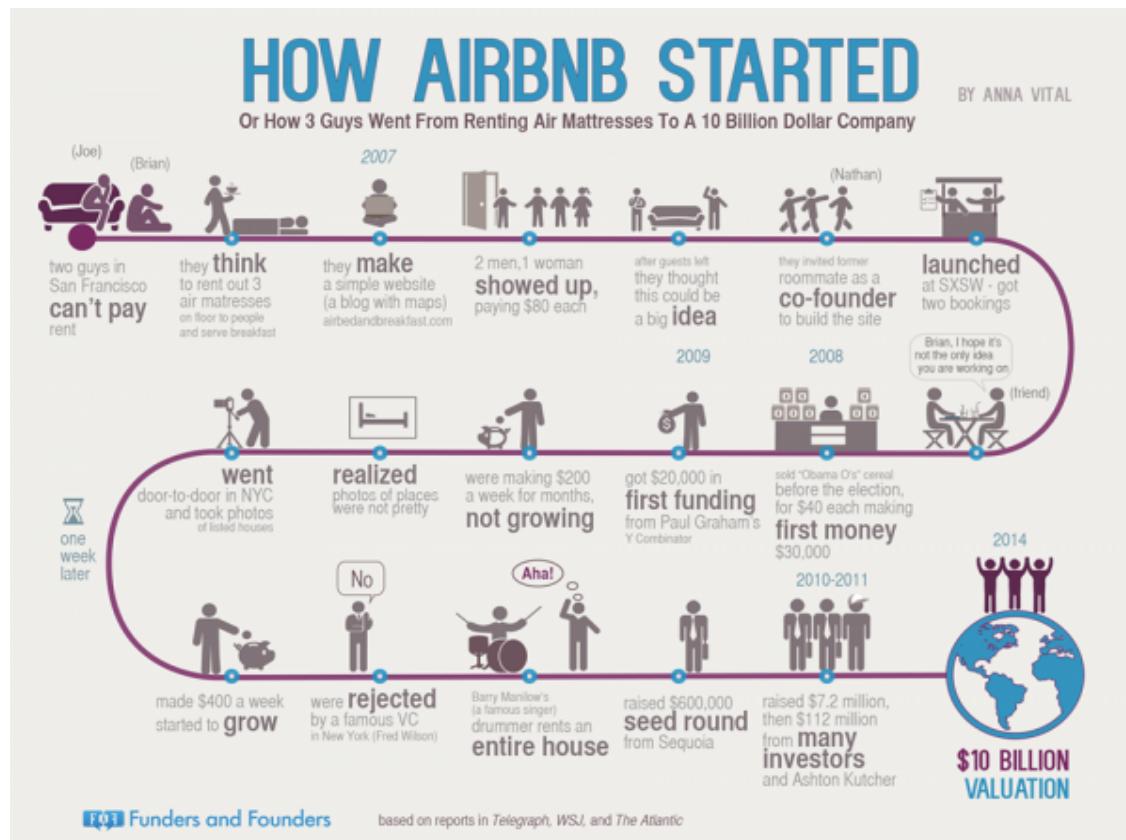
With listing in 99% of all countries in the world, and more reservations than Starwood Resort, Airbnb can no longer be ignored. In five short years, Airbnb has developed from a Silicon Valley start-up idea to being the figment of every hotel executive's nightmares. As its growth continues to eat into hotel revenues and municipalities tax streams, a legal showdown is sure to take place in many cities across the country. Airbnb will be representing us, the consumer, in combat with the Goliaths of bureaucrats and big business.

Airbnb has become so successful in monetizing the extra space that people are not occupying that people have started renting out the space they do occupy. Many hosts have found renting out their entire homes on Airbnb profitable enough to finance exotic trips, and some are even renting additional space just to re-rent on Airbnb.

And...this is exactly the path that my story follows. Going from part-time to full-time host, to acquiring new apartments for the sole purpose of renting them out on Airbnb.

A Brief Airbnb History

Airbnb has housed over 17 million people across 800,000 properties in 34,000 cities across the world. Its growth and international reach is unparalleled and is quickly reshaping the way people experience travel around the world. Airbnb caters to a new generation of travelers seeking unique travel experiences that provide a higher level of cultural immersion. From its humble roots as a website renting out a single air mattress in San Francisco it is now valued at \$15 billion dollars and is the darling of the disruptive tech community.



Airbnb is only as successful as the people that dare to wade into the uncertain waters of the new collaborative marketplace. Every country and city is adjusting to this new way of traveling and earning money differently. Many people are in tune with woes of the New York regulatory battle and with so much publicity given to this and the sex parties, squatters, and ransackers it is shocking to see the growth curve that Airbnb been able to maintain in-spite of the alarmist media coverage.

The story that isn't often in the headlines is the family that is able to keep their home in tough times by renting out an extra bedroom, or the mother that is able stay home with her newborn because of a little financial lift from Airbnb.

The facts are that the Airbnb marketplace has created huge opportunities for those that are able to re-think the conventional paradigm of the landlord and tenant relationship. The “have-nots” can now have a little financial freedom and get a taste, however big or small, or what being an entrepreneur is all about. I hope to empower the micro-entrepreneur and provide all of the information, strategies, tools, and tricks to build a significant revenue stream on Airbnb.

Believe it or not, there are millions of people around the world that are interested in renting your place!

Whether you live in a major metropolitan area or on off the beaten path, there are people staying in thousands of cities across the world tonight. I have developed the only Airbnb analytics tool that shows people how much they can earn on Airbnb when effectively managed.

View my [AirDnA](#) (Airbnb Data and Analytics) tool to see how many people in your city are currently making money on Airbnb and how much they are charging per night. (Available for the United States Only). Upgrade to a premium report to see occupancy rates and other insights to optimizing your Airbnb listing.

Then, learn all of the insider tips provided here to unleash the power of the shared economy using this Airbnb Expert's Playbook.

What Is Rental Arbitrage?

I've made all of my money without owning much of anything. I sign long-term leases on properties for the sole purpose of re-renting them on a short-term basis. In the financial world they call this an arbitrage opportunity – taking advantage of differing prices for the same commodity. By holding the apartment for at least a year I assume the landlord's risk of vacancy and the possibility of a declining rental market. In return for taking on that risk, I am able to charge a higher daily rate for the place. If there is a significant enough difference between the monthly rent and the daily rate that can be charged for a place, you've found yourself an investment opportunity.

These sorts of opportunities can now be fully realized due to the creation of the Airbnb marketplace. Unlike the former incarnations of vacation rental websites, Airbnb has created a guest screening and reservations process that eliminates most administrative headaches. This streamlining of the ‘sub-leasing’ process has brought the operational cost down to a point where a significant profit can be realized.

I rent high-end apartments in the Santa Monica area that start at \$3,000 a month. If I can charge \$250 a night and book it every night of the month I would receive \$7,750 in rental income. That leaves me with a potential profit margin of \$4,750 each month. Over a year that is over \$50,000 in profit on a single apartment!

When I confide to close to friends that I've replicated my old corporate six figure salary by re-renting local apartments I am met with looks of astonishment and doubt. Is that legal? Does your landlord know? Aren't you worried about regulation? In the following guide I will show you how to overcome these obstacles and build a substantial income stream working 4-hours a week.

Finding Rental Arbitrage Opportunities

Airbnb has grown in many areas faster than others. Some markets such as San Francisco and New York have adopted this hospitality movement faster than others. It used to me a mystery as to which areas were seeing highest occupancy rates and where the largest opportunities existed. I set out to change that.

I developed [AirDnA](#), a tool that first time reveals how much people are earning on Airbnb. This tool is the foundation to building a successful Airbnb enterprise. If you haven't already navigate to it from my website [rentingyourplace.com](#) and view your neighborhood. With the current prices for comparable size units, occupancy rates, and estimated monthly revenues in your area, everyone in U.S. can get accurate information on their homes earning potential?

If you are looking a new property to rent I suggest using AirDnA to find existing successful properties. Airbnb entrepreneurs tend to overlook that it's easier to be a fast follower than first mover. For those not up on their business school jargon, it means **find a successful Airbnb property and replicate it**. Copy the location, the type of decorations, the style of photos, and listing copy. For larger metropolitan areas the AirDnA tool will uncover some Airbnb hotspots. Often you can isolate actual buildings that have a high density of Airbnb listings. Instead of risking a new location, and huge concerns about building management, follow the crowd.

How to Approach Landlords About Sub-Leasing

My experience in talking with Airbnb hosts shows that over 75% of current Airbnb hosts that are renting their place are breaking the terms of their lease. Most standard rental agreements have a no subleasing clause. Stuck in the 20th century, most property managers have a fear of stranger wandering their halls and liability concerns about someone falling down the elevator shaft, or cracking their head in the lobby after a big night out. This is at least the excuse they will use when asked.

The real fear of property managers is not getting paid. If they don't know who is living there they don't know who to chase when rent is due each month. Property Managers still believe that credit checks and background screenings are the only way to vet for responsible tenants.

These big property management companies will not change any time soon. They are too large and bureaucratic to bend their rules and rewrite leases to appease the needs of a single renter.

Here are some general tips that I've had success with in finding cooperative building managers.

Tip #1 – Bigger is not better

Approach small property managers that manage smaller and fewer buildings. These managers are not only more motivated to get a long-term tenant; they have the authority to be more flexible.

Tip #2 – Get your Landlord Involved

Create a position for your property manager. Like many of us, on-site property managers are looking to earn some extra income. I've outsourced my key exchange and guest check-in to one of my managers. For \$50 a check-in I have a supportive and happy landlord.. BARGAIN!

Tip #3 – You're a Professional.. Act like one

Sell your previous experience. There is nothing more convincing than showing stunning photos of an existing rental and extraordinary reviews from previous guests. The impeccable clean apartment maintained year around should subside fears of the party den that many envision when thinking short-term rental.

Tip #4 – White lies don't hurt

If you approach a landlord and say, "hey I'm going to re-rent this unit to a bunch of strangers on the Internet," they will tell you to get lost. Bend the truth. Sub-leasing doesn't have to be a full-time endeavor. Landlords will be much more willing to approve changes to the standard lease terms due to changing life events.

Some examples:

- My girlfriend/boyfriend and I are moving in together and I would like to keep the place for weekends/weekdays because it is convenient for school/work. Would you be open to me finding short-term tenants on the days I am not in town?
- I lost my job and need to reduce my expenses and create some more income until I can get into another position. Are you OK with me temporarily renting out a room so I can cover rent?

This is truly an art form that depends on you being likeable and trustworthy. Make sure to build a relationship with the landlord before asking for favors.

Airbnb's Competition

Vacation rental websites have existed since the dawn of the Internet. In 1995, VRBO.com began as a private website used to rent out a single ski chalet. It now has

over 575,000 listings. Airbnb entered the market in 2008 and is expected to have one million listings spanning nearly every country in the world by the end of 2014.

With so many vacation rental websites out there today, it can be difficult to figure out the best place to list your property. Conducting a quick Google search will result in a variety of specialty websites such as:

The Apartment Service (www.theapartmentservice.com)
At Home Abroad, Inc. (www.athomeabroadinc.com)
Great Rentals (www.greatrentals.com)
Holiday Lettings (www.holidayletting.co.uk)
Online Vacation Rentals (www.onlinevacationrentals)
Rentalo (www.rentalo.com)
Sea2Sky Vacation Rentals (www.sea2skyvacationrentals.com)
Vacation Home Rentals (www.vacationhomerenitals.com)
Villas International (www.villasitnl.com)
Skyrun (www.skyrun.com)
Windmu (www.windmu.com)

It is not uncommon to see property managers listing their properties across ten or more of these outlets. But times are changing, and a consolidation of the bigger sites has created five main players.

Airbnb [www.airbnb.com]
FlipKey [www.flipkey.com]
HomeAway [www.homeaway.com]
VacationRentals. [www.vacationrentals.com]
VRBO [www.vrbo.com]

A Cost Comparison

The revenue model for vacation rental websites had been the same for the 15 years before Airbnb arrived. Property owners (hosts) would buy annual subscriptions to several individual vacation rental websites. Serious hosts would pay for “upgraded” listings to improve their visibility by highlighting their ad at the top of the search results. These premium listings promise up to “4x more booking” for a hefty fee.

For example, a basic listing with HomeAway is \$349, but a premier listing goes for nearly \$1,000. These traditional websites all employ the same tactics to upsell their users. Get people to sign up for a basic listing and then blame their lack of success on the lack of investment in their ad.

Airbnb entered the market and saw a way to grab market share by charging nothing up front and taking fees only when bookings were confirmed.

Here's a quick comparison of the fee structures for the five largest sites.

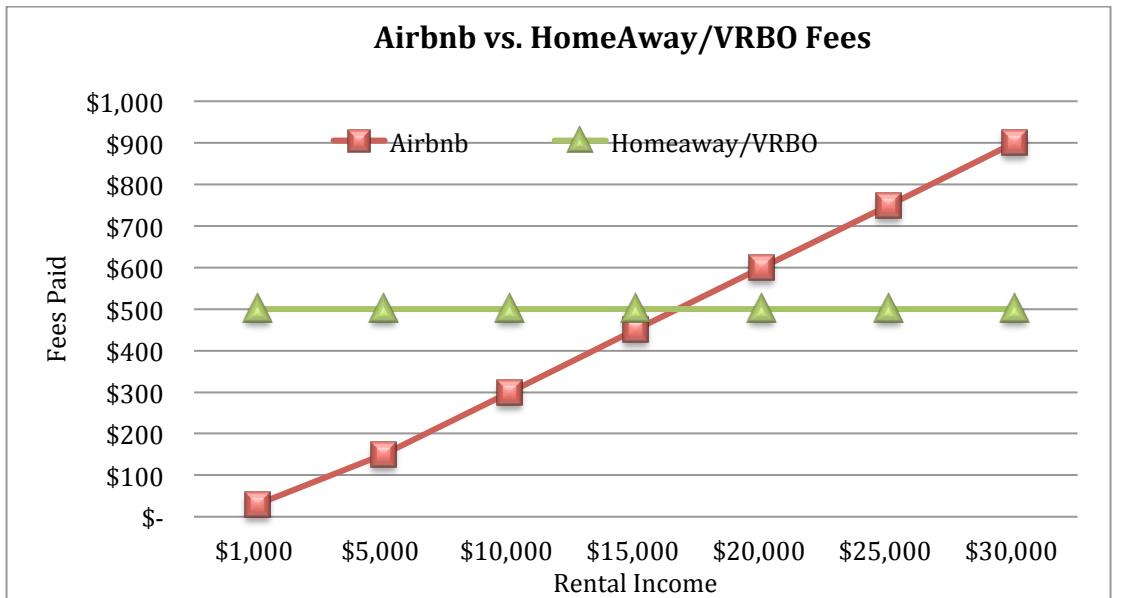
Website	Annual Fee	Host Fee	Guest Fee
Airbnb	None	3%	6-12%
FlipKey	None	2.50%	5-10%
HomeAway			
Traditional Fees	\$349-\$999	None	None
Per Booking Option	\$0	10%	None
Vacation Rentals	\$199	None	None
VRBO	\$349-\$999	None	None

HomeAway responded to the threat of Airbnb by offering a pay-per-booking option. The fee is 10% of each booking, which is cheaper than Airbnb overall, but you can expect to have your listing buried under the hundreds of other premium-paying subscribers in your city.

Seeing the success of Airbnb, FlipKey (by TripAdvisor) also entered with a similar pay-per-booking option to try to get in on the action. FlipKey has a great user interface and strong financial backing, but they continue to struggle gain new members.

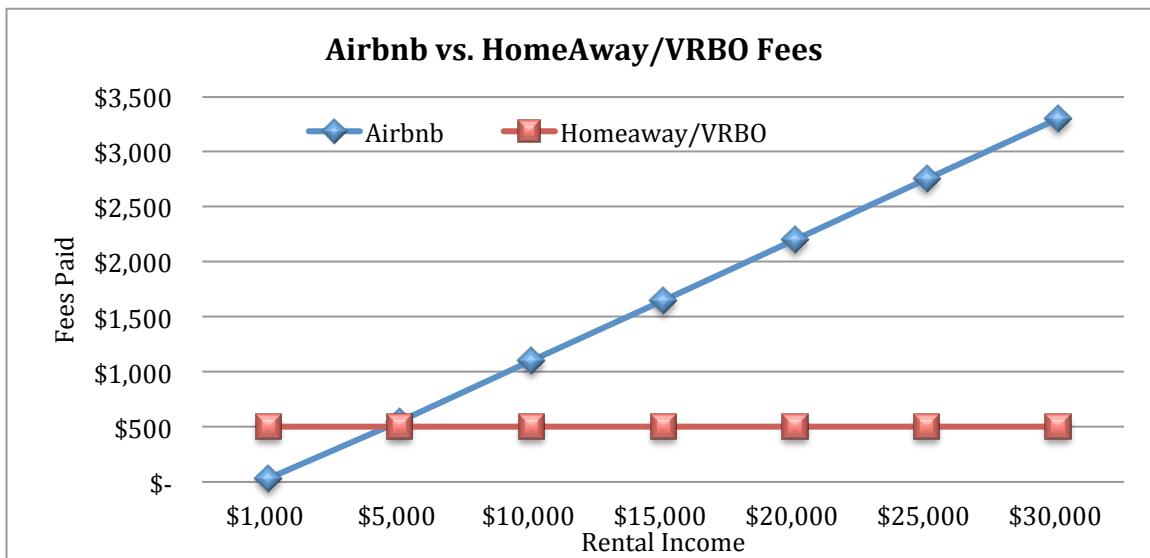
Traditional Fixed Fees vs. Per Booking Pricing

Let's take \$500 as the average fee for a listing on HomeAway or VRBO. It is interesting to see where the break-even point is between a \$500 fixed-fee listing and an Airbnb pay-per-booking fee of 3%.



The graph shows that if you are expecting to earn less than \$15,000 dollars per year on your vacation rental then Airbnb looks like an obvious choice.

But, remember, that Airbnb is charging fees to the host AND the guest. It is important to look at the total cost of rental from the customer's perspective. Guest fees range from 6% (for more expensive stays) to 12% (for cheaper stays). Let's take 8% as the fee the average guest incurs and again see what the break-even point is when taking all of the service fees into account.



Over the course of a year these fees become substantial. Listing your place with Airbnb will cost more if you are expecting as little as \$5,000 in bookings, and will

cost you an additional \$1,000 for every \$12,000 in booking you receive throughout the year.

So... why would I list my properties with Airbnb when I'm expecting over \$150,000 in bookings this year!!??

In one word: **FREEDOM**

I spend an average of 2-hours per week managing each apartment. Airbnb allows me to leverage my time so effectively that I am now netting over \$400 per hour. Airbnb is not competing on price, it is competing on VALUE.

Unlike a traditional vacation home rental market where owners were looking to have longer term stays with relatively few well-screened guests. Airbnb has switched the paradigm by creating a less restrictive, more dynamic marketplace. By handling transactions, allowing for instant bookings, and streamlining the reservation process, the website allows for a higher volume of bookings for an ever-increasing variety of accommodations.

With all this being said, it is important to note that Airbnb is not the right option for everyone.

For instance, HomeAway or VRBO might be better primary options for you if you are planning to:

- Rent a high value home (over \$500 a night)
- Rent to long-term tenants (over a month)

I do recommend that if you use VRBO or HomeAway for longer stays, that you complement it with an Airbnb listing to help book the gaps in-between longer stays.

10 Reasons Airbnb Is Dominating the Market

With several long-time veterans and a wave of newcomers to the vacation rental website market, here are 10 reasons Airbnb is going to be the undisputed champ.

1. Google-Like SEO

Airbnb rewards hosts that are responsive and have stellar reviews with improved search visibility. Unlike the others vacation rental sites that highlight properties that pay a premium, Airbnb uses an intelligent search engine to match guests with their perfect place.

2. No Hassle Transactions

By acting as the financial mediator, Airbnb drastically simplifies the payment process by removing the need to hold deposits, process wire transfers, or obtain credit card information. This streamlined process provides hosts more freedom to book short-term stays and same night reservations.

3. One-Click Reservations

By enabling the “instant book” option you no longer have to vigilantly hover over your computer to respond to incoming reservation requests. Guests can now instantly reserve your place without any personal communication. Instant bookings reduce the time you must spend responding to reservation requests.

4. Best Review Process Hands Down

Airbnb was the first vacation rental site to harness the power of social media and user-generated feedback. By linking accounts to Facebook and other social media platforms users only have one chance to make a good first impression. Reviews are prominently displayed and put pressure on hosts and guests alike to provide an exceptional experience.

5. International Popularity

Airbnb has the largest number international users. This past summer, almost all of my guests were visiting from overseas. International guests tend to stay longer, have deeper pockets, and treat places with greater care, making them the ideal people to rent your place to. Over time you will develop a network of global friends that are willing to host you when traveling abroad.

6. One-Stop Marketing Platform

It's surprising how many vacation property owners have to resort to multi-channel marketing because they aren't getting the results from their standard listing. Don't get buried under the 500 other listings in your area, or waste money advertising across multiple sites. Set up one listing, manage it well, and the visitors will come.

7. Better User Interface

Does VRBO make your cringe when you see your search results? It's not bad enough that the interface is archaic, but the results that come up are often not available for the dates or length of stay that you've requested. Airbnb's superior search engine and map interface gets people more engaged and more likely to find your perfect place.

8. Flexibility

Whether you are looking to make a few bucks while traveling over the holidays, trying to monetizing a spare bedroom, or establishing a full-time rental property, Airbnb accommodates the full spectrum of rentalpreneurs.

9. Up-to-Date Calendars

How frustrating is it reach out to several places only to discover they are not available on your specified dates? Airbnb rewards hosts that actively manage their calendars to ensure that the properties that appear in search results are actually available to book.

10. Results

The bottom line is that Airbnb provides results. I've been able to obtain a 90% occupancy rate and earn over \$150,000 in one year all the while working less than 4-hours a week. It's hard to argue with results like that.

What Kind of Airbnb-er Are YOU?

Being an entrepreneur is all about being different. Choosing a different path, accepting risk, and believing in your vision. Airbnb has provided a platform for the masses to dip their toes into the entrepreneurial waters.

The term micro-prenuer has emerged to describe this new breed of business savvy individual ascending from the ranks of the 9 to 5. But, I think that the term undermines the tremendous opportunity that exists in the collaborative economy. I prefer to identify myself as a "rentalpreneur".

Many types of the rentalpreneurs have emerged over the past few years. Most are looking to make a few bucks while traveling on holiday, some are looking to rent their place during popular festivals, and others are gobbling up millions of dollars of real estate just to rent it out on Airbnb. Where do you fit in this spectrum?

The 5 Types of Airbnb Entrepreneurs

The Couch Surfer

Built as the next generation's couchsurfer.com, Airbnb was originally created to accommodate the budget traveler. There is a large population of young, budget conscience world travelers looking for a wallet friendly alternative to hostels. Entrepreneurial hosts have started listing everything from spare bedrooms to tree

houses to backyard tents to accommodate the influx of visitors looking for cheap and unique vacation experiences.

If you have a spare bedroom or couch you enjoy the concept of meeting young budget minded travelers, than renting a shared or private room is for you. It's a great way to make some additional income and meet some cool people in the process. When posting a shared rental, you are selling yourself as much as your space. Make sure that you fill out your profile completely and link to your social media platforms. Potential guests are going to be much more interested in learning about you rather than the dimensions of the room. Since you are sharing your space with a virtual stranger, vetting your guests will also become more important. You don't want to share your remote control privileges with just anyone.

The Savvy Opportunist

Many communities across the country have seen the rise of music and film festivals transform their cities for weeks at a time. Some residents have been smart enough to figure out how to pay their entire months mortgage by renting out their place for a long weekend. Many other opportunities like this exist such as marathons, car shows, art festivals, or business conferences in your neighborhood. For those that have an influx of tourists a couple times a year I suggest switching the old paradigm of vacation planning. **Stop thinking about the best season to visit a location and start thinking about the peak time for someone to visit yours.** If done correctly, it is possible to entirely finance your next vacation by renting out your place. Opportunistic renters take advantage of peak tourist times in their hometown. These Airbnb host aren't interested in making an Airbnb a full time affair, but are always interested in creative new ways to earn some extra cash

The Jet Setter

Many of the latest listings on Airbnb are from the Jet Setter crowd. The Jet Setter lives a spontaneous lifestyle, blowing where the wind takes them for work or play. They've realized that renting their primary residence on Airbnb provides them with even greater financial freedom to spread their wings more often.

These types of Airbnb'ers list their primary residence on a full-time basis without finding another permanent residence. These listings are typically priced on the higher end of the market at a "make it worth my time to go somewhere else" rate. These hosts list their places year around, but are content renting out there places a few nights a month at peak rates. This is the best approach for people with flexible schedules, and remote jobs. If you have a significant other that you can crash with or buddies that don't mind you at their place for a few days, this can be a great way of making some supplemental cash.

When renting your private residence on a sporadic basis be sure to outline your house rules and what is off-limits. In order to protect your personal valuables it will be important to designate a closet, safe or entire room to secure your valuables.

While people will enjoy the personal touches of your private home be sure to remove as much clutter in your bathroom and bedrooms as possible. People are looking to settle in to make your home their own.

Also, be sure to stipulate how much lead-time you need to get your place prepared for rental. You don't want someone booking your place for a last minute getaway just to find out that you're out of town.

The Traditional Vacation Home Owner

The skyrocketing success of Airbnb has made many long time users of VRBO and HomeAway consider adding another rental website to their arsenal of marketing platforms.

These traditional users spend hours each day responding to inquiries from multiple sites, actively manage their complicated rental calendars, processing checks and security deposits and, in short, make a full-time job out of a part-time opportunity.

The traditional vacation rental homeowner typically wants longer term tenants that are more thoroughly screened. These Airbnb hosts try to jam the old vacation rental model into the new paradigm...no instant booking , longer minimum stay requirements, high security deposits... all of the things that scare away good potential business.

The traditional owners need to develop trust of the new community, let go of the tight controls and start letting their places becomes the passive cash cows that they hoped for when they got into this business in the first place.

The Full-Time Rentalpreneur

The Airbnb rentalpreneur has at least one property that is listed on the site year round with the goal of maximizing revenue and achieve 100% occupancy. Most have dabbled with the other types of rental opportunities and due to their success on a part-time basis have decided to rent their place throughout the year.

Seeing the success of their first property, many rentalpreneurs have searched out for additional properties to rent or buy in order to build their Airbnb empire.

The easiest path to becoming a successful full-time Airbnb entrepreneur is to test the waters by renting out your place during your next vacation. Then, over time, increasing the frequency of your rental activity as you get more comfortable with the pricing and process.

Creating and Marketing Your Listing

Learn how to harness your inner Don Draper to create a persuasive property listing will stand out from the crowd

The four elements of an effective listing:

- Eye-Catching Headline
- Punchy Description
- Beautiful Photographs
- An Effective Personal Profile

How do you get the most people to book your place after you've developed a great property listing? Here you will learn tricks to getting onto the first page of search results for Airbnb and Google!

Stand out from the Crowd

Capture Attention with an Eye-Catching Headline

Drawing attention to your Airbnb posting is an art form. The goal is to create a headline that reads like a once-in-a-life-time experience, unbelievable deal, hidden gem or sensational news story. What four or five words would make you click on the listing regardless of the picture? With increasing competition for the same eyeballs you need to think creatively and stand out from the crowd. "Ski to the Jacuzzi!", "Mingle with the Stars", "Basking in the Branches" or "Charming Bungalow in Paradise" are a few good examples of headlines that capture the imagination of the aspirational vacationer.

If your place doesn't offer anything particularly unique that will help you stand out from the competition, try going with something comical or even quirky. When coming up with a headline, keep in mind that your click-through rate is the priority here. What clever one-liner would make you click?

Make Your Description Pop

Be punchy and precise. Don't fall into old habits of paragraph style writing. Typically people read your description after the photos of your place have captured their attention. You have 50 words to get the unit basics across: Beds, baths, square footage. Then use carefully crafted bullet points to highlight your unit's top selling

points. What makes your place stand out? What's great about your location and amenities? Research your competition and come up with a list of your unit's five best selling points.

Be specific in your descriptions. Don't say "Nice stainless steel appliances". Instead use, "Professional Series Frigidaire stainless steel appliances." If your building has any marketing materials, such as brochures or a website, use them to your advantage. If you own your space, it may help to review your MLS listing to see what your agent found to be the properties best selling points.

Here's an example of a bullet point I use to describe my kitchen amenities:

Kitchen – Modern with stone counters, European wood cabinetry, professional series Frigidaire kitchen appliances. Includes dishwasher, garbage disposal, Kuerig coffee machine, Cuisinart toaster oven, electric kettle and all the cookware necessary to make a gourmet meal.

There are a couple things I'm doing here.

- **First, I'm listing all the amenities with their brand names.** It targets the high-end consumer I'm trying to attract and shows a high attention to detail.
- **Then, I'm relating the amenities to an experience.** Who cares if I have pots and pans? It's what they can do with pots and pans that is attractive and differentiates my unit from a traditional hotel experience.

If your place is located in a competitive area, you need to go the extra mile to separate yourself from the pack. Think of something unique that you can highlight in your listing that will improve your guests experience in the area. Perhaps you could offer beach cruisers, an iPhone to use, or golf clubs. These added perks are relatively cheap and will help you get more inquiries.

End your description with a call to action. The customer has made it all the way to the end of your listing so it is clear that they are interested. How can you get them to send you an inquiry before moving to the next listing? Within the listing you can create a call to action in two ways: create a sense of urgency or offer a potential deal.

A couple of examples for calls to action to conclude listings with:

Bookings have been coming in fast! Email me now to guarantee your reservation!

I'm always looking forward to hosting great people. Email me to see if we can work out a deal for your budget.

You will open yourself up to a lot of hagglers on the site by seeming open to bargaining, but getting the conversation started will surely help you confirm more reservations per listing view, which is especially important early on.

Take Beautiful Photographs of Your Property

Pictures are the single most important selling tool for your listing. Most people won't read a single word of your description until they've perused your photos.

Here are a few things to keep in mind when taking photographs:

Lighting: Be sure your rooms look bright and airy. Open a window to allow more light into the rooms. The easiest way to scare off potential customers is through dark and dull photos.

Room Size —If you don't have a wide-angle lens, and must use your phone, take the shot from the corner of the rooms at a higher angle. The goal is to get as much of the room in the shot as possible.

Attention to Detail: Have a couple close up shots of statement pieces, art, or a flower arrangement that communicates your attention to style and detail.

Surrounding Area - Are there selling points in your immediate area that will help you rent your place? Incredible views? The front lobby of your building, gym, rooftop, or the backyard? Think of the scenes that will give your guest a better idea of your location.

While it is possible to get good shots of your own place on your own, I highly encourage you to take advantage of the free photography service Airbnb provides. Make sure that your interior design layout and major furnishings are finalized before scheduling an appointment.

Note: Airbnb will only visit your property once to take photos. So make sure your place is clean and staged for their visit!

At some point, you may need to retake all of your photos, as decorations or furniture changes. I highly recommend finding a professional photographer. If you want to go the DIY route make sure you have a wide-angle lens and try to duplicate the light and color of a couple of your previous professional photos. Purchasing a GoPro is a good and relatively cheap method of getting a basic camera with great wide-angle options.

Add Photographs to Your Listing

The order to which you add photos is crucial. They new layout of site only allows for three primary photos. The first photo is your eye catcher... usually the largest room of your place or unique outdoor space. This is what will be displayed in search results and is by far the most important aspect of your listing. The second photo should show your master bedroom. The third photo is up to your discretion, but should be something that separates your place from other competing properties.

The rest of the photos should be presented in a way that helps guest understand the layout of your home. If you were walking through your place, starting from the front door, what would you see? What is the first room that you enter after the entrance? Airbnb doesn't currently allow video, but your photos should be organized in a way that replicates a video walkthrough.

Don't take multiple photos of the same room from multiple angles. Less is really more. The website and wireless connections are sometimes slow for people, so try to convey the essence of your property in no more than 12 photos. Refrain from taking too many photos of artwork, plants and other decorations unless they are really something special. You may love some of the stuff in your house, but chances are you're not going to rent your place based on your stellar pottery collection.

That being said, colorful accents around the house, especially on photo day are huge. Flowers, cheese and wine with poured glass of wine, a perfectly made bed and neatly folded towels will make your place stand out in the crowd. I can't stress enough what one day of staging and beautiful photos will mean to your success. It can truly be the difference between success and failure.

Sell Yourself with an Effective User Profile

In many ways you are selling yourself just as much as you are selling your place. People are often using Airbnb to make immediate personal connections in their destination city. This is especially true if you are renting a room or shared space. Your profile photo should exude personality and reliability. Depending on your listing type and target audience, make sure to fill out your profile so that these guests will identify with you, trust you, and want to get to know you. Here are examples of my profile picture and personal description.



Describe Yourself

I'm 32, and year ago, I decided to give up the security of my corporate job and travel the world for a year... 18 months later I'm still traveling. To subsidize my adventures I've listed two Santa Monica apartment on Airbnb.
Since quitting my job I've found my dream girl and married her and am expecting a baby girl in August. Best year ever!
I'm a 3rd generation native to Los Angeles and happy to help you see the great parts of LA that aren't in the Guidebooks.]

Improving Your Search Results

When potential guests search for an Airbnb property in Santa Monica, my apartment shows up on the first page of their search out of over 3,000 listed properties. Coincidence? I think not.

Airbnb has a custom built algorithm that ranks each listing, and if you know how to work the system, you too can be number #1 in your city. Below are eight tricks to help your posting rise above the rest.

Respond Quickly to Every Inquiry

You will receive all types of questions from potential guests. Many will be vague; others will be basic questions that you've already addressed in your listing. You'll learn to discern serious inquiries from the curious. But, no matter what the question, it is crucial that you respond as quickly as possible to all emails. The first contact is the most important. The clock starts ticking as soon as a message hits your inbox.

Airbnb provides preferential treatment to hosts that can respond within an hour to all initial inquiries. If you can't provide a thoughtful response, replying with a simple "Let me follow up with you shortly," that will stop the clock. Linking your Airbnb inbox to the SMS messaging on your phone will greatly help you stay responsive while you are on the go.

Keep Your Calendar Up-to-Date

The search algorithm feels more confident with the accuracy of your price and dates if you continually update your calendar. You can update prices, availability, weekly pricing... anything that shows you are actively managing your listing. I reassure the system at least once a week that my information is up to date by making small changes to pricing for the approaching weeks.

Enable Reservation Instant Book

In the beginning as a new host, I was very hesitant about allowing just anyone into my home, but the more travelers you host the more you'll realize the world is full of great, interesting and conscientious people. I haven't had one bad experience in over 100 rentals. When you have auto-confirm enabled you'll capture the well-to-do, non-nonsense traveler eager to secure their accommodations and move on. The more time you give somebody to research the competition, the more business that will potentially slip through your fingers. When you vet each Airbnb member, you open yourself up to endless back and forth email communication. My advice is to accept every reservation up front and vet the individuals you have concerns about after the fact.

Link Your Account to Social Media

By establishing your online identity you not only develop credibility in the community, but you also market the Airbnb platform. Airbnb loves the free publicity and will reward you accordingly for it through your search ranking. Make sure to post your listing on your Twitter and Facebook accounts and ask your friends to share and re-tweet. Having a strong social media presence will show Airbnb that you are serious in becoming a trusted business partner.

Optimize Listings for Google Search

Airbnb is still not a globally known resource for finding vacation rentals. I'm continually shocked how many guests that I've hosted that say they found my listing by conducting a simple Google search. There are entire books dedicated to improving your search engine optimization. I will not even scratch the surface here, but there are two easy ways I've found to get noticed without being a computer wiz.

Create a Headline that is Google Friendly

Some properties are in such unique destinations that, with a good listing headline, you may be able to make the first page of Google search results without any additional work. Something as specific as say, "Joshua Tree Glamping" or, "Grand Canyon Airstream," will probably get you organic Google visits.

If your goal is to get direct Google traffic, then don't use catchy phrases like "Charming Bungalow in Paradise." This won't work for Google. You need to be location and accommodation specific.

Once you've determined the three or four words that make your place unique, conduct a Google search to see what comes up. Is your place more relevant than the first few results?

Share your Listing on Social Media and other Websites

By simply sharing your Airbnb listing on Facebook, Google+, or Twitter you are going a long way toward improving your search rankings. Sharing is done with a simple click of the social icons at the top of your properties listing. Make sure to add a message that gets your friends to open the link.

Google ranks pages by analyzing the network of links from reputable sites to your listing. The more links on different sites that you have the more credibility you have in their eyes and the higher they will position you on the page.

I've been surprised how easy it is to get into Google results even in the very competitive market of Santa Monica. I've had several guests find me by simply searching for Santa Monica vacation rentals.

Pricing Your Property

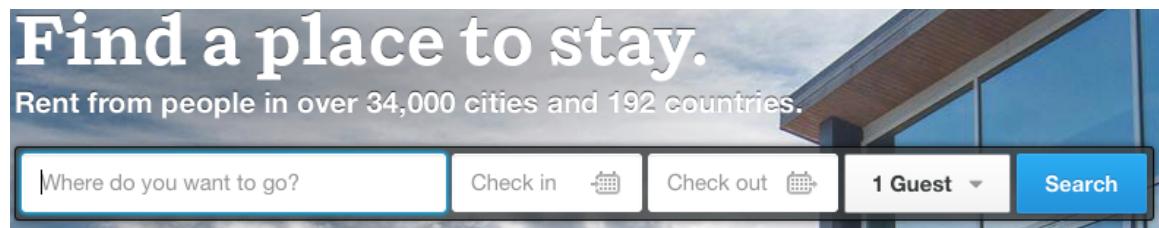
How much money can you earn through short-term vacation rentals? I will help you estimate your property's value and show strategies for maximizing your returns.

About 60% of your potential income comes from the intrinsic value of your property, location, and amenities. The other 40% is dependent upon an effective pricing strategy. Here you will learn methods to better assess the demand for your place throughout the year and how to adjust your prices in accordingly.

Determine the Market Value

There is no magic bullet or advanced analytics software that is can tell you what your place is worth. Airbnb itself is struggling to assist potential hosts with a pricing estimator. Determining your properties market value is going to take good old-fashioned research.

Research Competing Properties



Step 1: Find Similar Properties

Use the standard Airbnb property search tool to look for similar properties in your area. Limit your search to units with the number of bedrooms and maximum occupancy.

If a property is already booked it will not show in your results so search for dates 3-6 months in the future. Make the length of your stay at least three days and less than a week to get many results as possible.

Step 2: Create a Map

Center the map on your place and continue to shrink the map until you have between 10 and 20 properties showing on your map.

Step 3: Find Comparable Properties

Select the five properties that seem to be the most comparable and have the most reviews.

Hint: Analyze host with at least ten reviews when possible. They will be charging much closer to market price because they are seen as 'established' hosts.

Write down the listing number for each property.

Step 4: Review the Calendar for Each Property

Investigate the calendar of each property and confirm they are full-time rentals by making sure there are periodic gaps. Determine the price and estimated occupancy rate of each property.

Sun	Mon	Tue	Wed	Thu	Fri	Sat
23	24	25	26	27	28	1
2	3	4	5	6	7	8
9 \$89	10	11	12	13	14	15
16	17 \$89	18 \$89	19 \$89	20	21	22
23	24	25	26	27 \$89	28 \$105	29 \$105
30 \$89	31 \$89	1 \$99	2 \$99	3	4	5

Available Unavailable Past

Then make some additional mental notes such as:

- How many bookings do they have for the current month?
- What about next month?
- Are they increasing their pricing over the weekend?
- What's their weekly/month rate?
- Are they changing their rates according to the month/season?

Step 5: Create a Comparison Price Table

Create a table to compare the prices of each property using the information you've just gathered.

Example:

Property	Peak Season		Off-Season	
	Mid-week	Weekend	Mid-week	Weekend
#625267	149	215	99	149
#245578	175	199	109	159

Step 6: Estimate the Maximum Revenue for Each Property

Use this table to create an estimate of the maximum revenue per unit.

Example:

For Property #625267, let's assume that peak season and off-season are both six months, or 26 weeks. You would use the following formula to find the most that property can make in the year.

Maximum Annual Revenue=

$$((149*5)+(215*2)+(99*5)+(149*2))*26 = \$51,168$$

I believe that anyone can achieve 90% occupancy if you follow the strategies outlined in this eBook.

So your estimated actual revenue would be approximately

$$90\% \times \$51,168 = \$46,051$$

Undercut the Competition

As a first timer you'll need to reduce the daily price, especially for your first booking. I recommend pricing your place 25% under your estimated market value and slowly increase your rates as the reviews start coming in. Don't trust Airbnb's "suggested rate", they have not refined their analytics to a point where this tool is very helpful. For example, the tool suggests that I list my apartment for \$139, but my average daily rate is closer to \$225.

Achieving Maximum Occupancy

Vacation seasons vary greatly, but in metropolitan areas that have fairly consistent travel year round, I've found the following chart is a good rule of thumb for achieving max occupancy at the best rates.

Days until Reservation	Occupancy Rate
90 -180	10%
60-90	25%
30-60	50%
15-30	75%
1-14	90+%

Tip: If you have more than 25% of your nights booked 3 months in the future you need to increase your price!

If you have this 'good problem' of being booked far in advance, increase your prices dramatically and then incrementally reduce the price each week as your available dates arise. You will get a feel for the demand for your place at each price point.

It can be stressful waiting until the last 30 days to fill over 50% of your dates, but you need to be patient. If you have vacancies that are less than a week out then drop your prices to bargain rate. If I have open dates 7-10 days in the future I typically drop my price 5% each day until it is booked.

Trick: Airbnb takes note of every price reduction you make and seems to improve your listings visibility in response. Reduce your listing price by just \$5 can have a big impact.

The goal is to never have a vacant property. Airbnb does not publish the daily rate of your previous rentals so you don't need to worry about price erosion. Much like an airline, I'll have one guest paying \$99 a night and the next paying \$269 per night. All the dates that are booked at full value for the month should far outweigh the losses incurred a few times a month from cutting your prices. Actively managing your pricing helps you get a sense of what your property is actually worth during each day, season, and special event.

What to Do If You Have No Competing Properties in Your Area

On the off chance that there are no other properties currently listed on Airbnb, you will have the great opportunity of being the trailblazer. Instead of researching if there's demand by using Google Trends or any other fancy tools, just put up a listing and see what happens. Airbnb will show you how many listing views you have each day. If you are seeing at least a couple views a day than you are in business.

Weekend vs. Weekday Pricing

Airbnb provides great tools for setting special prices for Friday and Saturday nights. You may or may not want to take advantage of this pricing option. The simple question is does your area attract more tourist or business travel? If you don't know, don't worry. Your local hotels have spent millions trying to figure this out, use their research to your benefit. Use Hotels.com to search for a full week's stay at least a month in the future (making sure to avoid any holidays).

The screenshot shows a search interface for Airbnb. At the top, it displays the date range "03/06/14 - 03/11/14" and "1 room 2 adults". There is a "Change search" link. Below this is a table showing daily rates:

	Thursday 6	Friday 7	Saturday 8	Sunday 9	Monday 10	(Average)	Total
Max	\$280	\$249	\$350	\$290	\$275	\$289	\$1,444

Below the table, there is a summary row: "4 x" followed by a person icon, "Special conditions apply", "Welcome Rewards" (with options to "Collect" and "Redeem"), the total price "\$289" with a tip icon, and a "Book" button.

You can see that this hotel has the highest demand on Saturday nights and slightly less on the weekdays. Look at a few different hotels in the area and try to replicate their pricing strategy.

An additional benefit of increasing weekend rates is longer stays. If you lower your weekday rate and increase your weekend rate you will find yourself booking slightly longer stays on average.

Looking at hotel prices is also a great way to identify special events. If you see the price of hotels spikes on a particular day, or weekend, it is a good indicator of conference or large event in the area. Make sure to adjust your prices accordingly as early as possible.

Additional Pricing Options

Cleaning Fees

I've always been annoyed by the nickel and diming business practices in the travel industry over the past few year – everything from baggage fees, to resort fees and seat upgrades. At first, I was adamantly opposed to charging additional cleaning fees. As I moved along in the process I realized that cleaning fees are used as a tool to encourage longer stays.

When you spread a \$100 cleaning fee over a week it's no big deal, when you add it to one night, it is cost prohibitive. The cleaning fee is highly visible and is included in the displayed daily rate. Be reasonable with what you charge for cleaning so no potential guest is turned off.

Suggested Fee:

- Private Room: \$30 - \$50
- 1 Bedroom: \$60 - \$80
- 2 Bedroom: \$80 - \$100
- 3 Bedroom: \$100 - \$140
- 4 Bedroom: \$140 - \$200

Minimum Stays

Minimum stay requirements can be used in combination with weekend pricing and cleaning fees to improve your average length of stay. A higher average length of stay results in more profit per hours worked.

Managing ten turnovers in a month is twice as costly as managing five. In many areas shorter stays occur over the weekend.

Tip: Increasing your rates for Fridays and Saturdays and lowering the price of Thursdays and Mondays will promote more extended weekend stays.

For most of the year I do not have a minimum stay requirement. My high cleaning fee makes one night stays highly profitable. In your quest to achieve 100% occupancy you will often need one and two days stays to fill in the gaps between longer bookings. But, when emailed about a one or two night stay over 30 days in the future, I typically decline.

The best way to use the minimum stay requirement is for short upcoming vacancies. If you have a 3 or 4-day upcoming gap in your calendar you can use the minimum stay feature to only show in search results for people looking to stay that entire time. There is nothing worse than have someone book your place for one night at your bargain price right in the middle of a 3-day gap. I've instantly lost hundreds of dollars when that occurs because a single night stay is nearly impossible to fill.

Suggested Minimum Stay: 1 Day, except for special events and to fill upcoming 1 - 3 night gaps in your calendar.

Trick: Another technique I've seen utilized well by host with only a single property is creating two listings for the same place. The first listing is the main listing with your desired minimum night stay and second which is only activated when trying to fill short gaps in the calendar. The second listing should have all calendar dates blocked out expect for the few gaps that you trying to fill.

Security Deposit

I've never charged a security deposit. Security deposits add a barrier to booking and another administrative step to the reservation process. If you are concerned about some of the valuables in your home, acquire an itemized insurance policy. If anything goes horribly wrong, Airbnb has its own million-dollar insurance policy that will cover your property and general furnishings after, and only after, your own insurance policy is exhausted. With over 100 bookings to date, I've never been left chasing tenants for money or had anything of value broken or stolen.

Suggested Security Deposit: \$0

Additional Guests

Using the additional guest fee is not recommended. Guests will side step this fee by being elusive if they choose to. Stick to a maximum number of guests and charge the

same fee no matter how many guest are staying at your place. You don't want to be stuck patrolling the premises like a secret service agent to count heads. Trust your guests; they are looking to gain credibility on Airbnb as much as you are.

Suggested Additional Guest Fee: \$0

Special Events

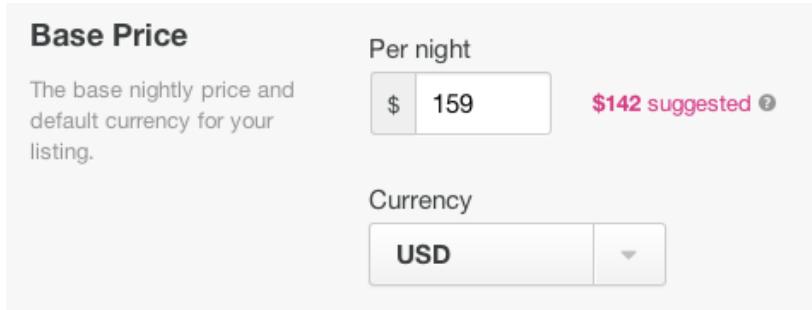
Special events bring the potential for big bucks. If there is a music festival, marathon, or sporting event in your area, you may be able to charge up to 5x your average daily rate. People will be looking for bargains early, so make sure you're not the only one not making great money on the influx of tourists with deep pockets

Tip: Get a calendar of local events for the year from your tourism bureau and jack-up your rates for popular events early!

Research what other properties in your area are charging for big weekends, but don't assume they have as much foresight as you. Hold prices high later than usual as many of the last minute planners have the most to spend. You should make an effort of doing this at the beginning of each year. Take a look at a city website or special events calendar for your neighborhood. I've had guests book my apartment over a year in advance, so make sure you don't wait until the last minute to adjust your prices.

Advertised Base Rate

The advertised rate is the rate the Airbnb publishes on the main page of the search results along with your lead photograph. To calculate this displayed rate, the site takes the nightly rate that you have entered for your base pricing...



Trick: Make your base rate your lowest acceptable rate. I typically keep this fee about 25% cheaper than my average daily rate. Users that don't specify date ranges in their property searches will see this base rate price displayed. When they click on your listing the actual price for those days will be displayed.

If the place is a bit more than they wanted to spend, but they LOVE it... they will book it. Sleazy bait and switch tactics are alive and well on Airbnb.

Furnishing Your Place

Harnessing your internal interior designer can be the most enjoyable part of setting up a rental property. Whether you are outfitting a place from scratch or putting the finishing touches on an existing home, these tips will help you create a desirable rental property without breaking the bank.

Identify Your Audience

Are the people staying in your property families, business travelers, weekend warriors, or budget-minded backpackers? You will have a wide array of travelers from all types of backgrounds calling your place home, but by really understanding the needs of your core audience you'll be better able to serve them.

If you're not sure who your audience is, meeting each of your guests at check-in will help you understand exactly who your customer is. Ask them why they are in town and how they selected your place. You will start to notice trends in the type of traveler you are attracting.

When you have a better idea of who your audience is, you can take the next step and invest further in items that appeal to them. Investing in a printer, big screen TV or set of beach cruisers will offer significantly more value to different audiences. Some hosts have had success with providing free iPhone use to international travelers. I ended up attracting a flock of musicians because I have a keyboard in one of my units. Investing in amenities that speak to a particular audience will help you close more deals.

According to Airbnb, business travelers book 40% of all stays. Investing in a printer and set up a small workspace can go a long way in attracting these visitors with deep pockets.

It is also worth noting that 90% of family vacation travel is planned by women. If you have a rental unit with multiple bedrooms and know you are hosting many families you should skew your marketing and decor toward the female demographic. Consider using throw pillows, flowers and "feminine" design touches to your rental property.

Decorating Advice

Decorating can either be a source of great joy or deep anxiety. I know, for me, it was nerve racking. As an admitted guys guy, the thought of buying throw pillows, deciding on color schemes, and picking duvet covers seemed like a nightmare come true. Below are some simple tips that will help you help you create a great atmosphere without breaking the bank.

Select a Theme

One of the appealing aspects of going through Airbnb is that people avoid cookie cutter hotel rooms and experience a city like a local. Create an authentic, local getaway by integrating aspects of the surrounding city into your rental property.

For Example:

If you live by the beach, hang a surfboard on the wall or display some seashells to create a beach bungalow vibe.

If your place is located in the mountains, create a rustic log cabin experience with thematic accent pieces. An antler chandelier, sheep skin throw rugs, framed photographs of the remote wilderness, anything that will create a sense of place within your property.

If you're in the city, some themes might be: Zen Urban Retreat (Buddhist yoga hangout), Bachelor Pad (think sports, after parties), Global Traveler (world traveler vibe), Modern (sleek, stark, white) or Mad Men (retro mid-century modern furniture).

For my apartment, I found some historic black and white photographs of the city at the turn of the 20th century. They make for a cool touch of history and add to that sense of neighborhood. I also have an 80-gallon fish tank that exudes tranquility, and several accent pieces (shells, surfboard) that reflect the local beach vibe.

Once you've chosen your theme, the key to appealing to the broadest audience is a clean, timeless design. Elements of style and taste vary greatly and will change quickly. But there are several things you can do to provide a design that will stand the test of time.

Rental Decorating Do's

Decorating a place for rental is easier and cheaper than decorating a private home. Act as if you are staging a home for sale. The goal is to appeal to the greatest number of people at cheapest cost. Having fewer knick-knacks, valuables and breakable items will save you money and frustration.

Here are some more decorating Do's:

Neutral Colors & Natural Woods

Think like you are staging a home for sale. The goal is to appeal to the greatest number of potential buyers. Selecting neutral colors for walls and natural woods for furnishing will ensure that your decor will appeal to the greatest number of people and won't be going out of style next month. Your walls and tables should act as the bones of the place. The real character should be added with accent pieces.

Statement Pieces

Most decorating ideas are made easier if you start with one statement piece. A statement piece can be a painting, colorful piece of furniture, pottery, or just about anything with color. Use this statement piece to select other complimenting colors for items throughout the room.

Use Fabrics

It is amazing how often fabrics are overlooked when it comes to designing a rental property. Fabric can bring your place from boring to exceptional. Decorative fabrics can be used in the obvious places such as throw pillows and slipcovers, and in less obvious places such as window coverings and even wall hangings. Want to block off a horrible color on a wall, simply anchor a wall covering and you can have a fresh look to a very outdated room. Using fabrics can create some wonderful design effects and they are fairly inexpensive.

Maximize Your Beds

The more people that can squeeze into your rental unit the more revenue you can squeeze out of it. Always have a futon or sleeper sofa in the living room. Have two separate full beds in an extra room that can be pushed together to accommodate two kids or a couple. Get the biggest mattress that can fit into the master bedroom. Try to avoid anything smaller than a King bed.

Think about your rental price as a cost per pillow. The more heads you can support, the more that you can charge. Many more people will be able to afford your place if they can divvy up the cost between couples. Have a blow up mattress or a cot, and always advertise for the maximum number of guest that can cram into your property.

Additional Do's

Managing a rental unit is always a learning experience. I've added the below items to my place after customer feedback and personal experiences.

- Pass the smell test, add potpourri near the front entrance
- Leave plenty of hallway space from the front door to the room(s), or else baggage will be banging against your walls and furniture constantly
- Have available outlets, extension cords, and even iPhone chargers on hand
- A doormat will save your floors and carpet

Rental Decorating Don'ts

Personal and Religious Items

Get rid of clutter and keep your space classic, clean. You may have a collection of anime figurines that are near and dear to your heart, but chances are the vacationing Japanese anime enthusiast market is small. You may be a fundamentalist Christian, but remove the crucifixes...your guests aren't looking to convert. The goal is to make every guest feel comfortable and at home. Tuck away personal photos, clothes, office records and toiletries. Keep your rental property more 'anonymous.' Your rental is not the place to display awkward family portraits in the living room or foot fungus cream in the medicine cabinet.

Tip: Put away your personal belongings and practice the three C's: Classic decor, in a clean space, free of clutter.

Purchasing High-end Furniture

Aesthetics for photographs is more important than the comfort of your beds and sofas. You should be furnishing to achieve quality photographs that highlight your property's atmosphere amenities and decor. The level of comfort or even durability of the furniture will not make a big impact when guests consider booking with you. It will also have minimal impact on guest reviews. No one is going to ding your overall rating because the couch is slightly stiff, or the side table is fiber wood. So when it comes time to purchase furniture, think more about how the items will pop in your photographs and less about whether it will be a durable family heirloom.

Hunt for Bargains on the Big Stuff

Don't spend more money than you have to on your big purchases. Check out these ideas for cost savings.

Craigslist (www.craigslist.com)

In most major cities across America, Craigslist is the best place to find bargain prices on slightly used furniture and electronics. It's a great resource for your large items, including your couch, bed, TV or dining table. If you bought these items new, they could take weeks to ship, but with Craigslist, you can pick them up immediately.

Craigslist is best used when trying to buy a single item or replace current furnishings, because finding the right piece in your area can take time. Good deals will go quickly.

Tip: Set up a Craigslist alerts for the type of items, electronics and desirable brands that you are looking for. By setting up an alert for Smart TV 42" under \$500 you should receive a good lead at least once per week.

Here are some big box stores that offer great stuff at super reasonable prices.

IKEA (www.ikea.com)

IKEA will deliver any amount of furniture purchased at the same time to your home for only \$149. They have a limitless selection of items and pre-designed room configurations.

Urban Home (www.urbanhome.com)

I stumbled upon urban home in my last effort to furnish a 1000 square apartment from scratch. I ended up buying almost every piece of furniture from here: couch, dining table, coffee table, bed frame and entertainment center. The style, price, and quality of furniture is fabulous. They will deliver and assemble up to seven items for \$149, and each additional seven items for only \$49.

Cort (www.cort.com)

An alternative to piecing the place together is buying furnishings for an entire room from a furniture rental company. Cort is the biggest player in the game, but you may have local shops in your area that also offer the same

services. You can buy entire room sets here, which can help take away some of the stress of being your own interior designer.

Electronics and Technologies

From electronic locks, to wireless thermostats, to steaming entertainment, technology is automating many of the time consuming and costly aspects of old school property management.

Wireless Thermostats

An amazing new technology that is helping automate property maintenance is Nest. Recently acquired by Google, Nest (www.nest.com) is a digital thermostat that can be remotely controlled by your iPhone. Energy costs throughout the year can really add up especially if you're cooling your place for days at a time with no one home. Nest has a motion sensor feature that will activate your heating or cooling only when someone arrives. This can add up to huge savings throughout the year!

Smart TV's

These days most travelers are tech savvy and expect to enjoy all of the creature comforts of their own home – even when they're traveling. A quality TV and sound system are great selling points and don't have to cost you a fortune. Simplify the devices in your home in order to avoid the ever frustrating "how do I use turn this on" question. This means one remote control, one device, one power button.

Buying a Smart TV is a great way to streamline the gadgets in your houses. "Smart" refers to the TV being connected to the internet. It transforms your TV into a full service entertainment center. This includes streaming movies thru Netflix, watching basic TV, or playing music through Pandora. The intuitive interface of a smart TV makes navigating in between applications a breeze. It removes the need for guests to move in-between different component inputs and outputs and allows them to stream movies right at their fingertips. The best TV brand out there in terms of price, ease of use, available apps, and overall quality is LG. Don't get anything under 42" for your main living space.

Cancel Your Cable!

Finding the right mix of streaming devices and antennas to replace your simple to use cable system might seem like a headache, but traditional cable distribution is quickly becoming a relic of the past. Below I'll cover the most basic way to cut the your cable, keep the Internet, and save yourself at least \$100 per month.

There are three items you will need to cancel you cable subscription and still provide your guest with an adequate amount of entertainment options.

1. A Streaming Device – (Smart TV, or Roku)

If you have an existing TV that is not “smart,” you’ll need to add another device. The best streaming content device on the market today is the Roku. It’s super clean user interface has the ability to search for programs between all of your apps, and has headphones that plug into the remote so you can refrain from subjecting everyone else to your insomnia.

2. A HD Antenna’s

Don’t worry, you won’t need to replace that thing on your roof or ruin your living room decor with four-foot rabbit ears. Today’s antennas look nothing like the ones from your childhood. They have come a long way since then and will go a long way in improving the cable less experience. If you are within 50 miles of civilization the Moho Leaf should be an easy choice for getting your local channels (ABC, NBC, CBS, FOX). The Moho leaf combines performance with aesthetics.

Go to TV Fool (www.tvfool.com) to make sure you are within range of your local broadcasting transmitters. You may need to get an amplified directional antenna if you are more than 25 miles from the station transmitters.

3. A Streaming Content Application

Most of these subscription services will allow you to link up to five devices without issue. Meaning that you can pay for the services for your home TV and still have them linked at your rental properties. Some applications are getting more restrictive about watching the same show on two different devices, but for the most part they are not cracking down on multiple devices

Running the Business

Reservations

Figuring out whom you want to welcome into your place and the minimum nights stay of each reservation has been a crucial decision since the advent of rentals. Screening guest to avoid the ravages of a bachelor party and requesting longer stays over the holidays have always been rental sacrament. But, experienced landlords should reconsider some of their long held beliefs when using Airbnb.

Achieve 100% Occupancy

In the last quarter my occupancy rate on all my properties was 92%. By continually adjusting your prices and minimum stay requirements, you can make this an achievable goal for your property too. Every day I have a vacant place I'm losing over \$100, so like any good business owner, I'm adjusting my prices constantly to try to book my place at the highest rate each night.

Travelers from Australia wanting to stay for a week time period in the summer are willing to pay more than a local couple looking for a spontaneous romantic getaway. Understanding your local market, competition, and the property availability each week will help you set prices that will fill your unit throughout the year at its full value. I'll discuss the details of these strategies in the following pricing section.

Beyond pricing, it is important to carefully manage gaps in your calendar. If there is a one-week period available a few weeks from now think twice about accepting a three-day stay right smack dab in the middle of that week. What are the chances of booking those two days on either end independently? Could you reduce the daily price to make it the most attractive option for the week?

I tend not accept reservations for three days or less that create short gaps in my reservation calendar. It is a risk, and you may have to discount the days down the line, but you increase your chances of achieving 100% occupancy.

When to Say "No, Thanks"

There are few circumstances where you should consider declining potential new business in order to catch bigger fish down the road. I've often say, "no, thanks" to:

- Bargain hunters
- People trying book less than 3-night stays over 30 days in the future.
- People asking to hold any sort of event, party, or filming

When accepting a short reservation you limit your visibility and availability for long-term reservations. While it is always difficult to turn away business, having entire months available, especially during the high season, will open you up to higher value customers.

This strategy helped me secure a 3-month stay at nearly full price because I was one of the few options available for the entire time period.

Screening Your Guests

Many property owners have been burnt in the past by guests who have treated their place like a frat house, stealing items and breaking furniture.

For many long time vacation rental hosts, sometimes the most difficult step in joining Airbnb is trusting the community. One of the greatest benefits of social media is the creation of online reputations. Users link to their Facebook and Twitter accounts and create a permanent online identity. This has changed the rental game by removing renters' anonymity and the behaviors that emerge when there is a lack of personal recourse. On Airbnb users are looking to build a reputation on the site and will go above and beyond to receive your positive review.

In my experience, the probability of hosting an atrocious Airbnb guest is extremely low. I've had over 100 travelers that passed through my doors and I've not had a single experience I regretted. Some guests are obviously more considerate than others, but there has never been anything stolen, damaged, flooded, or lit aflame.

But, as I reflect over the last year there are some indicators of who comes with higher risk. Here are some of the lessons I've learned and an outline of the information available for your due diligence before accepting reservations.

Airbnb provides a variety tools to screen your potential guests without speaking to them directly. There are several pieces of information available in each member's profile that can provide you with some reassurance that your place is in good hands. Don't be tempted to reach out to them directly and ask them personal questions. It's just bad etiquette and can make guests think twice about the type of overbearing host you may be.

The old vetting process has been replaced by integrating social media, ID verifications, and detailed user profiles.

The Four Stages of Digital Screening

Stage 1 – Airbnb Profile Basics

Basic contact information such as phone numbers and email addresses are verified during the account set-up process. Review the users “about me” section, each member will write a little blurb about themselves and their goals and passions. You can glean some additional info on age, vocation, and general maturity here. All of this information should give you a good general grasp of the type of adventurer you will be hosting.

Stage 2 – Social Media

Linking user profiles to social media platforms such as Facebook, LinkedIn, and Google performs the next level of verification. Before accepting any reservation, double check to make sure they have a link to at least one social media site with a significant amount of connections. Social media connections not only confirm that they have a real online identity, but it also shows a certain level of technological adoption. Nothing is worse than a guest who can't find your address on the Airbnb site, doesn't have text messaging, or just doesn't understand the ethos of the shared economy.

I once had some hesitation about hosting a self-proclaimed demolition derby driver coming in from Las Vegas for the weekend. Not surprisingly, when I arrived to turnover the apartment two days later the place looked like they held the derby in the middle of my living room.

Stage 3 – ID Verification

The newest and most secure level of the user authentication is represented through an “ID Verified” badge on a user account. All members of Airbnb have the option of taking a picture of a photo ID or answering credit report type questions to verify their identity. This badge links each user to a physical address and social security number. If anything goes horribly wrong during the stay, you know that Airbnb staff can locate each guest with an “ID verified” badge.

Stage 4 - Reviews

Once you feel comfortable that each guest is an actual accountable individual, move on to reading their reviews. 99% of reviews on the website are glowing. Try to read between the lines in reviews. Most hosts are afraid to negatively review their guest out of fear of receiving negative ratings in response. Look for at least one outstanding review where someone has obviously gone above and beyond to recognize them.

Using the information described above is the best method of screening guests. Your intuition isn't as good as you think it is. The insights in each user's profile are a much better indicator of the type of tenant each Airbnb member will be.

Closing the Deal

A large portion of your day-to-day activities will be responding to incoming reservation requests. Due to the international reach of Airbnb, these requests will come at all times of the day and night. Be prepared to answer all incoming messages quickly. Responsiveness is critical to confirming reservations before they move on to the next host.

Unlike hotel reservations that can be made quickly online, often there is a lengthy dialogue with guests prior to booking. In my experience, most potential guests will only "date" one host at a time. If you are the first to respond, they will choose you and the rental "relationship" begins.

Airbnb has recently been urging potential guests to contact several hosts to improve their chances of booking a place. Responsiveness is, and will be, the most effective way to confirm bookings.

Trick: Close each deal quickly by creating a sense of urgency.

A typical you'll receive is, "Is this place still available?" A simple response of "yes!" might seem satisfactory, but you can shift the balance of power in the negotiation by instead responding, "It is at the moment. I've been communicating with someone else today who is interested, but they haven't confirmed the reservation yet." Immediately you've created a sense of urgency, and at the same time you have reduced the possibility of them asking for a discount.

Hold the Line on Pricing

It seems we've entered a new age in America where everybody is looking for a deal and is willing to ask for one just about anywhere. Stories are arising everywhere about big chain retailers offering up to 15% discounts for anyone who asks. People are no longer embarrassed to divulge their budget or ask for your best price.

Don't devalue your property by giving deals to anyone who asks. My belief is that people are reassured by your confidence in the demand for and value of your place that they are just as likely to book as if you offered a discount.

If you are going to offer discounts, think creatively. My first go-to is by waiving the cleaning fee (simply done through the “special offer” section on the website). It shows that you are willing to work with them without ‘giving away the farm’. You can also consider offering them a free cleaning service during their stay.

Instant Booking

Many vacationers have spent hours surfing airlines sites and hotel aggregators before stumbling upon your listing. They have designated this time as their vacation planning time and want to get as much of it done as possible. By enabling the “Instant Booking” option on Airbnb, you allow those no-nonsense planners the ability to immediately book their stay, without any pre-booking communications.

The downside of instant booking is relinquishing some control of your calendar. For example, if you have a full week open in the next 30 days and someone books three-night stay right in the middle of that week then you are left struggling to fill the two days on the either side. I run into this issue often, but it is important to always implement options that improve automation. The less I have to communicate through emails and actively manage calendars, the more time I have to pursue my interests.

Airbnb is committed to the long-term success of Instant Booking and you should be too.

Share Personal Contact Information

Warning - Accepting payment outside of Airbnb is an outright violation of the terms and services. Be warned that attempt to accept transaction without using Airbnb as the financial intermediary can get you banned from the site

Airbnb is waging a never-ending war against the sharing of personal contact information on their website. It has created advanced text filters that will search for any signs of email addresses or phone numbers and hide them in the message after you submit the message. You will not know what information the text filter hidden. In the never-ending game of cat and mouse, members have developed creative ways to dodge the filters. A couple methods I've seen utilized.

The And and And Method

The text filter looks for numerical sequences that resemble a potential phone number. Placing an “and” between sections of a phone number seems to fool the filter.

Example: 310 And 555 And 5555

The Cash Money Method

Much like the “and and and” method I’ve seen the cash money method effectively used. Placing a “\$” between sections of a phone number seems to trick the filter because it looks like price negotiations

Example: \$310 \$555 \$5555

The Cryptographer

Brandishing techniques reminiscent of the Da Vinci Code, some user are using the ultra foolproof method of cryptography. Users will relay email addresses using methods such as the first letter of each word in a nonsensical sentence.

Code: Simon can’t operate those tasks at general markets allowing improvements listed down command of management.

Uncoded: Scott@gmail.com

Sometime guests have a million questions and it much easier just to pick up the phone and talk them through everything. Do not use this to attempt to accept bookings outside of the system. This is a big no no and potentially your listing can be removed.

Create a Personal Website

The best way to beat the Airbnb text filter is by creating a personal website. It can be very easy to set up a personal website with your contact information and property information. Luckily, I am the only Scott Shatford that appears in the major search engines. When I want to take a conversation off of the Airbnb platform I tell the user to “search for my full name” and then offer my full name as I close my email..

Note: If you even mention the word Google in the message. The automated text filter will take a harder look at your message and will most likely hide some information.

These days, the term “search” is pretty synonymous with Google search. Your personal website needs to be in the first page of Google search results in order for them to find you. Ideally, you should be the first result. This needs to be pretty idiot proof. You should have a photo of yourself on the first page of your website that matches the photo in your Airbnb profile

If you aren’t a computer whiz and the thought of starting a website is daunting... fear not. There are many ways to set up a website without having to know what a DNS Server or FTP site is.

There are great sites out there that enable you to create a one-page site in minutes. Using templates and easy drag and drop graphic options. The website builder from GoDaddy.com is a great option.

Once you get your website template up, develop your site with an eye towards gaining credibility with your customers. Add a brief bio about yourself, and maybe some blog content about your passions and interest.

Make sure to link directly to your Airbnb listings from your personal website. Airbnb loves back links and traffic from outside sites. They will reward you in your search results... your search placement within Airbnb will also improve.

Once prospective guests have found me and sent me messages they are already feeling more confident about me as a reliable person. I have been able to close 100% of deals where the user has contacted me via my personal website.

Encourage Repeat Business

Repeat business is best way to avoid the hefty fees imposed by Airbnb for repeat guests. Many business travelers are looking for a place that they can call home in each city. Once you’ve exchanged contact information and established a relationship of trust, accepting repeat bookings outside of Airbnb is a no brainer.

Airbnb has become aware of this as a potential threat to their bottom line. Repeat business cuts out the middleman, and their service fees. To combat this Airbnb has created temporary emails for each party that is revealed only after a booking has been confirmed. This creates an additional hurdle to capturing email addresses and following up with guests about future trips.

Make a concerted effort to specifically ask for the personal email address of each guest and start compiling a list. I will come in handy down the road for a bunch of marketing possibilities. I also track where each of my guests lives. You’d be surprised at how many people are happy to host you or show you their town when the tables are turned.

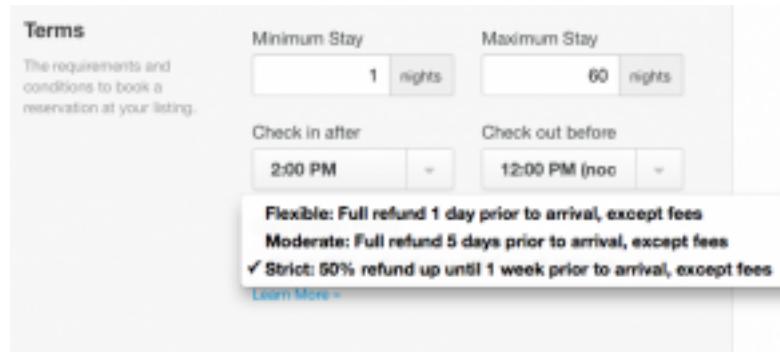
Cancellations and Refunds

Shit happens. For one reason or another you or your guest will need to cancel reservations for reasons that are out of your control. Having the correct account settings and good customer service approach will help you resolve any issues amicably.

Airbnb provides three cancellation policies:

- Flexible: Full refund 1 day prior to arrival, except service fees
- Moderate: Full refund 5 days prior to arrival, except fees
- Strict: 50% refund up to 1 week prior to arrival, except fees

I recommend going with a strict policy. I've had a couple perfectly planned months fall apart due to last minute cancellations. Being left trying to fill your place in a week's notice and drastically reduced prices is no fun.



You will encounter cancellations at some point and Airbnb does a good job of helping to resolve issue before escalating issues to the resolution center

Be compassionate and stick to the values that this shared economy is build upon, but don't get suckered in to taking significant money out of your own pocket. There are no downsides to sticking to your guns about the cancelation policy.

I recently had two guests cancel their trip on same day due to a snowstorm that grounded flights across the eastern seaboard for two days. Because they had already paid and their trips were cancelled for reasons beyond their control, I felt bad for them and offered them some options.

Option 1. Offer to immediately re-list the apartment and refund them any amount that you are able to receive for the days that overlapped with their reservation. Tell them that you will reduce the price to get someone in there and try to get them some money back. Inform them they can check your calendar to see if the days do get booked.

Option 2. Offer them a significantly reduced fee for another stay in the future. Something as cheap as \$49 a night. They will really appreciate you trying to make accommodations and in most cases will not take you up on the offer. You can still rebook the apartment, and potentially even make more money this way.

Sometimes when you are your guests can not come to agreement, the Airbnb resolution team will be brought in to mediate a fair compromise

Airbnb Resolution Center

The Airbnb Resolution Center is getting more involved in transactions gone wrong. Not every situation is cut and dry and the resolution team is there to mediate a fair compromise in special circumstances.

When Your Guests Need to Cancel: The Airbnb Resolution Center has the authority to offer refunds that are in excess of what your policy indicates. Contact the resolution team early with any issues to avoid your guest misrepresenting the situation. The resolution team may plead with you to offer more a refund than you are required to leave. Again, be compassionate, but you are running a business as the cancellation policy is there to protect you against exactly these sorts of circumstances.

When You Need to Cancel: The resolution center can determine whether or not a guest can leave a review for you if you need to cancel a reservation. Reviews for cancellations can be nasty, so be proactive and call the resolutions center and come up with a good excuse. Something like a sudden sewage issue will help you cancel without the penalty of poor reviews or cash penalties. The typical cash penalty is \$50 per cancellation.

Reviews

After each stay Airbnb reaches out to the guest for feedback on six different criteria:

The Six Review Categories:

- Accuracy
- Cleanliness
- Communication
- Location
- Value
- Check-in

These reviews are the backbone of the Airbnb community. Your feedback and reviews are highly visible throughout the site and have a large influence on your search result placement and the prices you are able to charge.

The review process changed significantly during the summer of 2014. Airbnb changed the review visibility so that reviews are not made public until both parties, the host and the guest, have left a review. There is a 14-day grace period to leave a review, after that, whatever review has been left is made public.

The rating system on Airbnb was extremely generous because people acted out of fear of rating retribution. Meaning...users were discouraged from leaving honest feedback (under five-stars) because they are afraid that other party will return the gesture. Since the system is built upon achieving a stellar reputation, most people would abide by the philosophy, "If you don't have anything nice to say, don't say anything at all." This prevailing ethos created a system of overrating and under-reviewing.

The old Review System – A Personal Story

I made the mistake of leaving an honest review once; I will not make that mistake again.

After an experience with a guest named Saad, who arrived 5 hours late, couldn't understand how to find the apartment or view the check-in information online. He wandered the hallways of the apartment asking where the Airbnb apartment was. Saad went on to lock himself out of the place twice in two days and was frustrated that I couldn't get away immediately on a Saturday night to let him back in. I found the place two days later with spilled coffee on my carpet and guest book. I left my first 'not recommend' review. I rated him 3 out of 5 stars across the board and left this comment.



Scott

Saad is a nice guy but not a great guest. He couldn't figure out how to navigate the system to figure out the check in process, left a mess, and locked himself out of the apartment.

January 2014

I thought it was fair assessment and that he'd begrudgingly have to agree with those facts. I thought at worst that he'd leave a similarly paltry review, but then I received the following review the next day..



Saad J

ahem Sorry, I had to suppress the laughter at the most inept host I've seen through my long history of using this site for bookings in various cities... writing the first negative review I've ever had based on his aggravation with my dealing with *HIS* incapacity to manage the check-in. First off - your heating didn't work the entire time in January. We didn't eat a single meal there or use the kitchen... were barely there the entire time... and still paid a *DOUBLE* cleaning fee regardless because you didn't even adjust the rate when I booked an extra day to the reservation. (Didn't whine about any of this though... like a grown man I just dealt with it. Apparently, however, 2 phone calls on night one and texts on the last night for a single situation that involved you actually managing your property and handling the check-in that you have in NO WAY made clear or even accessible... ruined your life. I'm so sorry. Do you need Post-trauma counseling?) --I must say that you've got a lot of nerve whining about 'cleanliness' when we left no trash of any kind behind, didn't eat any meals or use the kitchen, and were barely there except to sleep... and yet still paid a double cleaning fee, buddy. We even left on the 3rd night and drove back home. Wait... I *did* leave a bar of soap in the bathroom. Damn! I should've paid 3 cleaning fees for that! I knew it! Prima Donna Scott-a can't be-a botha'd!! And most important of all... there was nothing to "figure" out about the check-in process, half-wit. Your unit's "reservation details" tab doesn't have ANY information whatsoever other than the address and your contact number. Yeah, you should double check that. Furthermore when we called you... you explained nothing... (the unit number itself, I got from your neighbor after wandering around... once you finally buzzed us in. And your physical manual was so out of date that it mentioned 2 non-existent keys to enter the building and no key-fob... hence us having to reach you in the middle of the night to explain that to us. Fix your own inefficiencies, and take responsibility for them. Man-child. As for the idea that I'm responsible for *your* frustration with your own ineptitude because it was "annoying" that I needed you to clarify how to check in? That's some brilliant logic and moral equivalency right there, buddy. You have to be a special breed of self-absorbed and detached from reality to arrive at that one. Hats off to you. ----- I've stayed in dozens of air b-n-b scenarios throughout LA without any problems, all with their own difficulties for complex scenarios involving check in and parking... and I've always managed fine. My reviews speak for themselves. To you, and your inept, unworthy, ungrateful, petulant, entitled, and ultimately not self-aware sense of character, and the disgustingly low-work-ethic and perversely arrogant response to this booking's issues... I would say.... Grow...

Saad was also nice enough to rate me one star on every category bringing my overall rating down to 4 stars. Lesson learned...when you've had a bad experience don't be tempted to write about it and NEVER be the first person to review. Each party has the ability to respond to the other's comments, but by acknowledging each point of his attacks I'm somehow validating the presence of problems. I'd found my way into a public pissing contest with no way to save face at this point.

The New Review System

The changes to review visibility have improved honesty and critical feedback. By hiding reviews until both parties have provided feedback, Airbnb is fostering an environment of transparency and honest. This is great news for guests, but not so great for host. Before the change to the reviews system, it was MUCH easier to obtain 5-star reviews. Now, it takes a nearly perfect guest experience to achieve 5-stars.

New Airbnb hosts start off today with a slight disadvantage. Experienced hosts that have been around for a couple years have a great history of stellar reviews and it will take a long time before a few 3 and 4 star reviews will actually make a difference to their overall rating. New host obviously don't have this luxury.

This being said, there are still some ways to strategically manage the review process to maximize your scores without making significant changes to the actual guest experience.

Review Strategy

Most people see reviews as an optional administrative task, but the fact is that strategically managing reviews can have a huge impact on your business. Think critically about each of the communication points with your guest. Your goal for each guest is to receive 5-stars ratings across the board or no review at all.

I'm was an economics major in college and the strategies used here remind me much about what is referred to as Game Theory. Game Theory, in essence, is how intelligent individuals interact with one another in an effort to achieve their own goals. In this circumstance, your goal is to achieve a 5-star review.

Bad reviews can severely damage your business. If you drop below having an overall five star reviews your search results will suffer. In return your views will drop and eventually the nightly rate you are able charge will drop. Ratings are serious business!

Tips to Getting 5-Start Reviews

Send a Welcome Email Shortly After a Guest Has Checked In.

There is a saying, "your first impression is the last impression", and this is sacrament when it comes to vacation rentals. Most guest anxiety will occur in the first few hours after check-in. Many guests may feel stupid about not knowing how to operate the TV or adjust the thermostat. You'd be surprised how many people will sit there freezing and staring at a snowy television screen unless you are proactive about the communication.

Reach out to your guest with a very simple email a couple hours after check-in. Something simple like, "How are you settling in? Let me know if there's anything I can assist you with." This is an absolute homerun. It shows you care, opens lines of communications, and creates a relationship with your guests. Most will say everything is great. It's a win-win.

Send a Personal Note Just After Checkout

When an experience has been obviously smooth and positive, send your guests a personal note as soon as possible. Thank them for their cleanliness and wish them well on their travels. In this note, also ask for any area for improvement and emphasize the impact of their review on your business.

Leave a note to the tune of:

"Thanks for staying with me, please let me know if there was anything missing or that can be improved upon. I'm always making an effort to improve the guest experience. Your review on Airbnb has an extremely large impact on my ability to continue on Airbnb. If you would please let me know any areas of improvement privately I will ensure it is done for future guests"

You will get valuable feedback this way and reduce the amount of nit picky things that are left in your public reviews.

If you are confident that the guest had a positive experience, leave your review on Airbnb within 24 hours. Guests are much more likely to leave long, detailed, and specific reviews while the experience is fresh in their memory. These are gold. It's one thing to have a review that says, "Great stay. Would stay here again." It completely another when they go on for paragraphs about every little details that they loved. Potential guests eat this up.

Not every guest is going to be this easy. No matter how well you manage the process, you are going to encounter guest that are needy and demanding. Unhappy about the ply of toilet paper or lack of HBO, the fact is that that not every tenant is going to be a breeze.

Don't Review or Delay Reviews for Difficult Guests.

As it is recommended to deliver reviews quickly for great guests, the opposite rings true for the problematic ones. Your objective is not to receive a review from anyone that you expect less than 5-stars from.

The community doesn't recognize four stars as great; it sees them as "needs improvement." The easiest way to avoid getting a less than spectacular review is not to review the guest at all. Hopefully they are busy, and hopefully leaving a review falls off their radar screen.

Guests have the same trepidation that you have about negative reviews. Although, us hosts have a lot more to lose, guests also have a public reputation that they are trying to uphold. In my experience, if you leave a

review you are 25% more likely to receive a review in return. Your best bet is not to leave a review if you think it will be anything less than stellar.

The other option is to delay reviews. For guests that you felt positive about but aren't 100% sure about, post a review 10 days after departure. After 10 days, the specifics of their stay will be lost. Whatever hair they found in the shower, or expired milk left in the fridge will be replaced by new life complaints. After ten days you will receive more general positive feedback.

5-Stars is About Managing Expectations

As travelers ourselves, we are accustomed to the traditional hotel rating system ranging from five-star luxury resorts to two-star motels. The rating system for Airbnb is completely different. Ratings are given based on the accuracy of your listing to the actual guest experience. An igloo in Alaska can receive the same 5-star review as a chalet in Aspen, as long as you have accurately described your icy retreat.

The fundamental difference is that you are not being reviewed on the general opulence of your place, you are being reviewed against the expectations and experience you are selling in your photos and description. By accurately describing your decor, view, neighborhood, amenities and check-in process and being honest about drawbacks – you are already 80% of the way to receiving a 5 star review.

I've observed that the biggest concerns for Airbnb guests are cleanliness and the ease of the check-in process. These two criteria will set the stage for your guests' comfort for their entire stay and, not surprisingly, when analyzing reviews I've realized that these are the two categories that receive the most complaints.

Keep your place spotless and ensure your check-in process is well documented. According to Airbnb, if you have a 5-star rating on cleanliness you are 30% more likely to get a new booking.

Be as painfully specific as possible when writing directions on the check-in process. This will let people know upfront that all the logistics have been thought out and that you are running a well-oiled operation. The greatest source of anxiety for new members is unfamiliarity with the check-in process.

Establishing a great arrival experience for your guest is easy and discussed further in the maintenance section. If you can nail these two aspects, cleanliness and check-in, you should be able to easily achieve those 5 Star reviews.

Automate Your Property Management

When the vacation property is set up and the bookings are starting to roll in, the primary goal is to separate your time from your income stream. Below we will dissect each time sucking aspect of managing a rental unit and see how we can eliminate nearly every minute of actual work. I am currently spending less than 2-hours a week managing each property.

Property management includes everything from general cleaning, repurchasing household goods, guest check-ins, communicating with current guest and accepting new reservations.

Master Every Job

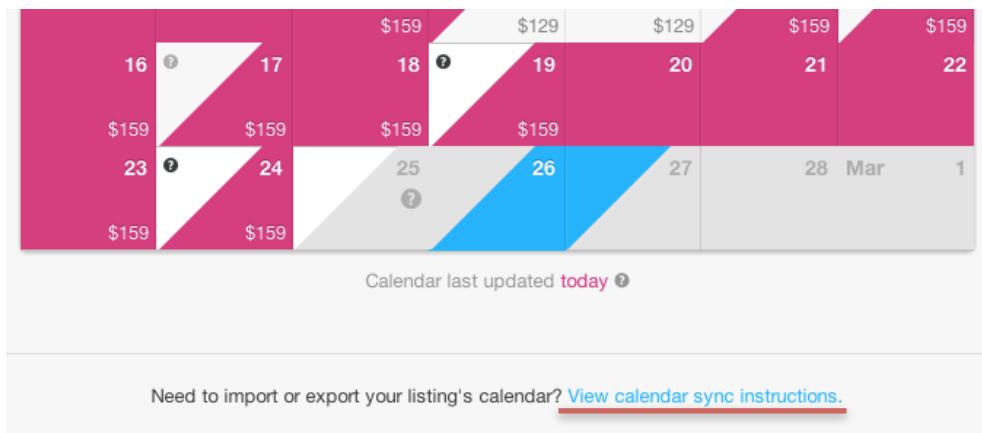
Owning every aspect of the properties management will help you quickly learn what is working and what is taking too much time; what you're willing to do versus what you'd rather outsource. It may not take long before you find yourself on your hands and knees, scrubbing a filthy toilet before you say "F-this!" While it's not all glamorous, it is necessary to help you understand every minute detail.

You should easily be able to achieve 5-stars by following this guide. Then, when you begin outsourcing responsibilities, you will have benchmark to compare future performance against.

Sync Airbnb Calendar to a Google Calendar

Along the way you are going to need help from a variety of people for check-in, lock-outs, and especially cleaning services. The best way to automate the transfer of information and scheduling of services is to sync your Airbnb Calendar to a Google Calendar. After you've synced your calendar to Google you can share all of your booking details with your support directly. This includes contact information and the check-in times for all of your upcoming guests.

Syncing you calendar is the single biggest thing you can do to improve your efficiency. The steps to linking your accounts are well outlined with the Airbnb site. Access the URL to export your Airbnb calendar with the link located below your calendar, in calendar management mode.



Airbnb Outsourcing Start-ups

New websites are emerging that cater to the more than 500,000 Airbnb hosts looking to improve the management of their short-term rentals. Vacation property management, which is estimated as a \$85 billion dollar industry, has struggled to keep pace with the trends in the industry. Property managers once supported their high cost, often 30% of total revenue, by flouting their marketing and pricing capabilities. But sites, like Airbnb, have created a one-stop shopping platform that streamlines the rental process. Filling in the gaps in service that Airbnb has not addressed, new specialized companies have emerged to help hosts with everything from key exchanges to predictive pricing.

As Airbnb matures, so do its hosts, many of whom have seen 100+ guests come and go. These 'Superhosts', are continually looking for ways to improve their guest experience while at the same time preserving their sanity. The drudgery of making beds and responding to the same "is your place available?" email for the thousandth time can drive anyone mad. At some point, Airbnb hosts can feel a bit burnt out and have a reality check moment, "Is this something I'm able to manage full-time, oversee part-time, or do I need to completely outsource?"

This decision is often about balancing one's instinct for control and the desire for more freedom. Every host understands that it only takes one miserable review to sink their fledgling Airbnb enterprise. This fear usually brings out the control freak in them and makes them hold on to managing a place long after the excitement of hosting fellow travelers subsides. Although the majority of Airbnb hosts have never

worked in hospitality, they know what good service looks like, and trusting that a third party service provider won't drop the ball on their 5-star reputation isn't easy.

There is no doubt that the service quality expectations of Airbnb guests are on the rise too. The days of supplying a blowup mattress and a bowl of Cheerios and calling that hospitality are long gone. Most guests are now expecting a pleasant smile to meet them at the door, impeccably clean bathrooms, pressed linens, and something fresh to nibble on in the fridge. Achieving a consistent level of service around the year can be a difficult task for even the most dedicated host.

A new type of property manager has arrived to offer Airbnb hosts a hand for a fraction of the cost. For fees ranging from 3% – 13% of total revenue (compared to 30% – 50%, for traditional property managers) hosts can select from a menu of services. By being able to pick and choose services, hosts are able to get the exact type of support they desire.

A group of smart new companies have arrived to help Airbnb host. From key exchanges to predictive price modeling, here are some of the top dogs in the new Airbnb ecosystem:

Guest Communications: Responding quickly to every reservation request can be a challenge. Guests often contact multiple hosts and the first to respond is most likely to get the business. Responsiveness is critical and [Guesty](#) makes sure you are quickest on the draw. For a fee of 3% of rental revenue, they will rapidly deal with all of your guest communications.

Key Exchanges: [KeyCafe](#) converts nearby cafes into key storage locations. With a fob attached to your keys you can be notified when they have been picked and dropped off. For only \$4 a month and a \$2 per pick-up free, it's a great solution if for those unable to personally greet their guest. Keycafe is available in New York, Vancouver, San Francisco and expanding quickly.

Cleaning and Supplies: Need to get a hotel style cleaning service with new towels, fresh toiletries, and a mint for the bed? A group of companies have emerged that will service your home like a hotel. From greeting guests at arrival, providing fresh linens and towels, to re-stocking shampoo and paper towels, these companies understand the importance of providing a top-notch experience at a reasonable cost. Local providers are emerging in most major metropolitan areas. New York: [Proprly](#), Los Angeles: [Porter](#), and San Francisco: [AirEnvy](#) & [Guestshop](#).

Advice and Analytics: Targeted toward the DIY host, [Rentingyourplace.com](#) provides advice and insights that help hosts improve their Airbnb IQ. The site contains numerous tips on furnishing, listing, and pricing an Airbnb property. In addition to tips and best practices, [Rentingyourplace.com](#) provides competitive intelligence reports for every city in the US. The product, named [AirDnA](#), provides

analytics on pricing, occupancy rates and other data, giving hosts a competitive edge.

Dynamic Pricing: Bringing dynamic pricing models of the big hotel chains to the little guy, [Beyondpricing](#) can automatically adjust nightly rates using their advanced algorithm. By analyzing conventions, seasonality, and availability, beyondpricing will dynamically change prices based on the good old principles of supply and demand. [Smarthost](#), [Everbooked](#) and [Pricelabs](#), are others that are competing in this increasingly crowded space.

No matter how big or small the need, there are dozens of start-up offering a helping hand in the shared economy.

Keeping Inventory

When furnishing new apartments from scratch I pay nearly as much for all little things such as peppershakers and waste baskets as I do for my major furnishings.

Over time the repurchasing of items will get expensive. Get organized around a process for checking and ordering replacement items. This will help you stay efficient and save on shipping cost from the major online retailers. Many of the outsourcing websites have methods for your employees to purchase items and then bill you the cost directly.

Do a monthly inventory check of your rentals. Create a checklist of the non-durable goods in the unit. Make sure you are buying these items in bulk each month. This will not only help you reduce costs, but it will help you keep better track of your expenses. In addition to replacing shampoo bottles and trash bags, your linens and towels are going to need to be replaced about every six months. By cleaning the place yourself, you'll be more aware of when it's time to ditch the dingy towels or replace your busted hair dryer.

If you have the time, taking a DIY approach to managing your property will give you countless insights into what your guest are enjoying. At some point you will have fine-tuned the process to point that you can easily delegate duties to an assistant.

Guest Check-in

I believe in completely automated check-in and checkout processes. If I can get someone in and out of the apartment without ever having a question, that is my definition of success.

In order to accomplish this you need to completely idiot proof every step. Ask yourself, "Can someone arrive on any given day to get keys, figure out parking, and

enjoy all the amenities of your clean home without ever communicating with me? Chances are, probably not.

The less you hear from your guests the better. The fact is that most communication is a result of a problem. Many full-time Airbnb renters I've spoken with believe in meeting each guest upon check-in. I agree that this will result in stellar reviews and more repeat customers, but the goal here is to liberate your time from your revenue as much as possible. If you have to be in town every time a guest arrives, or hire out the responsibility, you are cutting into both your time and your profits.

Create a Great Guide Book

A good House Guide is the best defense from time consuming frequently asked questions. Everything should be painstakingly detailed in your guide. How to operate the TV, thermostat, where the trash chute is, how to handle recyclables, and detailed checkout instructions. Highlight your wireless password on the first page of your guide. Your house guide is a constant work in progress. Take notes of every guest question you receive. Every few months update your house guide to address them.

The Key Exchange

Understandably, the biggest source of anxiety for any Airbnb guest is the key exchange during check-in. Often guests will be arriving late at night, and they are afraid you'll be nowhere to be found when they arrive.

There are some amazing products that have recently come onto the market that can securely automate your check-in process. Both these products bring key technology out of the dark ages and into the 21st century. I promise, this is one of the best investments you will make in your rental business.

For Renters: [Lockitron](http://www.lockitron.com) (www.lockitron.com)

A device that you attach to the inside of your deadbolt. Guest can use their smartphone to wirelessly turn the deadlock upon arrival.

For Owners: [Kwikset](http://www.kwikset.com) (www.kwikset.com)

Replaces your current front door lock and uses an imbedded keypad. The code can be changed for each new guest.

Airbnb is said to be investing heavily into local employees in each city to assist with the key exchange. Until then, there are traditional property managers that can help.

Taxes and Insurance

Insurance

The issue of liability became a big and contentious point for Airbnb after a host in 2011 reported having her house ransacked and much of property stolen in the summer of 2011. In response, Airbnb announced its “[1,000,000 Host Guarantee](#)”, which promises to protect hosts with a one million dollar insurance policy for “every booking, every time.”

Sounds good...right? Not so fast.

The Airbnb host guarantee only acts as supplemental insurance that kicks in after your own insurance policy has been exhausted. In order to qualify for the million dollar host guarantee you must have your own insurance policy.

Selecting the right insurance coverage for your type of rental is imperative to ensure that you are covered in case of any personal injuries, fire/flood, and natural disasters. With the right insurance policy you can even be compensated for lost income due to your property becoming uninhabitable.

Landlord Insurance

Landlord Property Insurance protects against events that a homeowner’s policy typically won’t cover. For instance, liability protection is important for second-home owners who plan to rent to guests. As a landlord, you’re at risk of lawsuits and claims of injury and property damage occurring on your property. And if your vacation rental property is furnished, you can individualize your policy with personal property coverage.

Renters Insurance

Vacation Rental owners know better than anyone how many events can damage a rental unit—everything from fire, wind and hail to damage from a vehicle or water damage caused by a fire protection system. If your property becomes uninhabitable, you may miss out on rental income for months at a time--an income loss that can be devastating.

Fair Rental Income protection covers lost rental income—all the way up to a year—if your property becomes uninhabitable due to certain covered losses.

Because each vacation rental property has unique needs and circumstances, you should speak to a representative to design a policy that is best for your circumstances. Typically sticking with the same insurance company that you have

your car, or homeowners insurance with will save you some money and hassle. But, with all of the insurance companies out there it is difficult to know who has the best combination of service and rates.

I had a theft occur in-between guests at one of my apartment buildings and my experience with Liberty Mutual was astonishingly smooth and easy. I was paid over \$5,000 in cash and had some items replaced with newer versions in less than two weeks.

I recently also located [CBIZ](#), which specializes in vacation rental insurance. I'm currently with them and very happy.

Taxes

Individual tax liabilities in each country, state and city policies vary widely, but here are few tips to help you limit your tax payments in the United States and avoid a visit from Uncle Sam.

Permanent vs. Temporary Rental

The Federal Tax code defines a permanent rental as dwelling that is lived in less than 10% of the days it is rented. Meaning, if you rent your place for 300 days a year, you can reside it in for up to a month. If you qualify as a permanent rental, you can expense all overhead incurred in the running of your business.

Material Participation

You also should be aware of the requirement of being "material participant" in your rental activities. In essence you need to be able to prove the IRS that you spent a significant amount of time the operation of your business. For more details view this [article](#).

Here are a couple ways that the IRS determines "Material Participation"

- Participating in the activity for more than 500 hours in the tax year (the most frequently utilized test);
- Participating in the activity if the owner's participation is substantially all of the participation in that activity by any owners (including non-owners);
- Participating in the activity for more than 100 hours in the tax year, if nobody else (including non-owners) participated more;

Expense Write-Offs

If you can prove that your vacation property is a full time rental you can write-off all expenses in operating this business. I can't stress enough how important it is to understand everything that can be written off and to keep good records of everything. More details about property taxation can be found at the [IRS website](#).

Here is a list of potential deductions:

- Rent
- Utilities
- Cleaning Supplies
- Cleaning Fees
- New Furnishings (50% value in the first year)
- Home office space
- Local travel expense for gas and vehicle expenses
- Interest on your mortgage or credit cards used to purchase goods or services
- Depreciation on all property in the unit. [IRS Details](#)
- Repairs
- Insurance
- Legal and Professional Services

Reported Income

Airbnb will request your personal taxpayer information from you in order to provide a 1099 at the end of the year. If you do not provide the information they may garnish 30% of your earnings and freeze your listing. It is not possible to avoid reporting this revenue so don't even try to avoid the taxman. Figure out how to play his game.

Tracking Income and Expenses

Creating clear business accounts and credit cards will help ease your stress come tax season.

One of your first steps should be to set up a separate checking account where you receive all of your payments via PayPal. Link all of your rent, utilities and monthly expenses to this account as well. If you need to take money out of the business to pay yourself, do it in regular time periods in standard amounts if possible. It will be very cumbersome to understand how to report your revenue or try to explain your income to an auditor if you don't set up a separate checking account and credit card early on.

If you are going to the hardware store or grocery store to buy personal and business goods, pay for each category separately. Let me tell you that it is no

fun going through old faded receipts and trying to figure out whether that coffee machine was for home or that toilet paper was for your rental.

Whether you are renting or own your rental property you know that the margins are relatively slim. Taxes, if not managed properly, can drain most of your profits.

Should I Set-up a Limited Liability Company or Incorporate?

Everyone's situation is different, but after lengthy research I have found a S-corporation to be the best way to limit my tax responsibility. An S-corporation allows a single business owner to easily pass through profits to themselves and avoid double taxation. This should only be set up if you are a material participant in the rental property management. I set up my S-corporation LLC using Legalzoom.com. All of the paperwork was filed with a week for about \$500. I'd highly suggest outsourcing this to a service such as legalzoom as trying to navigate all paperwork and requirements could be a full-time job.

For those just getting started just use a sole-proprietorship for your first year, especially if you are renting your properties. This business does not require significant startup capital or expose you to extraordinary risk (assuming you are properly insured). Unless you are anticipating making risky investments and exposing yourself to substantial risk then stick to the sole proprietorship to start. If business picks up and you want to start expanding, an LLC is a good idea for stage 2 of your business.

Taxes are unique to every individual and are extremely complex. This is a very general outline of what I've learned in the past couple years. Please contact and an accounting specialist if you planning on managing rentals on a fulltime basis. Setting this up properly can make or break your rental enterprise.