**AirBnB & Zillow Data Challenge**

**Problem Statement**

You are consulting for a real estate company that has a niche in purchasing properties to rent out short-term as part of their business model specifically within New York City. The real estate company has already concluded that two bedroom properties are the most profitable; however, they do not know which zip codes are the best to invest in.

The real estate company has engaged your firm to build out a data product and provide your conclusions to help them understand which zip codes would generate the most profit on short term rentals within New York City.

. You will be looking at publicly available data from Zillow and AirBnB:

* Cost data: Zillow provides us an estimate of value for two-bedroom properties
* Revenue data: AirBnB is the medium through which the investor plans to lease out their investment property. Fortunately for you, we are able to see how much properties in certain neighborhoods rent out for in New York City
* You can assume an occupancy rate of 75% or you can come up with your own model to calculate occupancy; just let us know how you came to that calculation

After meeting with the strategy team, you’ve got an idea of where to start, key concerns, and how you can help this real estate company with the market data while keeping the following assumptions in mind:

* The investor will pay for the property in cash (i.e. no mortgage/interest rate will need to be accounted for).
* The time value of money discount rate is 0% (i.e. $1 today is worth the same 100 years from now).
* All properties and all square feet within each locale can be assumed to be homogeneous (i.e. a 1000 square foot property in a locale such as Bronx or Manhattan generates twice the revenue and costs twice as much as any other 500 square foot property within that same locale.)