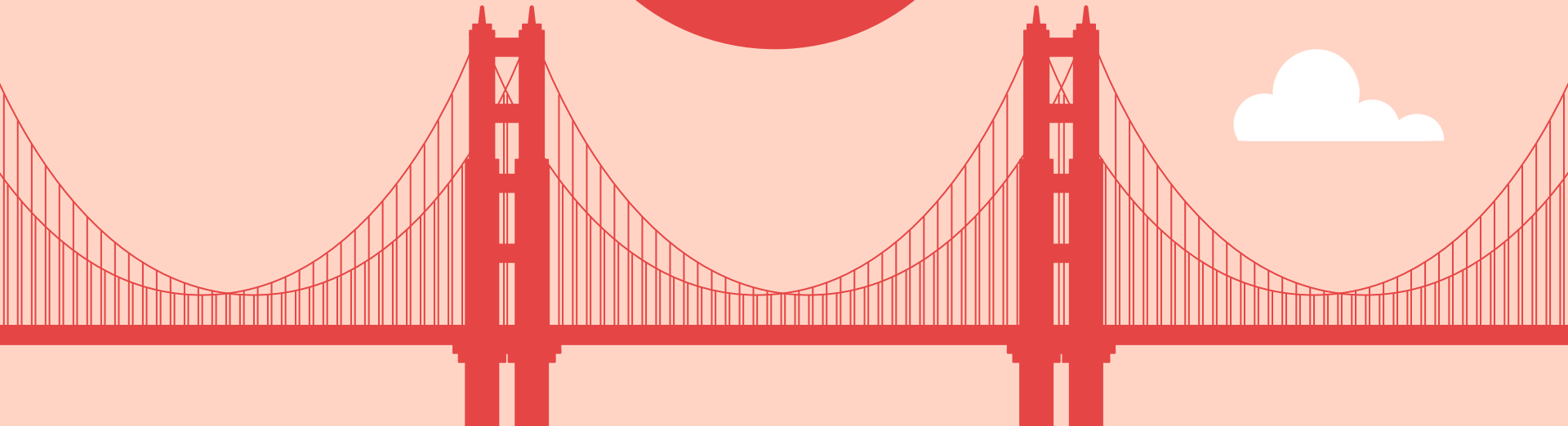


# **SAN FRANCISCO**

## **Rent 2 Retire**



# MEET OUR CLIENTS



**Owen**

Host



**Candace**

Host

# TABLE OF CONTENTS



**01**

## **Overview**

Goal, Data Sources,  
Limitations and Assumptions

**02**

## **Analysis**

Questions We Asked

**03**

## **Market Info**

Legislature, City Permits,  
Maintenance & Upkeep

**04**

## **Recommendations**

What we suggest

**05**

## **Proposal**

Next Steps



01



# Overview

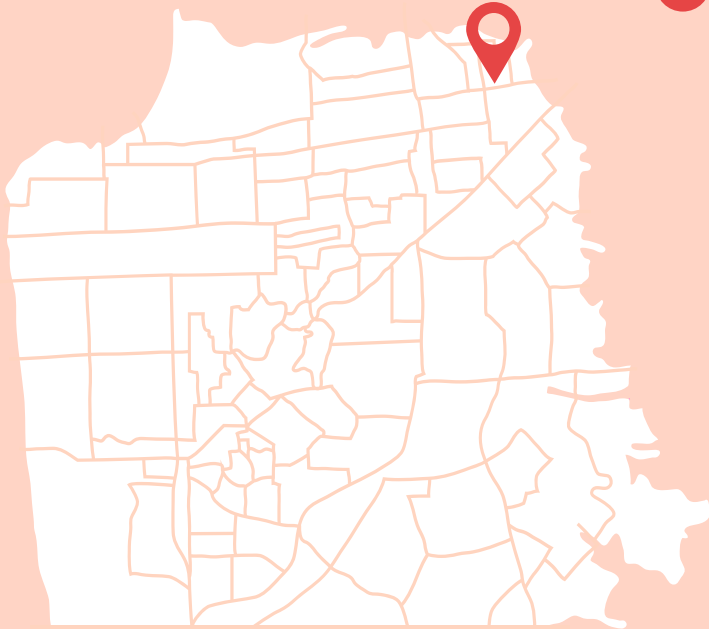
# Goal

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**List 2 of 3 bedrooms in this San Francisco home to fund a 12-week vacation priced at \$46,560 by generating passive income through Airbnb**

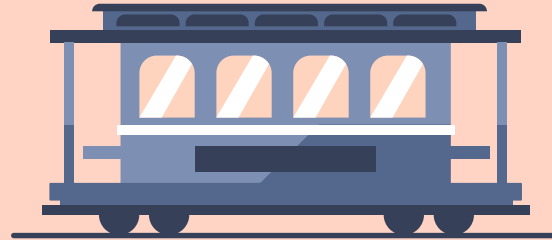


# NEIGHBORHOOD



## Current Property

Located in North Beach



### \*Sources:

Inside Airbnb, SFplanning.org, Zillow, nerdwallet

# Where Do Guests Go?



**Fishermans Wharf**



**Alcatraz Island**



**Golden Gate Bridge**



**Chinatown**



**MoMA**



**Oracle Park**

# Limitation & Assumptions



## Limitation 1

Desired client involvement is unknown



## Assumption 1

Homeowners are planning on acting as rental managers



## Limitation 2

No access to accurate data on expenses



## Assumption 2

General costs associated with maintenance are hypothetical



## Limitation 3

Homeowners must occupy their home 275 nights per year for legal reasons



## Assumption 3

100% of bookings will be accepted by hosts



**02**



# **Analysis**

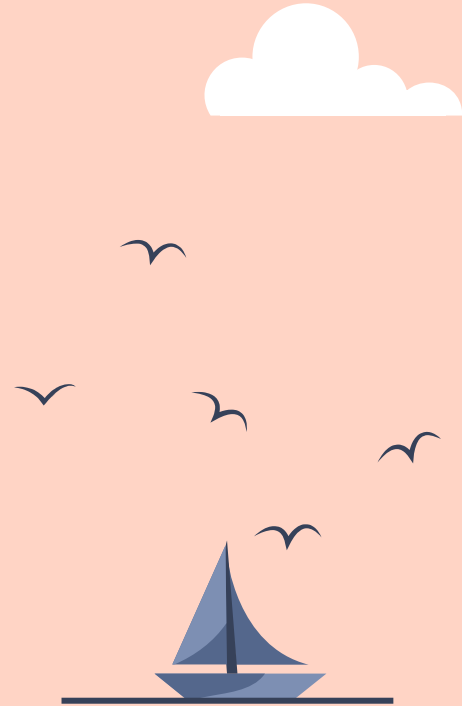
# Question 1

**What price will tenants need to pay in rental fees in order to reach your financial goal?**

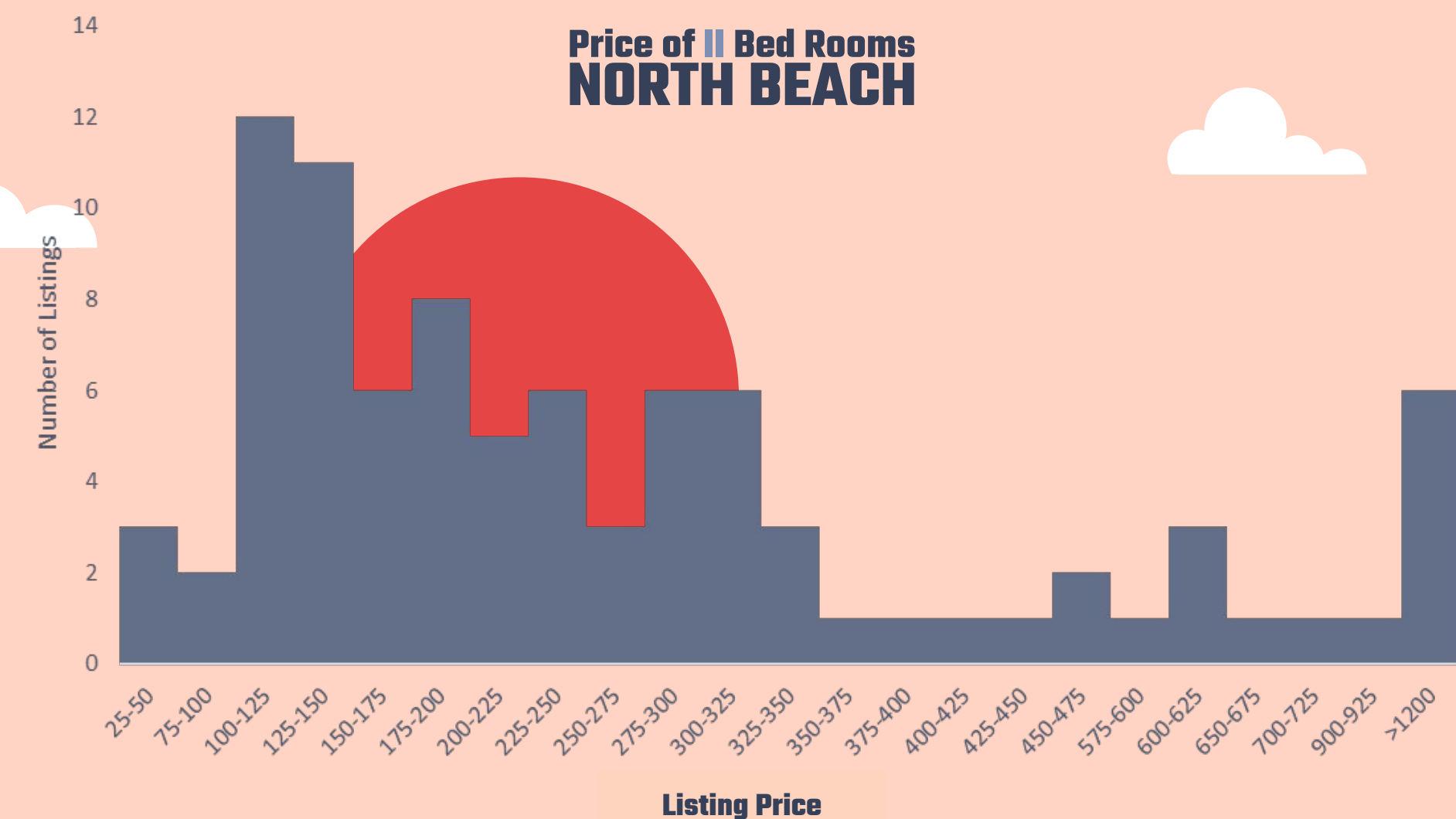
- Option to host as many as 3 potential listings
- To generate \$46,560 in profit, 2 Airbnb listings will need to be booked 96 nights annually at \$242 per night

## Additional Tenant Fees

- You will need to include a 14% transient occupancy tax totaling \$34 a night
- In order to counteract cleaning costs we suggest implementing a 3 night minimum stay



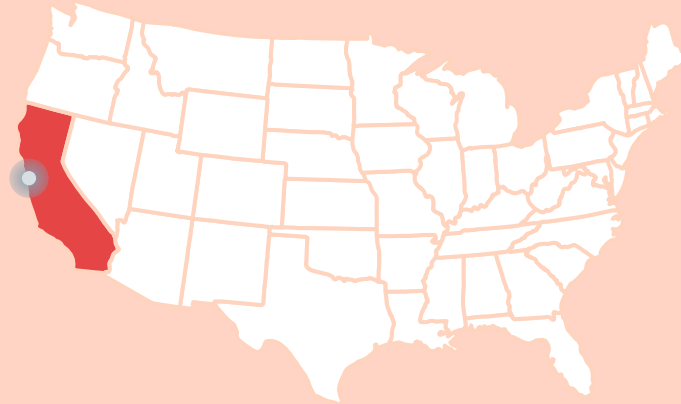
# Price of || Bed Rooms NORTH BEACH



## Question 2

How do similar home rental arrangements in San Francisco compare to this one?

1. Average listing price of \$242 per night
2. 204 nights booked on average throughout the year
3. Hosts generate \$66,689 on average



# Question 3

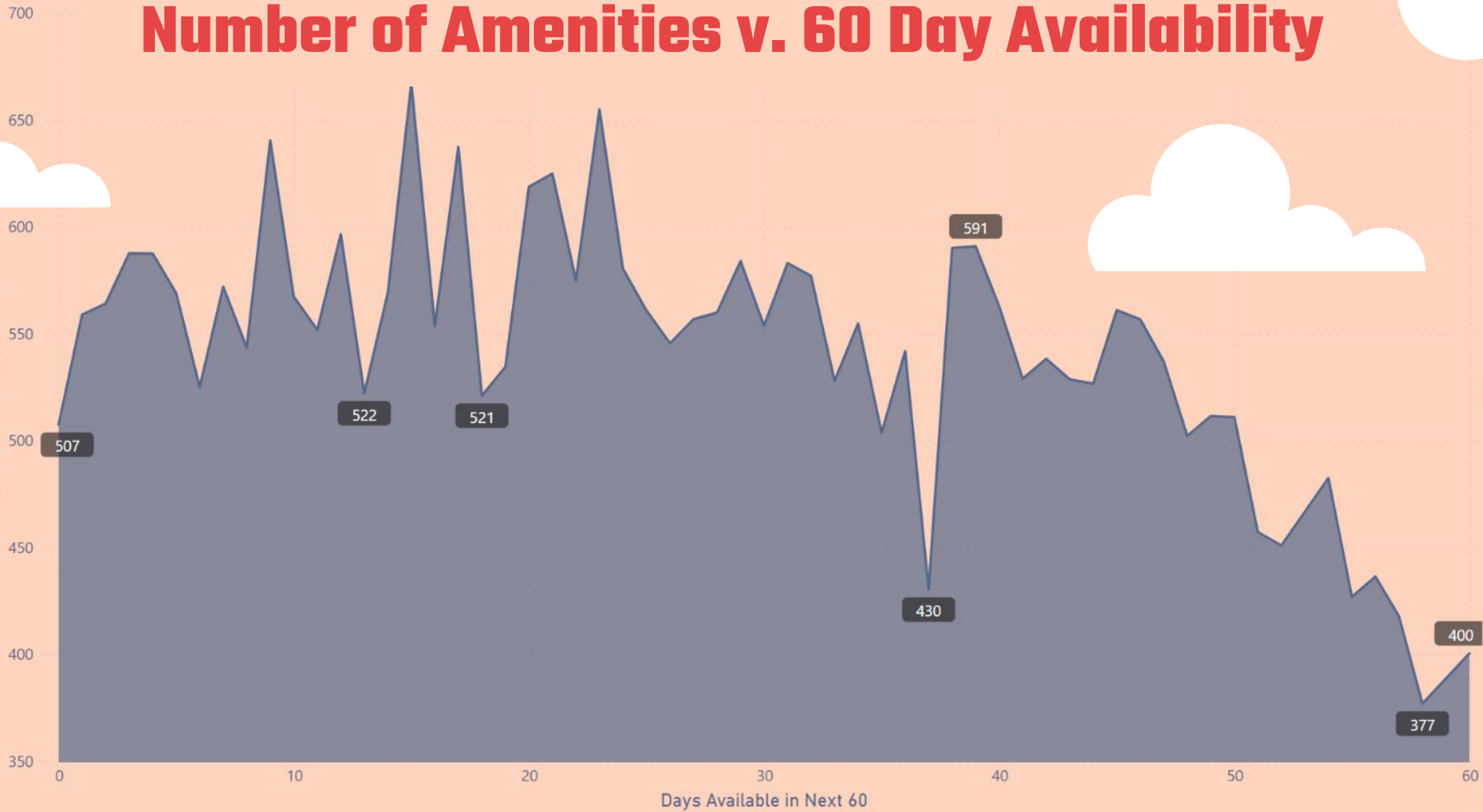
**How will we account for additional expenses such as cleaning fees, amenities, and household maintenance?**

- Based on the data from InsideAirbnb, hosts have an average of 27% availability over the next 60 days.
- According to NerdWallet tenants tend to book their stays 4-6 weeks in advance
- This means Candace and Owen will likely have guests 267 days out of the year



# Number of Amenities v. 60 Day Availability

Average Length of Amenities



**03**



# **Market Info**

# Additional Expenses



## Legislature

City registration every other year

**\$450+**



## (TOT)

Candace and Owen would need to include a transient occupancy tax per transaction to cover their annual legal fees

**14%**



## Upkeep

General maintenance, cost of amenities, house cleaning services, per booking

**10%**





**04**

# **Recommendations**






**We suggest:**

**Rent out two of the three bedrooms in their San Francisco home for 96 days out of the year, they will make enough money to travel for 12 weeks with all expenses paid.**

Price Per Night	# Booked Annually	Expenses	# of Rooms	Total Revenue
<b>\$242</b>	<b>202</b>	<b>10%</b>	<b>2</b>	<b>\$87,991</b>



# Proposal

1. Hire a property manager to manage the listings
2. Airbnb full 3 bed 2 bath home for 12 weeks to generate additional revenue





**Thank You**