

Changes in Annual Profits for One Individual Property

<div> <div>Property Information</div> <div> <div>2 Bedroom</div> <div>San Diego,</div> </div> <div> <div>Watershed ID: 198</div> <div>Apartment</div> <div>California</div> </div> </div>				
	No Change	Conversion to Short-Term	Short-term - stable state	Short-term - stable state
	Year 1	Year 2	Year 3	Year 4
Net changes to Profits and Losses				
Long Term Rental				
1.1 Total Rental Payments - Revenues	\$30,357	\$30,357	\$30,357	\$30,357
Short Term Rental				
1.2 Total Rental Payments - Revenues	\$30,357	\$72,102	\$72,102	\$72,102
Change to Revenues for short-term conversion	\$0	\$41,745	\$41,745	\$41,745
Changes in allocated expenses				
1.7 Straight-line depreciation of capital expenditure	\$0	\$5,000	\$5,000	\$5,000
1.4 Replacement Costs (Fixed Cost)	\$0	\$0	\$4,800	\$4,800
1.5 Utility Costs (Fixed Cost)	\$0	\$3,000	\$3,000	\$3,000
1.6 Per-Stay Service Costs (Variable Cost)	\$0	\$11,726	\$11,726	\$11,726
Total	\$0	\$19,726	\$24,526	\$24,526
Net Change to Profits for Short-Term Conversion	\$0	\$22,019	\$17,219	\$17,219

Inputs for the Table Above				
Long-Term Rental - 1 Property	Monthly Rent	Occupancy Rate	Cash In (monthly)	Cash In (yearly)
	\$2,600	97.3%	\$2,530	\$30,356.76

Short-Term Rental - Same Property	Optimal Nightly Rent	Occupancy Rate	Cash In (monthly) after fees	Cash In (yearly)
	\$366	77%	\$6,009	\$72,102.01

1.7 Annual Depreciation (\$25,000/5) *	Average Nights /month	Transaction Fees*	CAPEX (renovations) - YR 2	Annual Replacements (fixed)
\$5,000	30.4	30%	\$25,000	\$4,800

*1.7 Is the only item that varies between the

Cash Flow and Profit analyses

Black - numbers given in financial assumptions

Blue - numbers optimized from forecasting

Red - expense costs

Green - cash flow outputs

Utilities - Annual (fixed)	Variable Costs (per Stay)	Forecasted Stays per Year	Annual Variable Cost
\$3,000	\$125	93.8	\$11,726.19

Years Depreciation	Average Nights per Stay
5	3

*Transaction fees include the amounts paid to third-party services for facilitating the transaction, and hotel taxes or other occupancy fees and regulatory requirements

