

AirBnB Investment Project



Caroline Burke

Should we invest in AirBnB in DC?

- Yes! There is a lot of opportunity to earn big as a host in the DC market
 - Total revenue generated = **\$31.4M!**
 - The top earnings for a host with one property was \$393,800.00
- Berkley offers the following:
 - High average revenue per listing
 - Low total number of listings
 - High average rating

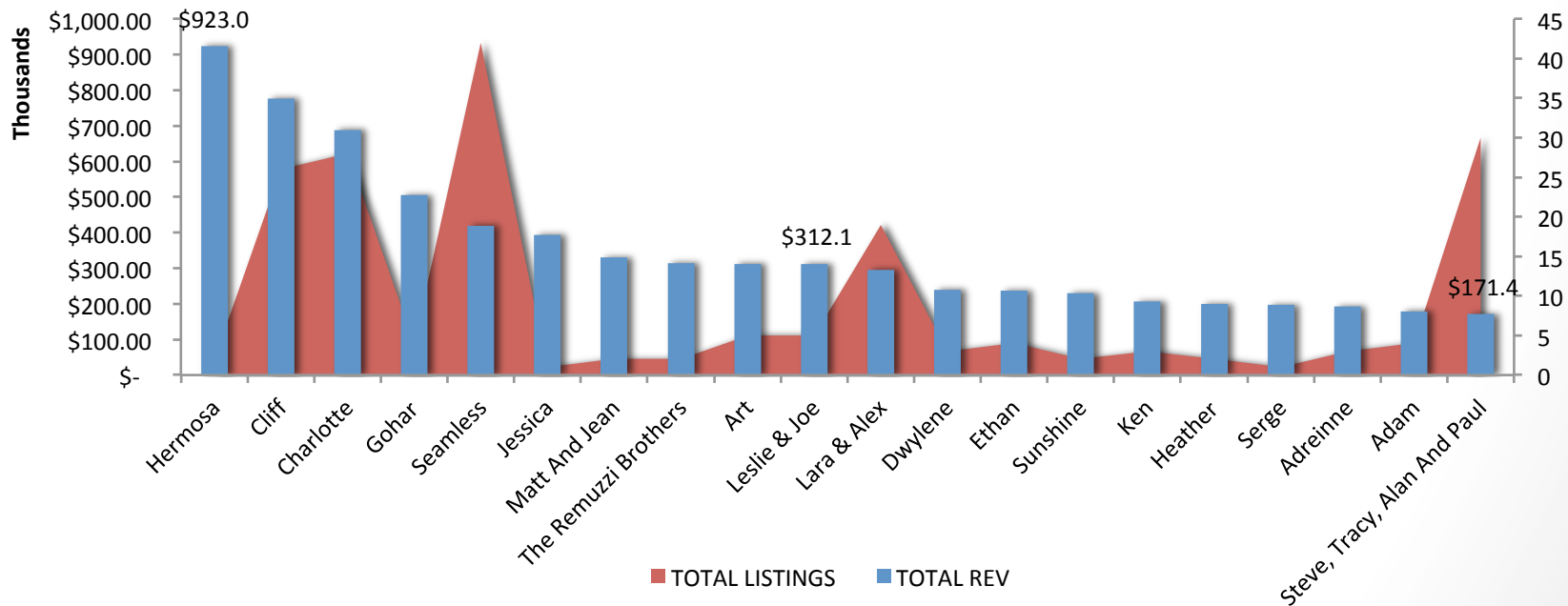
Snapshot of the DC market

- 126 neighborhoods
 - Average property rating is 9.28, 15 neighborhoods have an average rating of 10!
 - Berkeley is most expensive with average price per night of \$296.33
 - Twinning is cheapest at \$20
- 2893 unique listings
 - Max price per night is \$1200, Min is \$20
 - 61% of all listings are apartments, 33% are houses
 - 58% total listings are 1 bedroom, 1 bathroom
 - 96% offer real beds
- 2168 hosts
 - Top Performing Host, Hermosa, has 2 properties in Bloomingdale
 - Both are private rooms in houses, sleep 2, 1 bed & 1 bath
 - Charges \$79 per night, total earnings **\$923,036.00**
 - 100% acceptance & response rates

How much revenue do successful hosts make?

- Of 2168 total hosts with reviews:
 - ~85% have one listing on AirBnB
 - Max number of listings for one host is 42
- Maximum revenue per host is \$923,036
- Minimum is \$46
- Median is \$3,876

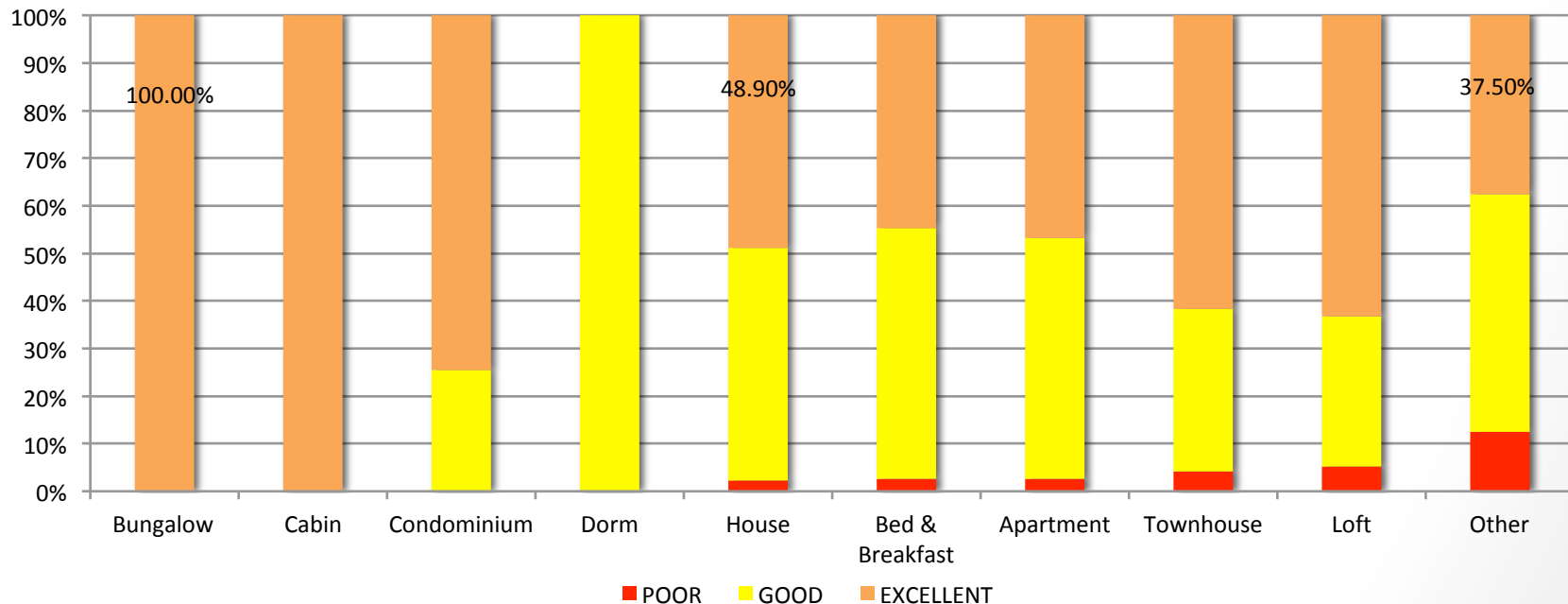
Revenue vs. Listings by Host (Top 20)



Which property types receive the most positive reviews?

- Majority of listings (61%) are apartments
- Bungalows & Cabins have highest average rating of 10
 - However, the reviews include only two listings
- Recommend pursuing condos or townhomes

Rating Mix % by Rating Band & Property Type



Recommendations

- Invest in Berkley!
 - Profitable neighborhood
 - Charges highest average price per night at \$296.33
 - Highest revenue per listing of all properties rated 9.5-10 at **\$26,866.67**
 - Performs well! Has an average rating of 9.67
 - Low number of listings. Only 3!

	Rev per List	Total # List	Avg Rating
Berkley	\$ 26,866.67	3	9.67
Friendship Heig	\$ 14,071.00	8	9.75
Barney Circle	\$ 13,176.12	34	9.53
Woodley Park	\$ 12,632.12	17	9.65
Kalorama Heigh	\$ 12,246.00	16	9.50
West End, Fogg	\$ 11,737.50	4	9.50
Spring Valley	\$ 11,275.00	2	9.50
Near Northeast	\$ 10,072.28	106	9.60
Manor Park	\$ 8,722.17	24	9.52
Douglas, Ship	\$ 8,548.00	3	9.67
Crestwood	\$ 8,387.60	5	9.60

Actions to Take

- Continue to analyze this data set
 - How long have top performers in DC & Berkeley been hosts for?
 - What is proportion of property types listed on AirBnB in Berkeley?
 - Confirm the timeframe this data was collected over
- Research the housing market further
 - Are condos or townhomes currently for sale at a reasonable price?
- If it proves challenging to break into Berkeley, these neighborhoods are also worth pursuing (see table on last slide):
 - Friendship Heights
 - West, Foggy Bottom
 - Spring Valley
 - Douglas, Shipley Terrace
 - Crestwood

Appendix

- Cleaning Methods (see tab *Step 1*)
 - Filtered data sheet by number of reviews
 - Removed 830 listings with value 0
 - Created pivot table of listings & count of ids
 - No dupes present
 - Standardized city, state, neighborhood values
 - Used conditional statements for city & state
 - Used Find & Replace to adjust neighborhood list
- Assumptions
 - Each row is a listing
 - Each booking has two guests unless the property only accommodates one person
 - Bookings are for the minimum nights allowed
 - Only half of bookings generate reviews
 - 50 percent of customers who stay leave a review