

Thinking about breaking into the Airbnb Rental Market?

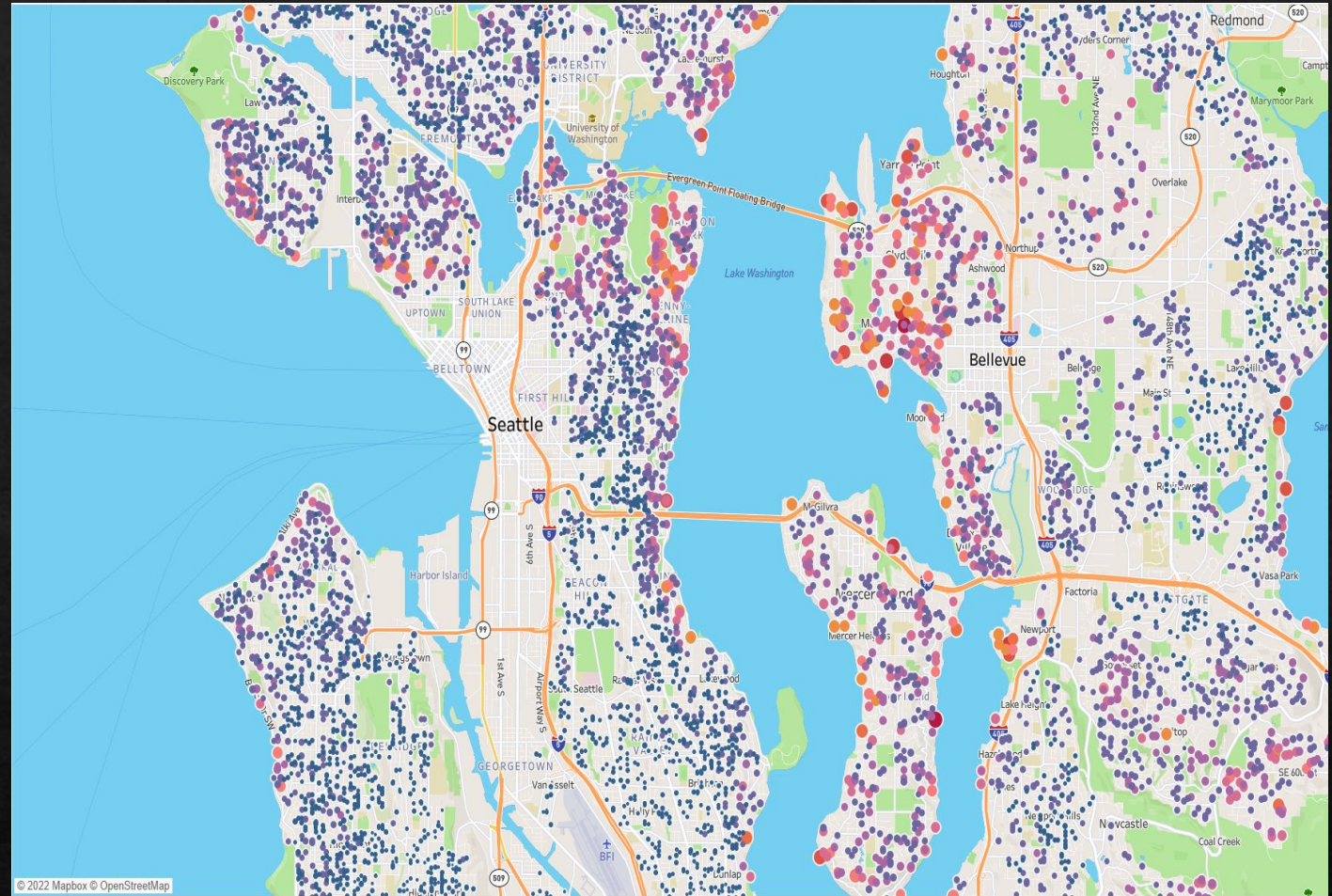
What should you look for in a rental home to maximize profit?



The Data

Three data sources:

- King County Data
 - House sale price and descriptive features
- Airbnb Data
 - Listing data and price per night
- Washington State Data
 - Income data by zip code



Individual houses from the King County Dataset

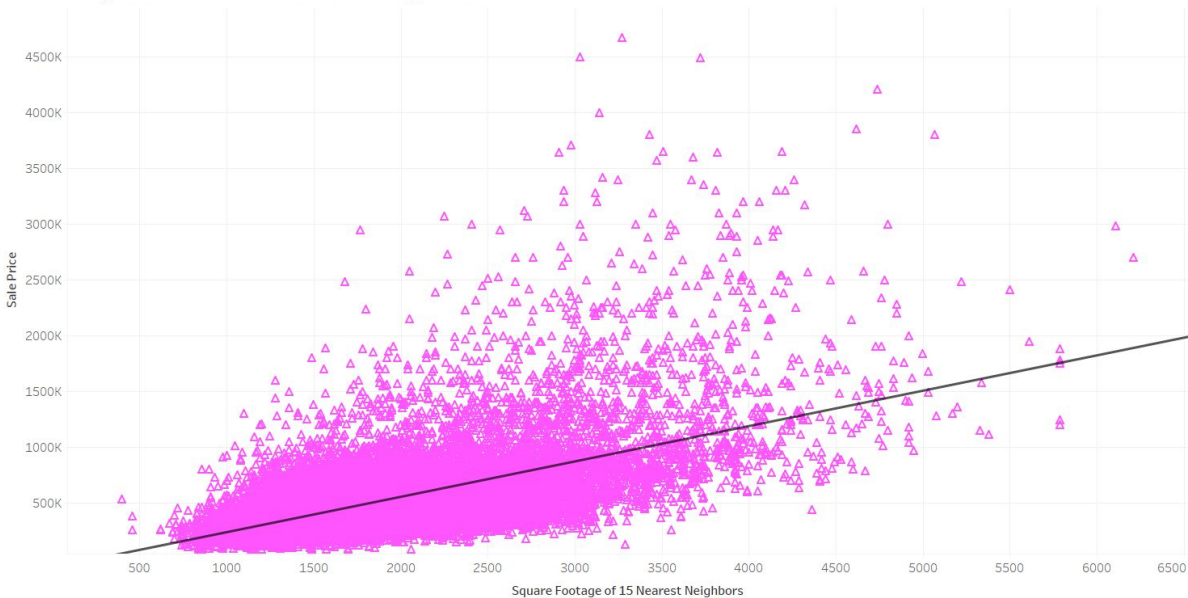
Price Correlation with Housing Features



Baseline Model: Using the Square Footage of the living Room to predict the sales price of a home

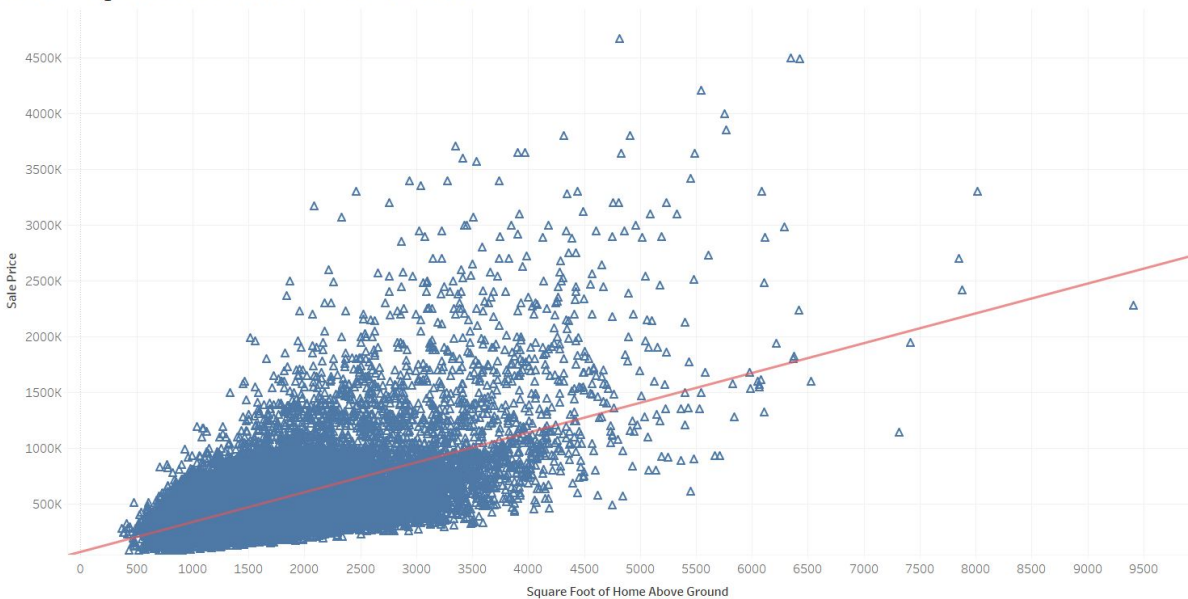


Price ~ Square Foot of 15 Nearest Neighbors



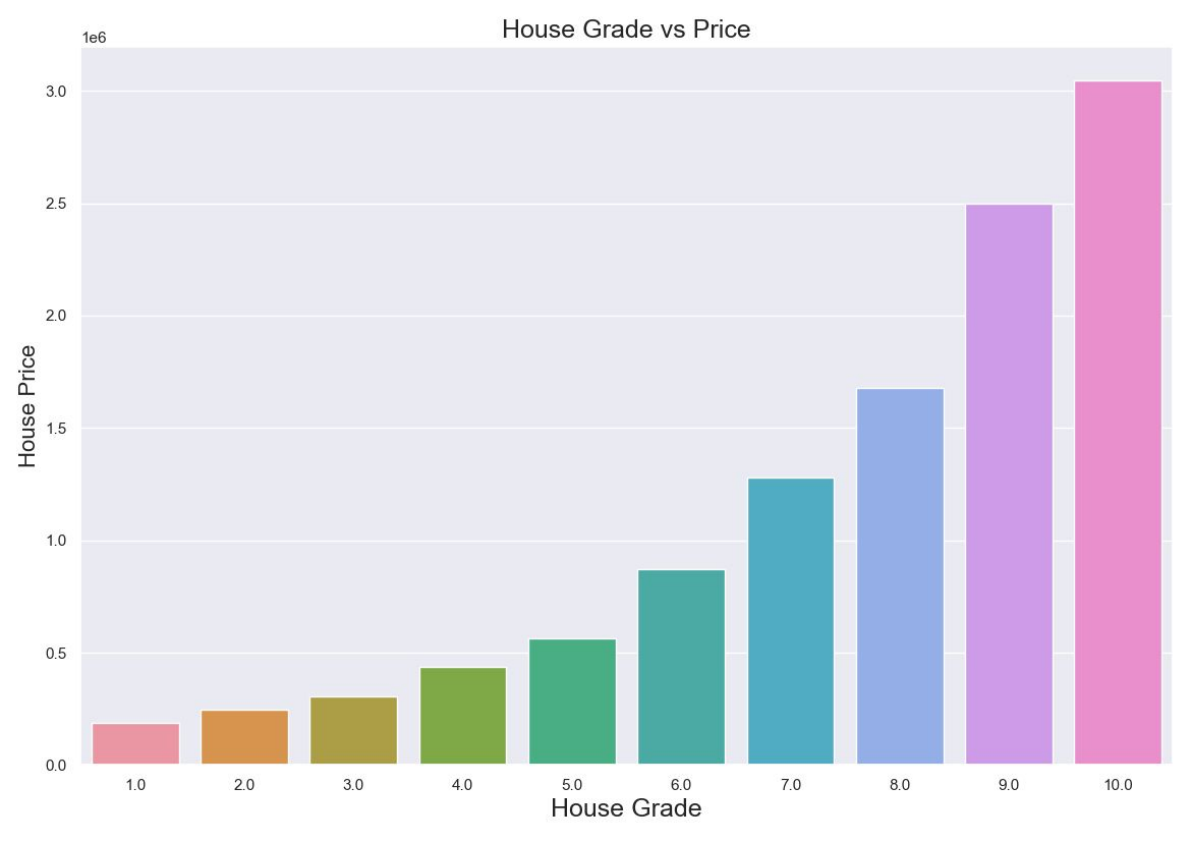
Sqft Living15 vs. Price.

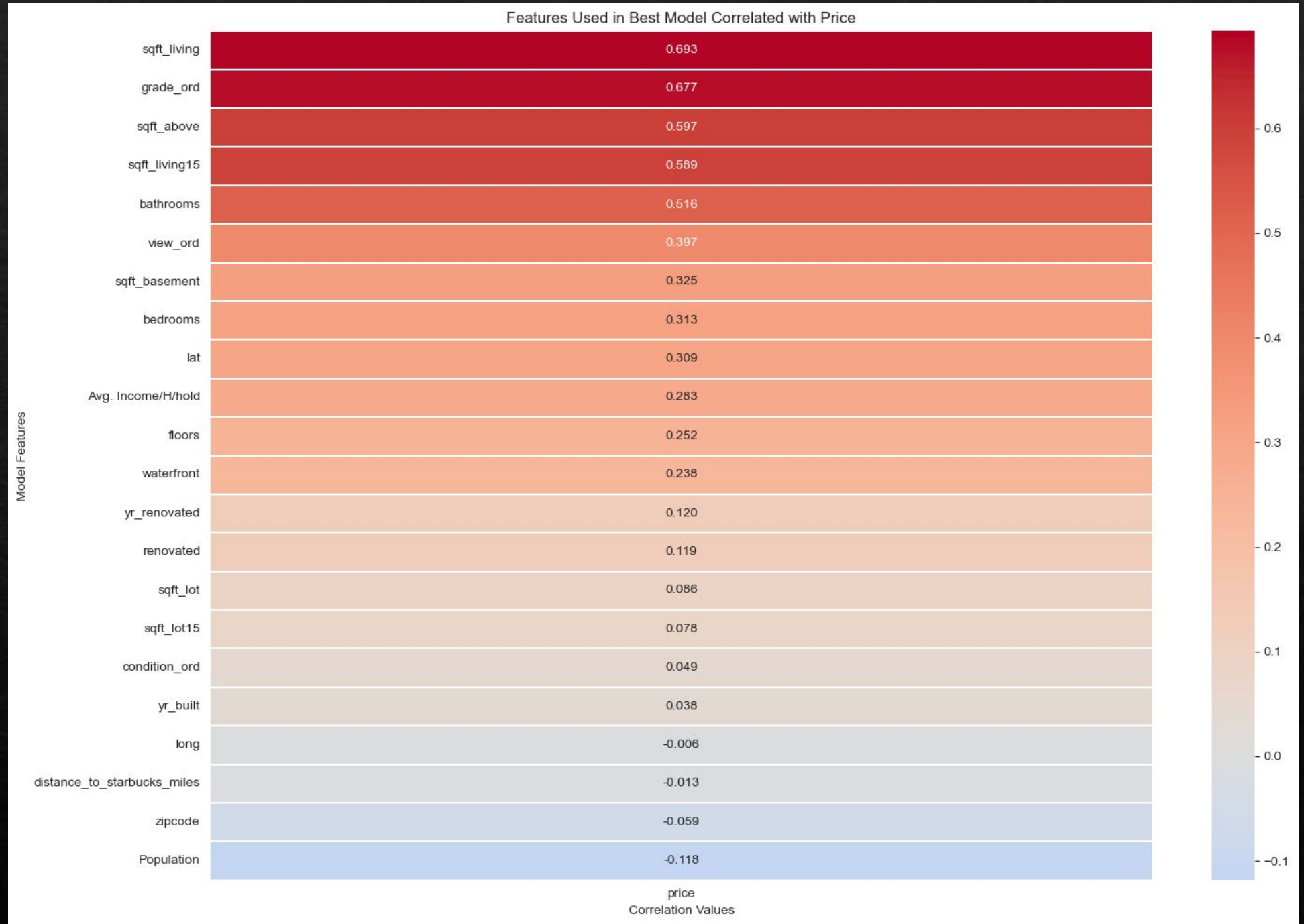
Price ~ Square Foot of Above Ground Area



Sqft Above vs. Price.

Our top 3 estimators





Final Model: Using 79 Estimators to predict home sales price

Predict Home Sale Price in King County with 79: $R^2 = 0.85975$

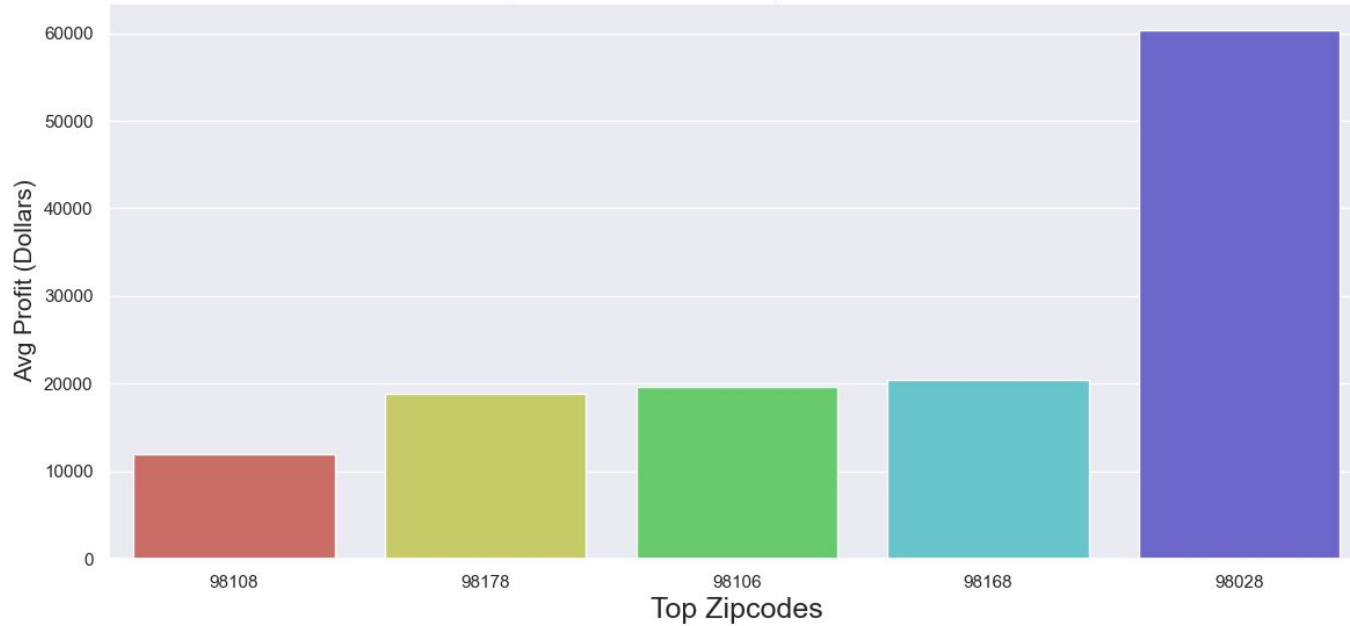




Profit = Yearly Airbnb
Revenue - Yearly Mortgage
Payment of Property

Clear subset of
houses with a
higher profit
margin

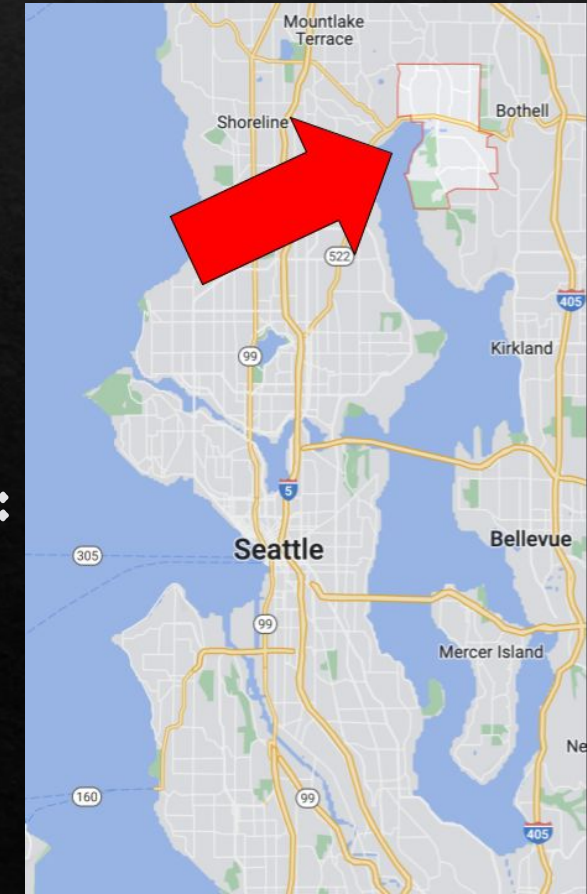
Top 5 Most Profitable Zipcodes for Airbnb



Zip code 98028 had the highest profit by a large margin for Airbnb rentals.

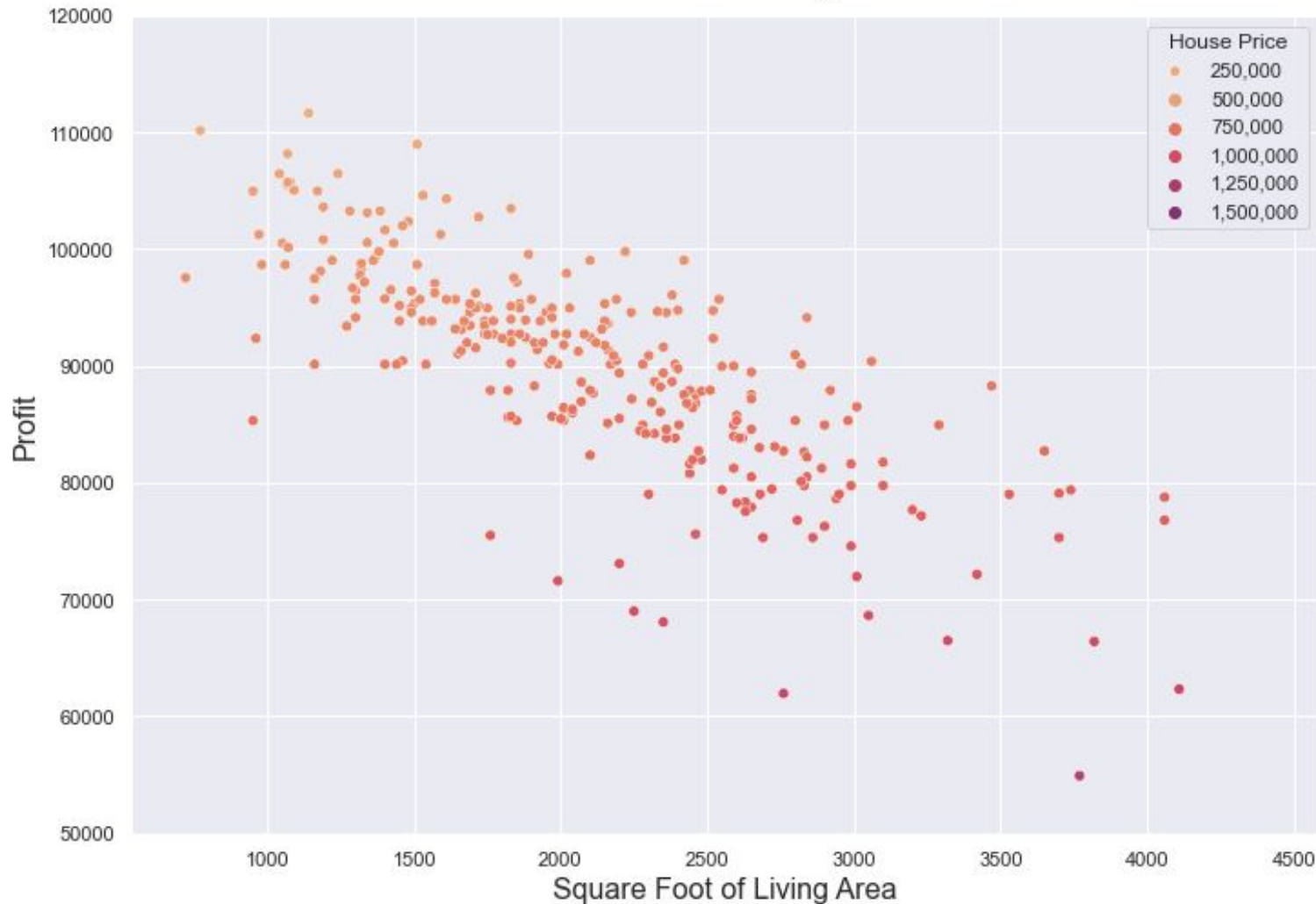


This is the town of Kenmore:



Square Foot of Living Space Versus Profit, Kenmore Washington

Airbnb Profit vs Square Foot of Living Area,
Kenmore Washington



Observations:

- Highest profit margins on smaller houses (between 1000-2000 square feet)
- As home price increased, rental profit decreases

Recommendations:

- Go with a smaller to mid sized home between \$250,000 and \$500,000

Contact Information



Email: pedrov718@gmail.com

GitHub: @pedrov718

LinkedIn:

<https://www.linkedin.com/in/pedro-vela-zquez-6281301ab/>



Email: trystanwknowles@gmail.com

GitHub: @tweatherfordk

LinkedIn:

<https://www.linkedin.com/in/trystan-knowles-9b98aa221/>