




# Airbnb Project **Thrifty Nurse**

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# Background



## Sara

Full time nurse who is starting a full time nurse practitioner program in Buffalo, New York



## The House

Sara put a 20% down payment on a 2 bedroom house for \$450K in Dallas, Texas with an inheritance.



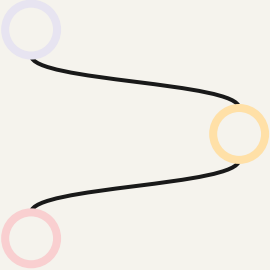
## The Goal

Sara needs to decide which rental option will best suit her and the house for the duration of her program.

**Due to Sara's busy schedule and the added costs associated with short term rentals, we recommend that Sara rents her two bedroom home on a long term basis while she completes her program.**



# Questions for Analysis

- What is the overall cost of each rental option per month and for the year?
  - How does different listing criteria affect occupancy rates?
  - How does host involvement impact occupancy rate?
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# Assumptions

Host and House

50% Review Rate



# Limitations

Missing Data

# Data Explorations

## Key Metric

- Occupancy Rate

## Categories for Analysis

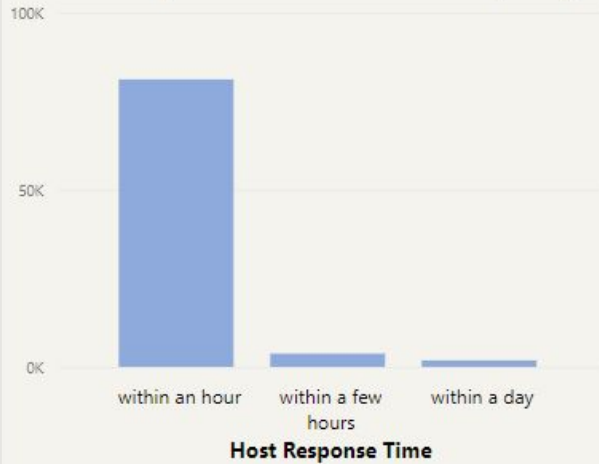
- Host location
- Amenities
- Neighborhood information
- Booking information

## Added Categories

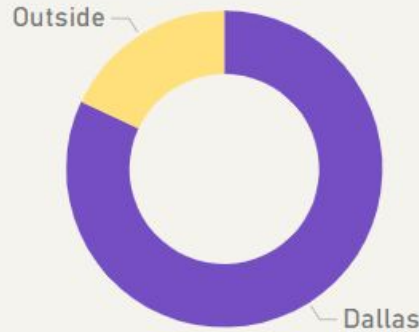
- Occupancy Rate
- Host region

# Host Involvement and Occupancy Rate

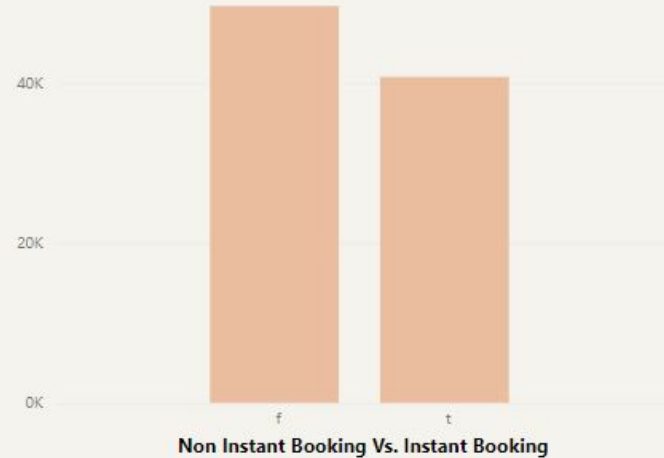
## Host Response Time and Occupancy



## Host Location and Occupancy

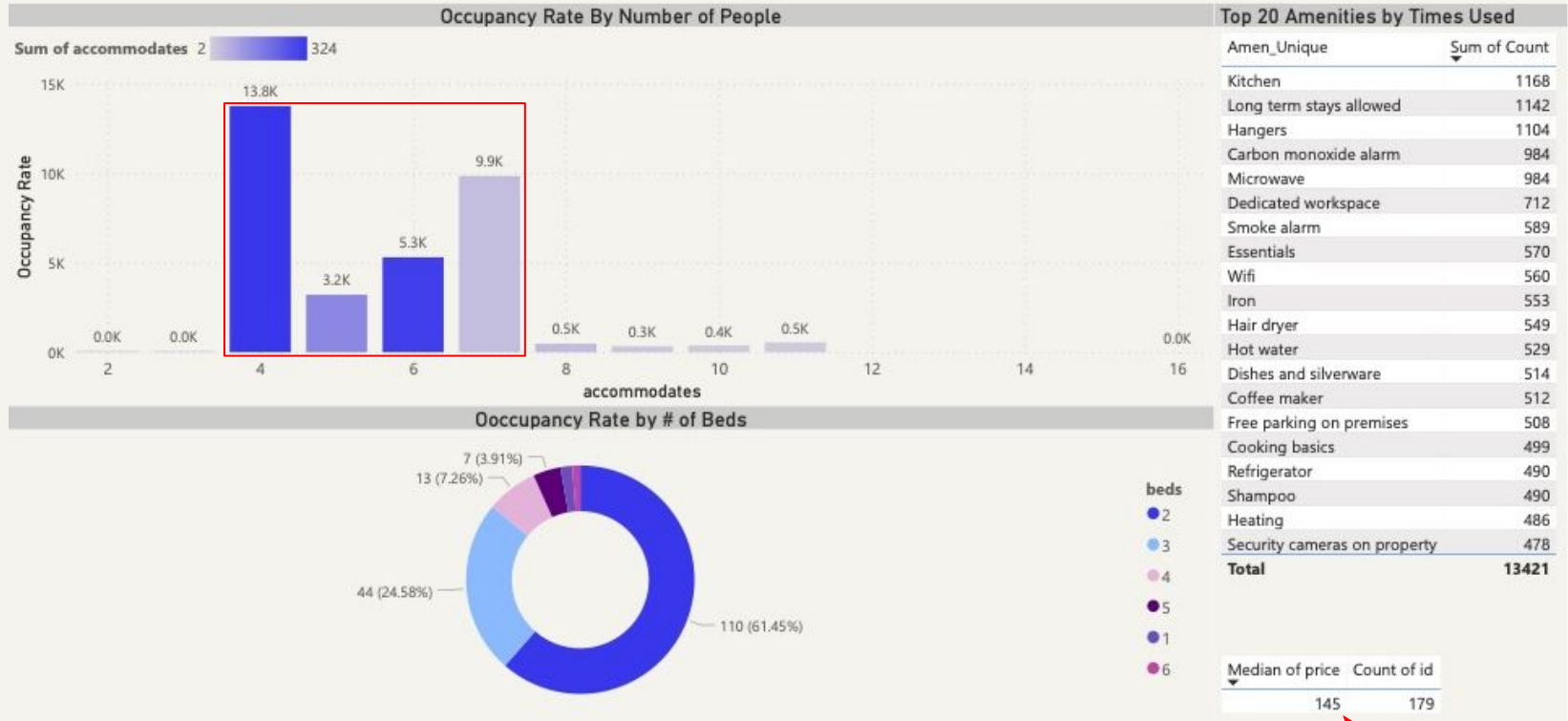


## Booking Option and Occupancy



A host may spend an average of 2-3 hours a day managing a short term rental. Hospitable

# Short-Term Analysis



Cost per night



# Benefits of long term

~First and foremost as a busy nursing student sara wouldn't have to deal with all the time consuming responsibilities of being an airbnb host.

~Sara would also avoid the hassle and cost of having to furnish the property.

~You get to choose your clientele with a rental via screening/background check versus an airbnb where anybody can rent.

~People are more likely to take better care of housing that their actually living in compared to a spot you will be at for a couple days .

# Short-Term Vs. Long-Term Price Comparison



## Sara's Mortgage:

- \$3,067 per month
  - \$2299 mortgage
  - \$664 taxes and utilities
  - \$104 insurance
- \$36,804/year

Short-Term		Long-Term
	<u>Rental Income</u>	
\$3,045	Month	\$2200
\$25,578.00	Year	\$26,400
	<u>Fees</u>	
30%	Property Manager	10%
7% (HOT), 3% (Booking)	*Added Fees	N/A
	<u>Costs</u>	
\$2500-\$5000	Furnishing	N/A
15%	Maintenance & Repair	\$1400-\$2300

## Net Revenue:

Short-Term: \$8,697.02 - \$11,197.02

Long Term: \$21,460 - \$22,360



## Recommendations

- Rent the house with a year long lease charging \$2200

## Questions for Further Analysis

- Which renter demographics would be the best fit to rent Sara's home based on her home's location?
- Are there any alternative energy sources that could reduce monthly utility costs?

# Works Cited

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- Data collected from Inside Airbnb
- Information on maintenance and upkeep from DallasCityHall, Hospitable and the US Census
- Information on Dallas regulations and short term rental occupancy tax from the City of Dallas
- Rent.com
- Zillow.com
- Redfin.com
- smartasset.com