

Deciding to List Your Place on Airbnb





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What's the Opportunity

AN IDEA UNLIKELY TO DISAPPEAR ANY TIME SOON

300M+

Total guest arrivals to Airbnb listings since 2007

5,000x

Total Airbnb guest growth in under 10 years

2M

Number of people staying in an Airbnb on any given night

81,000

Number of cities (across 191 countries) in which Airbnb operates

259%

Annual growth rate of people staying in Airbnb properties for work trips in 2015

20%

of visitors attending the 2014 World Cup in Brazil that stayed in an Airbnb



More guests traveled on Airbnb over the summer of 2015 than the entire populations of Greece, Sweden or Switzerland

76%

Airbnb's consumer awareness level

250,000

Americans that stayed in an Airbnb throughout Thanksgiving 2015

50%

Guests that used Airbnb to replace a traditional hotel stay in 2016

\$16

Airbnb's Average Daily Rate price differential to hotels (\$160 Airbnb vs. \$176 hotels)

86.5M

Estimated number of sharing economy users by 2021 (44.8M in 2016)

19.3M

Estimated number of U.S. adults using lodging-specific sharing economy services by 2020 (7.7M in 2014)

20%

Proportion of the general population in cities like Paris, San Francisco and Seattle made up of Airbnb users



5M+

Active listings on Airbnb (more than the number of rooms offered by the top 5 hotel chains combined)

What's the Opportunity

GAIN ADDITIONAL INCOME

\$7,300

Annual average earnings for a typical US Airbnb host

\$20,619

Annual average profit for renting out a full 2BR in a major U.S. city

\$174

Average amount earned per each Airbnb guest arrival (11% increase from 2016)

Average Airbnb Earnings vs. other sharing economy service providers?

2.5x



6x Etsy

9x



81%

Proportion of rent covered by Airbnb income from 1BR in a 2BR home in the U.S.

How do hosts use this supplementary income?

53%

Helps them stay in their home

48%

Pays household expenses

6%

Used to start a new business

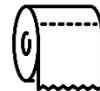
WHEN THINKING ABOUT COSTS...

One-off costs



vs.

Recurring costs



Expenses vary by season?

WHEN THINKING ABOUT PROFITABILITY...



Occupancy rate?



Weekend vs. weekday rate?



Weekly/monthly discount?



Cleaning fee charged?

What's the Opportunity

ANNUAL COUNTRY EARNINGS, ARRIVALS & NIGHTS HOSTED

COUNTRY	TYPICAL ANNUAL AIRBNB INCOME (USD)	ANNUAL GUEST ARRIVALS	TYPICAL NIGHTS HOSTED PER LISTING PER YEAR
Argentina	\$2,100	490,000	32
Australia	\$4,100	5,090,000	28
Austria	\$3,100	770,000	31
Belgium	\$2,800	900,000	35
Bosnia & Herzegovina	\$600	60,000	14
Brazil	\$1,600	2,200,000	17
Bulgaria	\$900	130,000	19
Canada	\$4,300	4,880,000	44
Chile	\$1,800	540,000	22
China	\$600	3,290,000	12
Colombia	\$1,100	580,000	19
Costa Rica	\$2,800	340,000	21
Croatia	\$2,500	1,330,000	20
Cuba	\$2,600	750,000	26
Cyprus	\$2,900	120,000	31
Czech Republic	\$2,300	1,020,000	37
Denmark	\$2,200	900,000	23
Dominican Republic	\$2,400	160,000	19
Ecuador	\$800	100,000	15
Estonia	\$1,700	130,000	23

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What's the Opportunity

ANNUAL COUNTRY EARNINGS, ARRIVALS & NIGHTS HOSTED

COUNTRY	TYPICAL ANNUAL AIRBNB INCOME (USD)	ANNUAL GUEST ARRIVALS	TYPICAL NIGHTS HOSTED PER LISTING PER YEAR
Finland	\$2,300	290,000	26
France	\$2,500	12,190,000	28
Georgia	\$800	150,000	19
Germany	\$2,100	3,220,000	30
Greece	\$3,200	1,370,000	28
Guadeloupe	\$2,700	70,000	33
Guatemala	\$1,700	90,000	26
Hong Kong	\$3,300	450,000	38
Hungary	\$3,000	800,000	43
Iceland	\$11,300	770,000	62
India	\$700	480,000	11
Indonesia	\$2,000	940,000	24
Ireland	\$4,000	1,280,000	38
Israel	\$2,600	380,000	26
Italy	\$2,500	7,850,000	25
Jamaica	\$2,400	60,000	20
Japan	\$10,800	5,850,000	88
Kenya	\$900	50,000	16
Latvia	\$1,800	90,000	26
Lithuania	\$1,200	90,000	18

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What's the Opportunity

ANNUAL COUNTRY EARNINGS, ARRIVALS & NIGHTS HOSTED

COUNTRY	TYPICAL ANNUAL AIRBNB INCOME (USD)	ANNUAL GUEST ARRIVALS	TYPICAL NIGHTS HOSTED PER LISTING PER YEAR
Malaysia	\$1,200	1,530,000	18
Malta	\$6,000	210,000	66
Martinique	\$3,100	50,000	36
Mauritius	\$2,500	40,000	26
Mexico	\$2,700	2,520,000	28
Montenegro	\$1,600	100,000	20
Morocco	\$1,200	340,000	16
Netherlands	\$3,900	1,680,000	31
New Zealand	\$3,100	1,470,000	28
Nicaragua	\$1,700	50,000	18
Norway	\$2,500	690,000	26
Panama	\$2,000	50,000	15
Peru	\$1,400	250,000	27
Philippines	\$1,700	980,000	29
Poland	\$1,500	770,000	22
Portugal	\$4,500	2,620,000	44
Puerto Rico	\$6,200	290,000	41
Réunion	\$2,900	80,000	39
Romania	\$800	200,000	15
Russian Federation	\$700	540,000	13

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What's the Opportunity

ANNUAL COUNTRY EARNINGS, ARRIVALS & NIGHTS HOSTED

COUNTRY	TYPICAL ANNUAL AIRBNB INCOME (USD)	ANNUAL GUEST ARRIVALS	TYPICAL NIGHTS HOSTED PER LISTING PER YEAR
Serbia	\$900	110,000	16
Singapore	\$3,400	350,000	37
Slovakia	\$1,400	110,000	21
Slovenia	\$2,900	210,000	27
South Africa	\$1,900	830,000	17
South Korea	\$3,500	1,890,000	28
Spain	\$3,900	8,130,000	38
Sri Lanka	\$600	150,000	10
Sweden	\$2,700	490,000	26
Switzerland	\$3,200	700,000	25
Taiwan	\$1,600	1,300,000	14
Thailand	\$2,100	1,220,000	29
Tunisia	\$800	20,000	15
Turkey	\$700	180,000	14
Ukraine	\$1,000	140,000	17
United Kingdom	\$4,200	7,390,000	39
United States	\$7,300	31,000,000	43
Uruguay	\$3,000	150,000	20
Vietnam	\$900	400,000	18

SOURCE: Airbnb

What's the Opportunity

AIRBNB PROFITABILITY FOR U.S. CITIES

CITY	WHAT ARE YOUR COSTS?	HOW MUCH COULD YOU MAKE ON AIRBNB?			YEARLY PROFIT
	Average Monthly Rent + Utilities	Average Daily Rate (USD)	Average Occupancy Rate	Average Monthly Revenue	
Atlanta, GA	\$1,318	\$130	65%	\$1,924	\$7,277
Austin, TX	\$1,525	\$170	61%	\$2,328	\$9,641
Baltimore, MD	\$1,291	\$129	73%	\$1,929	\$7,661
Boston, MA	\$2,266	\$254	81%	\$4,855	\$31,066
Boulder, CO	\$1,541	\$199	86%	\$3,719	\$26,131
Cambridge, MA	\$2,443	\$221	83%	\$4,054	\$19,330
Charleston, SC	\$1,262	\$229	75%	\$4,030	\$33,211
Charlotte, NC	\$1,246	\$121	73%	\$2,023	\$9,322
Chicago, IL	\$1,409	\$176	85%	\$3,289	\$22,562
Dallas, TX	\$1,201	\$130	76%	\$1,999	\$9,574
Davenport, FL	\$1,358	\$239	48%	\$2,960	\$19,219
Denver, CO	\$1,439	\$155	90%	\$3,257	\$21,818
Fort Lauderdale, FL	\$1,557	\$151	56%	\$1,928	\$4,452
Honolulu, HI	\$2,115	\$173	82%	\$3,239	\$13,488
Houston, TX	\$1,122	\$122	69%	\$1,560	\$5,256
Indianapolis, IN	\$929	\$142	66%	\$2,160	\$14,767
Jersey City, NJ	\$2,079	\$179	86%	\$3,154	\$12,900
Kissimmee, FL	\$1,351	\$241	53%	\$3,180	\$21,946
Las Vegas, NV	\$1,236	\$164	70%	\$2,500	\$15,168
Los Angeles, CA	\$1,865	\$162	82%	\$2,970	\$13,255
Louisville, KY	\$895	\$128	63%	\$1,846	\$11,410
Miami, FL	\$147	55%	\$1,736	\$1,474	\$3,149

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	Average Monthly Rent + Utilities	Average Daily Rate (USD)	Average Occupancy Rate	Average Monthly Revenue	
Minneapolis, MN	\$138	83%	\$2,389	\$1,229	\$13,915
Nashville, TN	\$244	70%	\$3,818	\$1,230	\$31,056
New Orleans, LA	\$150	53%	\$2,075	\$1,060	\$12,178
New York, NY	\$186	86%	\$3,390	\$2,781	\$7,308
Orlando, FL	\$164	63%	\$2,233	\$1,400	\$9,991
Palm Springs, CA	\$396	34%	\$3,224	\$1,241	\$23,798
Park City, UT	\$256	30%	\$1,793	\$192	\$19,212
Philadelphia, PA	\$141	75%	\$2,295	\$1,287	\$12,096
Phoenix, AZ	\$104	53%	\$1,228	\$1,127	\$1,214
Pittsburgh, PA	\$114	72%	\$1,893	\$994	\$10,786
Portland, OR	\$127	88%	\$2,690	\$1,465	\$14,705
Salt Lake City, UT	\$115	80%	\$1,985	\$1,158	\$9,924
San Antonio, TX	\$128	70%	\$1,988	\$1,136	\$10,219
San Diego, CA	\$208	80%	\$3,597	\$2,142	\$17,460
San Francisco, CA	\$236	89%	\$4,325	\$3,304	\$12,257
San Jose, CA	\$200	86%	\$3,455	\$2,815	\$7,678
Scottsdale, AZ	\$179	43%	\$1,690	\$1,391	\$3,590
Seattle, WA	\$181	89%	\$3,522	\$1,783	\$20,873
Tampa, FL	\$119	64%	\$1,765	\$1,354	\$4,937
Tucson, AZ	\$93	46%	\$992	\$974	\$218
Washington D.C	\$157	89%	\$3,115	\$1,721	\$16,723

SOURCES: Airdna, Apartment List, RENTCafe

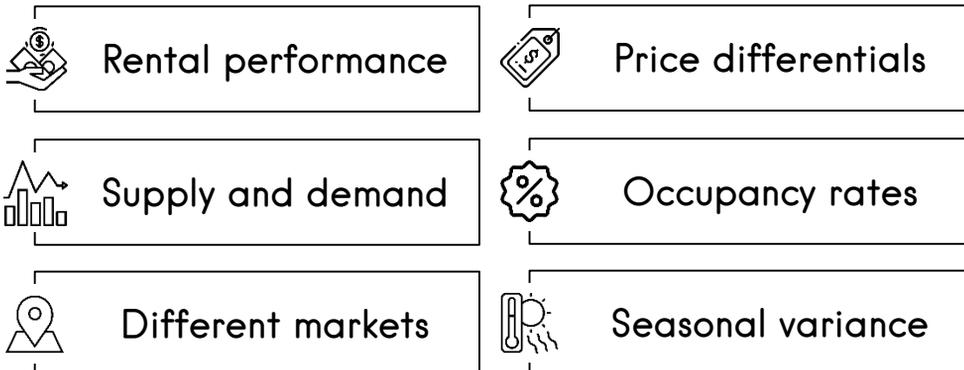
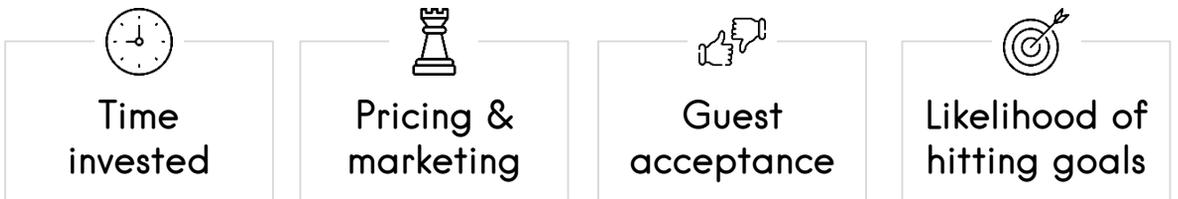
What Type of Airbnb Host do you Plan to be?

People enter the 'Airbnb game' for a variety of reasons...

Motivation	Airbnb Implication
 <p>Opportunism</p>	Will rent out home whenever the opportunity arises or it makes sense to do so
 <p>Income</p>	Will rent or buy a property beyond personal requirements to be filled as often as possible with guests
 <p>Investment</p>	Will scout out a property for the specific purpose of listing on Airbnb to maximize earning potential

Knowing what **type of host** you plan to be is important. It will influence...

COMPARE



NOT ALL SHORT-TERM PROPERTY RENTAL MARKETS ARE CREATED EQUAL!

Legality and Regulations to Consider

When deciding to become an Airbnb host, it's important to understand how the laws work in your city. Local governments vary greatly in how they enforce these laws. Penalties may include fines or other enforcement. For more information, contact your city, county, or local government.

CITY REGULATIONS



Business Licenses

Because Airbnb operations commonly resemble business activity, a business license may in some instances apply.



Building and Housing Standards

These include rules and regulations that specify minimum construction, design and maintenance standards for buildings; and cover things like habitability, health and safety. Meeting these standards may require a property inspection.



Zoning Rules

These set out the way you can use your home and are often found in a zoning or planning code, or city ordinances. Check these to see if your listing is consistent with current zoning requirements and use definitions.



Special Permits

Look up any permitting, zoning, safety and health regulations that may apply. Some cities or counties require a special permit to rent your home.



Taxes

Hosts may be required to collect a tax for each booking and pay that tax to the city or county. These may include things like hotel/transient occupancy taxes; sales, or other turnover taxes such as VAT, GST; or income tax.

Legality and Regulations to Consider

In addition to city regulations, you may also need permission to host your place on Airbnb. Consider each of the following and get relevant permissions before listing your space on Airbnb.

PERMISSIONS AND RULES



Contracts

Check your lease agreement and Homeowner's Association or co-op board regulations to ensure there's no prohibition or restrictions against subletting or short-term rentals. Understand your rights and entitlements under leases, timeshare ownership rules, condo board or co-op rules, Homeowner's Association rules, or rules established by tenant organizations. You may consider adding a rider to your contract addressing concerns and outlining responsibilities and liabilities of all relevant parties.



Subsidized Housing

If you live in public, rent controlled/stabilized or subsidized housing; there may be special rules that apply to you. The property manager or your local Rent Board should be able to answer questions about this.



Roommates

If you have roommates, consider a written roommate agreement that outlines things like how often you plan to host, how you'll ensure guests follow house rules, and potentially even whether you'll share revenue.



Neighbors

Consider whether you should notify your neighbors about your intentions to host and your plan for ensuring that guests are not disruptive and remain respectful.

Legality and Regulations to Consider

HAVING HARD CONVERSATIONS WITH LANDLORDS

Most landlords will not support your desire to Airbnb their property. Before approaching them, consider your **relationship** with them, how long you've **lived there**, the **type of place** it is and the **kind of person** they are.

Here are some **strategies** for 'winning over' your landlord...



Improvements in Upkeep

Show them other listings that demonstrate how hosting will increase the cleanliness, care and upkeep of their place



Financial Security

Explain how hosting provides supplementary income that enables paying rent and will encourage re-signing your lease



Share in Earnings

Offer to provide a share of earnings or undertake to self-fund minor renovations or home improvements that add value



Neutralize Property Damage & Liability Concerns

Share information on the Airbnb Host Guarantee and Host Protection Insurance Program



Insurance Policies

Offer to take out additional policies that supplement any existing homeowner's, landlord or rental insurance protections

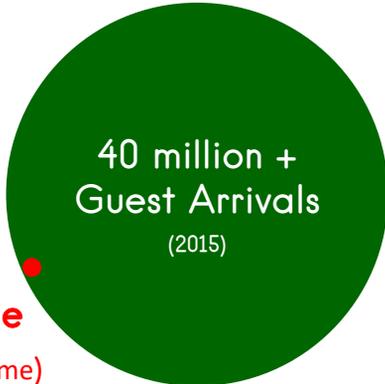


Limitations on Hosting

Agree to limit rentals to bookings of specific trip purpose, select times of the year, or other conditional arrangements

How Safe is Opening up Your Home to Strangers?

Hosts inevitably have concerns over safety, security, theft, property damage, cleanliness and lifestyle compatibility.



In 2015, only 1,010 cases of significant property damage were reported worldwide
(...that's 1 in every 41,000 guest arrivals, or 0.002% of the time)

Preventative

**AIRBNB
SAFETY AND
SECURITY
SAFEGUARDS**

Reactive

-  House Rules
-  Verified IDs
-  Reviews
-  Screening Guests
-  Private Messaging
-  Security Deposits
-  \$1M Airbnb Host Guarantee
-  Airbnb Host Protection Insurance
-  24hr Customer Hotline

Prudent hosts implement a range of preventative safeguards that maximize their safety and security

The ball is almost always in the host's court when it comes to taking charge of the **who, what, where, when and why** of hosting on Airbnb.

Create a Space that Will Appeal to Your Target Guests

Airbnb guests frequently seek homes that are unique, special or different – something they are unlikely to find from a hotel.

A critical element of furnishing your home is understanding who your **target guests** are, and what kind of space they're likely to appreciate.

THE DIFFERENT TRAVELER TRIBES*

* SOURCE: Amadeus



Ethical Travelers

Guided by ethical and/or environmental factors when undertaking their travel. **Example:** Environmentalists concerned about the ecological impact of their travels and CO₂ footprint



Cultural Purists

Treat travel as opportunity to break free from home lives and immerse themselves in a different culture. **Example:** Travelers that learn a new language for an upcoming trip



Obligation Meeters

Have travel choices restricted by need to meet some bounded objective. **Example:** Businessperson travelling for a conference



Social Capital Seekers

Influenced by their desire to impress friends and share travel experiences on social media. **Example:** Gap-year backpackers



Reward Hunters

Luxury travelers that seek indulgent 'must-have' experiences. **Example:** Professionals that are members of luxury travel clubs



Simplicity Searchers

Appreciate ease and transparency in their travel planning and holiday-making. **Example:** Active Seniors

Create a Space that Will Appeal to Your Target Guests

Pause to consider who your target guests are likely to be before deciding how you're going to furnish and decorate your home.

Your guests will be more likely to enjoy their stay, resulting in...



Better reviews



Additional bookings



Easier guest management

Once you've determined who your target guests are, think about how you're able to create a space that'll best accommodate them and their living preferences.

Below are a few home décor and design inspiration websites to help you create a space that will appeal to your target guests...

Better Homes and Gardens

CountryLiving

ELLE DECOR

GOOD HOUSEKEEPING

HGTV

HouseBeautiful

houzz

Pinterest

wayfair

Essentials for Your Home

Every home is different – be it the size, location or character. Nonetheless, there are essential items that every home listed on Airbnb should possess.

For each item purchased, you should strive to find something that satisfies the following home furnishing purchasing principles:



Price

Given the sea of consumer options these days, why pay more for something you can simply get for less?



Functionality

Does the item do what your guests would want, need and expect it to do?



Quality

Spend the extra couple of bucks on buying items that elevate your home furnishings, amenities and hospitality standards.



Durability

You're in the short-term home rental game. Make sure your purchases will withstand the test of time.



Replaceability

Accidents inevitably happen. How easy or hard would it be to replace that one smashed plate?

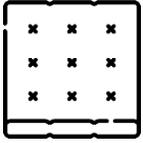


Neutrality

Guests come in all shapes, colors and sizes. Pick unobjectionable colors and styles that are agreeable to most.

Essentials for Your Home

FOR THE ENTIRE HOME



**Air
Mattress**



Baby Crib



**Broom &
Dustpan**



Doormat



First Aid Kit



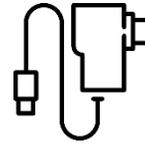
**Grout
Cleaner**



**Magic
Eraser**



**Mop &
Bucket**



**Multi-Device
Charger**



**Multi-Purpose
Surface Spray**



**Odor
Eliminating
Freshener**



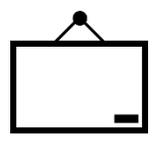
**Scrub
Sponges**



Tool Kit



**Vacuum
Cleaner**



Whiteboard



Essentials for Your Home

BEDROOMS



Alarm Clock



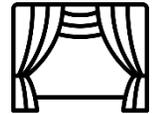
Bed



Bed Linen



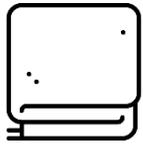
Bedside Table



Blackout Curtains



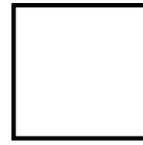
Dresser



Duvet



Duvet Cover



Mattress Protector



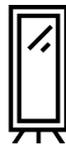
Extra Blankets



Ear Plugs



Eye Masks



Full-Length Mirror



Fragrant Air Freshener



Good Pillows



Hangers



Mattress



Portable Fan



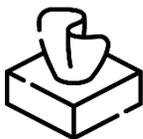
Portable Heater



Reading Lamp



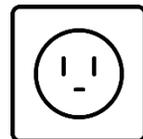
Tissues



Tissue Box Cover



Throw Pillows



Universal Adapter



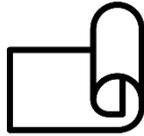
Wall Clock

Essentials for Your Home

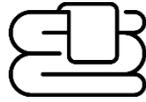
BATHROOMS



Air Freshener



Bath Mat



Bath Towels



Body Wash / Shower Gel



Disposable Razors



Earbuds (Q-tips)



Full-Length Mirror



Hair Dryer



Hand Soap



Hand Towels



Hooks & Towel Racks



Shampoo & Conditioner



Shaving Cream



Tissues



Toilet Brush



Toilet Paper



Toilet Plunger



Toothbrush & Paste Holder



Toothpaste



Trash Can

Essentials for Your Home

KITCHEN



Aluminum Foil & Baking Paper



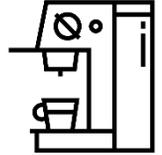
Anti-Bacterial Surface Spray



Bin



Can Opener



Coffee Maker & Supplies



Cutting Boards



Dinnerware Set



Dishwashing Soap



Disinfectant Wipes



Garbage Bags



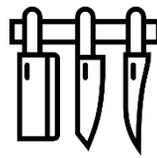
Glassware Set



Hand Soap



Kettle



Knife Set



Microwave



Olive Oil



Paper Towels



Plastic Cling Wrap



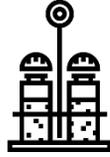
Pots & Pans Set



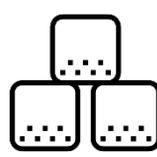
Salt & Pepper



Silverware Set



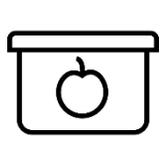
Spice Rack



Sugar



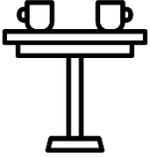
Toaster



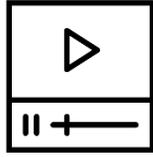
Tupperware Set

Essentials for Your Home

LIVING ROOM



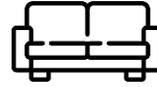
Coffee Table



HD Media Player



Lounge Room Chairs



Sofa



Smart TV



Cable TV and/or Streaming Media Services

NETFLIX

amazon prime video

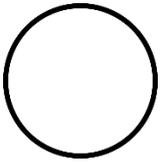
Apple iTunes

huluPLUS



Essentials for Your Home

DINING ROOM



Coasters



Dining Room
Chairs



Dining Room
Table



Napkin
Holder



Placemats

LAUNDRY



Clothes
Drying Rack



Clothes
Pegs



Dryer



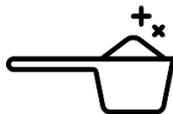
Fabric
Softener



Iron



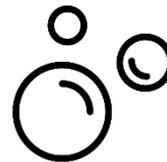
Ironing
Board



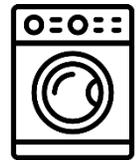
Laundry
Detergent



Laundry
Hamper



Stain
Remover



Washing
Machine

Smart Homes

More and more homes are becoming 'smart':

A smart home is a residence that has appliances, lighting, heating, air conditioning, TVs, computers, entertainment audio & video systems, security, and camera systems that are capable of communicating with one another and can be controlled remotely by a time schedule, from any room in the home, as well as remotely from any location in the world by phone or internet.

SOURCE: Smart Home USA

Smart appliances are becoming increasingly standard expectations of young and discerning tech-savvy travelers. This category of travelers represents a large (and increasingly growing) share of Airbnb guests:

Likelihood of using sharing economy services (summer vacation 2018)



Owners of smart appliances are able to remotely monitor and manage key features of their home, including things such as:



In doing so, there are often associated cost savings achieved by being energy efficient and reducing electricity and water usage (as well as reducing the risk of theft and damage).

Many smart appliances provide the ability to link the device with personal accounts you may hold on digital platforms (e.g. Amazon.com) or with service providers (e.g. Uber). Ensure that guests do not have the ability to modify your account settings or utilize services that will be charged to you without your permission and/or consent.



Your one-stop-shop for getting found more often,
selling your space and making more money on Airbnb

Other Airbnb Cheat Sheets in this series:

- Safety, Security & Protecting Your Property
- Listing Your Place on Airbnb
- Pricing
- Booking Settings
- Getting Found
- Communications
- The Check-In Process
- Providing a Phenomenal Guest Experience
- Check-Out, Cleaning & Turnover
- Payment & Taxes
- Reviews & Credibility
- Continuous Improvement

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