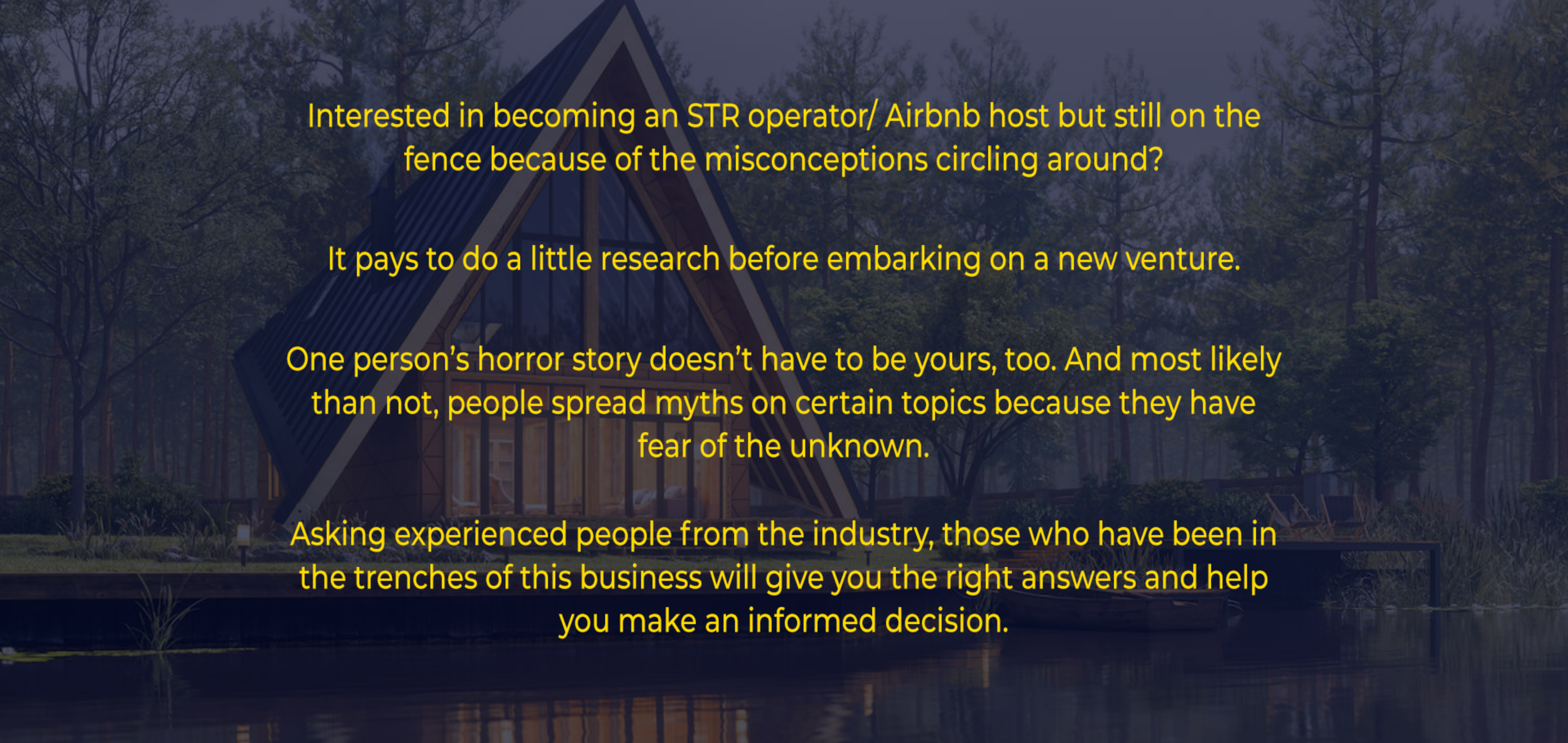




5 BIGGEST AIRBNB MYTHS BUSTED



Interested in becoming an STR operator/ Airbnb host but still on the fence because of the misconceptions circling around?

It pays to do a little research before embarking on a new venture.

One person's horror story doesn't have to be yours, too. And most likely than not, people spread myths on certain topics because they have fear of the unknown.

Asking experienced people from the industry, those who have been in the trenches of this business will give you the right answers and help you make an informed decision.



MYTH 1

AIRBNB
=
PARTIES

TO BOOK a property on Airbnb, users must create a profile. This allows you as a host, to get a sense of who they are and allow you to rate your guests. You may also screen your guests through a vetting process before they can go ahead with their bookings.

AIRBNB has also released an anti-party policy that penalizes guests in the event that they violate these protocols. Other booking platforms don't have this as guests can book homes without an account and provide limited to no tools for guest vetting.

ALSO have you heard about Airbnb's dedicated Host Guarantee offer against property damage by guests or other visitors? This is currently set to cover up to \$1,000,000 USD and shows how serious they are about protecting their Hosts.

AIRBNB = PARTIES

EMPRESS
CAPITAL



MYTH 2

HOSTING IS A PAIN IN THE BUTT AND TIME-CONSUMING

YOU don't have to quit your day job to operate an STR (unless you really want to). Sure, managing vacation rentals can certainly become a full-time commitment, but the amount of time you actually spend running your properties is up to you. There are no prerequisites here.

DYNAMIC pricing tools like [**Pricelabs**](#) can optimize your pricing strategy for you, so you can lock in optimal daily rates without pouring over every single detail. We'd never encourage a set-it-and-forget-it approach, but a pricing tool can go a long way to demystifying pricing for new and longtime hosts.

TECHNOLOGY aside, don't overlook the most tried-and-true management approach: delegation. Hire cleaning teams, a trusted on-site host, or even a professional management company to tackle the tasks you can't get to. This can help you generate revenue without giving up all your free time.

HOSTING IS A PAIN IN THE BUTT
AND TIME-CONSUMING

EMPRESS
CAPITAL

MYTH 3

AIRBNB WON'T WORK IN A RECESSION



According to **Nate Blecharczyk**, Airbnb company's co-founder and chief strategy officer, Airbnb is unique among its industry peers in its ability to weather recessions.

Airbnb, after all, was founded at the dawn of the Great Recession in 2008—a time when many people were losing both their jobs and their homes.

AS for the question of whether people might forgo vacations during tough economic times, Blecharczyk isn't worried. His bet is that people will still want to travel, but more cheaply—a desire that Airbnb can accommodate thanks to the company's large inventory at a variety of price points.

DURING the pandemic, he points out, Airbnb gained market share as some urban dwellers fled the city for rural homes where they could work remotely. For some guests, the budget realities might mean they need to stay closer to home. This seems like the perfect opportunity for an Airbnb that is focused on the "staycationer" that wants to get away, but stay close to home on a budget.

If you are serious about jumping into the Short-term Rental business, there are some good reasons to do it during a recession. But you also want to make sure you run the numbers.

AIRBNB WON'T WORK IN A RECESSION



MYTH 4

THE RETURN OF INVESTMENT ON AIRBNB HAS CHANGED

REVENUE and regulations aren't mutually exclusive. Although regulations can be negative for your STR business, they can in some situations moderate and even strictly limit competition by ensuring not just any new rental can enter the market.

(In our most recent Market Review, we found that markets with less than a 20% increase in listings had almost double the ADR growth compared to listings in high supply growth markets.)

MAUI Hawaii, for example, is one of the most highly-regulated markets in the United States, but the average full-time rental property still earns \$102,000 per year; and our investor scores show that Lahaina and Wailuku are two of the most profitable markets to invest in for 2022.

RATHER than trying to avoid government policies around operating, learn how to work within them and join local advocacy groups to ensure the longer-term health of the short-term rental business.

THE RETURN OF INVESTMENT ON AIRBNB
HAS CHANGED

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MYTH 5

IT'S ALL ABOUT THE LOCATION

A PROPERTY'S favorable location may lend some additional appeal but this is not the only thing that determines an Short-term rental business's success.

THE WAY a property is set-up, marketed, and optimized on a daily basis can contribute to a 20-30% uplift in revenue. Photos, for example, directly affect how a property will perform. An Airbnb study found that professionally photographed listings earned 40% more revenue and got 24% more nightly bookings than those which are not.

DYNAMIC pricing is another factor that can maximize a property's return. In fact, according to data from Beyond Pricing, listings with static pricing can stand to gain up to a 43% increase in revenue when converted to dynamic pricing. All these factors and more all play a role in how a property will perform and a good location is only a part of it.

IT'S ALL ABOUT THE LOCATION

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5 BIGGEST AIRBNB MYTHS BUSTED

Airbnb has provided many with the chance to travel the world a little more affordably and allows property owners, a way to make extra money.

While there may be a lot of misconceptions surrounding it, debunking some of these long held incorrect beliefs may just be the way to make more people experience the opportunity that Airbnb clearly brings.

For more details on market research, property acquisition, staging and design, marketing strategy and guest delivery, feel free to contact us.

SCAN THE QR CODE FOR YOUR FREE INVESTMENT CALL



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