



# INVESTING IN SHORT-TERM RENTALS

The information and tools you need  
to get started with investing in short-  
term rentals.

by Becky Ashby

# A LITTLE ABOUT ME



Becky Ashby is a premier real estate agent in Las Vegas and Henderson, Nevada who represents both buyers and sellers. Becky's unparalleled attention to the needs of her clients and her ability to advise them on all aspects of buying or selling their home have led to her success as a real estate agent and to win the Executive Club award from her brokerage for highest sales for the last 6 years running.

As a real estate agent Becky will work hard for you and will give you all the resources and attention you need to make an informed decision about your new purchase or the sale. She understands this is one of the biggest decision you have to make. She will do everything she can to make the process seamless.

## WHAT YOU CAN EXPECT FROM ME

### I'M CURIOUS

I want to have a clear understanding of your goals, who you are, and what your home means to you.

### I'M COMMITTED

I bring my A-game to every transaction, and I'm committed to achieving the best possible outcome for my clients.

### I'M PROACTIVE

I'm always one step ahead, anticipating potential roadblocks and finding creative solutions to overcome them.


### I'M PERSONAL

I believe in building relationships with my clients and treating them like family, because in the end, that's what leads to the best possible results.



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# INVESTING IN SHORT-TERM RENTALS HAS BECOME A POPULAR WAY TO EARN PASSIVE INCOME AND BUILD WEALTH.

With the rise of online travel websites, it has never been easier to rent out a property to travelers. However, investing in short-term rentals is not without its challenges. To be successful, you need to understand the market, target the right audience, invest in the right property, and have a solid marketing and property management strategy in place.

In this guide, I will provide you with the information and tools you need to get started with investing in short-term rentals. From understanding the market and identifying your target audience, to developing a marketing plan and managing your property, this guide will help you navigate the ups and downs of short-term rental investing. Whether you're new to short-term rentals or have experience, this guide will provide you with the insights and strategies you need to succeed.

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# RESEARCH THE MARKET

Researching the market is the critical first step before making an investment in short-term rentals. Having a comprehensive understanding of the short-term rental market in the area where you plan to invest will help you make informed decisions and set realistic expectations. To research the market effectively, consider the following factors:



## DEMAND

Research the demand for short-term rentals in the area. First, check out other listings' availability to see how far into the future those properties are rented. Look at factors such as the number of tourists visiting annually, future events nearby, and the types of properties that are in high demand. This information will help you determine if there is a market for short-term rentals in the area and what kind of properties are most likely to succeed.

## COMPETITION

Look at the competition in the area, including the number of other short-term rental properties in the vicinity, the types of properties, the number of guests, and the nightly rental prices. Understanding the competition will help you determine how to position your property to stand out.

## LAWS & REGULATIONS

It's important to understand the laws and regulations that govern short-term rentals in the area you're considering. Look at things like zoning laws, licensing requirements, HOA or condominium rules, state, county, or city regulations and resort taxes.

By taking the time to research the market, you'll be able to make informed decisions and set yourself up for success in your short-term rental investment.

**Tip: Checkout AirDNA for researching rental markets.**

# IDENTIFY YOUR AUDIENCE

Knowing who might book your future listing will inform the type of property you purchase, the amenities included, and the location. Having a comprehensive understanding of "who" will be spending time in your short-term rental will help determine the type of property you acquire. To identify your target audience, consider the following factors:



## LOCATION

Identify the key attractions, activities, and amenities in the area you plan to have your rental. This will help you identify the types of guests that are likely to be interested in staying in your rental.

## COMPETITION

Look at other short-term rentals in the area and identify their target audiences. Look at the type of guests they attract, the amenities they offer, and the language they use in their listings. From there, identify any gaps in the market and identify opportunities to differentiate your rental.

## IDEAL GUEST PERSONAS

Based on your research, create guest personas that represent your ideal guests. These personas should include information such as age, interests, occupation, and travel preferences. Use these personas to guide the properties you research and to tailor your marketing efforts to your ideal guests.

# PICK THE PROPERTY

Now you know *who* might be interesting in renting your property. Next, let's look at choosing the right property. Consider the following factors:

## 1. Consider Goals

Determine what you hope to achieve through your investment, like generating a certain amount of income, building equity, or diversifying your investment portfolio.

## 2. Research the Market

Look at occupancy rates, average nightly rental rates, seasonal fluctuations, and competition from other short-term rentals and hotels. This will help you identify areas with high demand and strong potential for rental income.

## 3. Determine Budget

Consider your down payment, mortgage, property taxes, insurance, improvements, and any other expenses associated with owning and managing the property. Have a clear understanding of your financial obligations before making an offer on a property.

## 4. Analyze Properties

With the help of an agent, analyze location, size, layout, and amenities. Decide if these factors would appeal to your target audience. Consider the property's condition and any necessary repairs or upgrades.

## 5. Calculate ROI

Once you've identified a property, determine your nightly rate & fees, then calculate the estimated return on investment (ROI). To do this, subtract your annual expenses from your annual rental income, and divide by the total investment in the property. This will give you the property's ROI as a percentage.

## 6. Make an Offer

If the property meets your investment goals and has a strong ROI, make an offer that's within your budget. Be prepared to negotiate with the seller and consider factors such as closing costs, inspection contingencies, and financing options.



# MARKET THE LISTING

You've identified your ideal guest persona, secured the perfect property, now it's time to set your pricing and share the listing with the world! To market your listing effectively, consider the following factors:



## HIGHLIGHT YOUR VALUE

Determine what makes your rental unique and why guests would choose to stay there over other options (Think: location, amenities, or the style of the property). Understanding your unique value will allow you to speak to the type of guests that are likely to be interested in your rental.

## CRAFT YOUR LISTING

Use the information gathered on **page \_\_** to craft a listing that speaks directly to your target audience. Use language and images that resonate with your ideal guests and highlight the unique features of your rental that are most likely to appeal to them.

## INCLUDE QUALITY IMAGES

Images are the first impression a potential guest has of your property. My best advice? Invest in hiring a professional to capture high quality images. Displaying nice images on your listing shows that you go the extra mile to show the property in its best light, and will likely do the same through the rental experience.

## TEST AND REFINE

Monitor the performance of your listing and make adjustments as needed. Use guest feedback to refine your target audience and identify areas for improvement in your listing.



# STREAMLINE OPERATIONS

Here is where we take your short-term rental to the next level. Say hello to streamlined rental operations. Save yourself some serious time and energy with the following recommendations:

## BULK ORDER SUPPLIES

Save time and money by ordering supplies in bulk. This includes everything from cleaning supplies to toiletries and linens. Look for wholesalers or suppliers that offer discounts for bulk orders. You can also consider using a service like Amazon Business to streamline your ordering process.

## USE CANNED RESPONSES

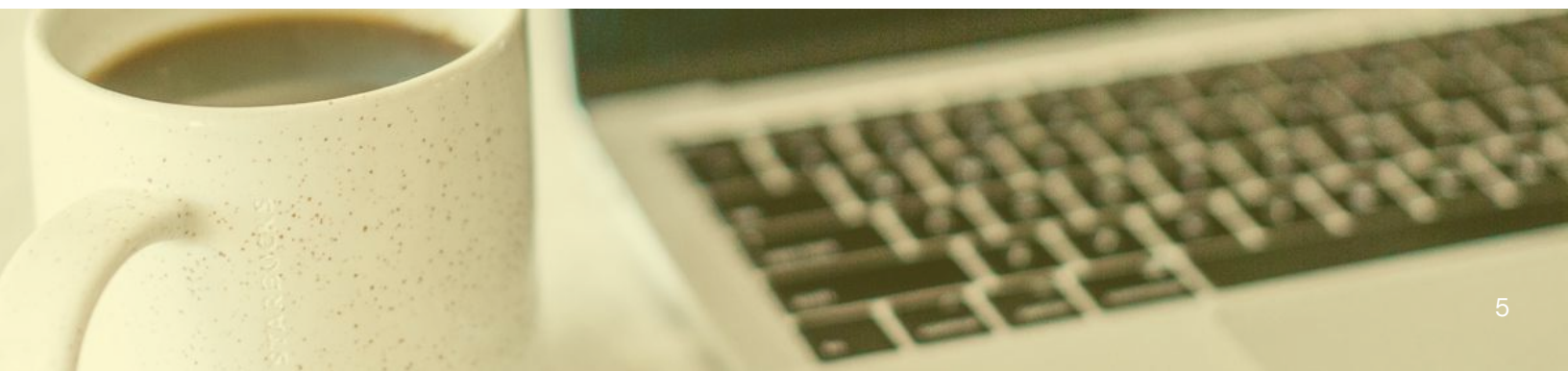
Save time and provide consistent communication to guests by setting up canned responses for common inquiries. This could include responses to booking requests, check-in instructions, and directions to nearby attractions. You can use a tool like Gmail's Canned Responses or a third-party service like Smartbnb to automate this process.

## ANTICIPATE NEEDS

Anticipate guest needs and provide amenities that will enhance their stay. For example: providing a welcome basket with snacks and drinks, a guidebook with local intel, or providing extra pillows and blankets. Anticipating guest needs will help you stand out from the crowd (& earn positive reviews!)

## HIRE A TEAM

Save time and ensure that your rental is always clean and ready for guests by hiring a quality cleaning company or property management company. Look for ones with experience in short term rental management and a proven track record of providing high-quality service. You can also use services like Airbnb's Host Services or Guesty to manage your rental remotely.



# FAQs

Initiating the process of investing in a short-term rental is no small order. There will be many questions, considerations, and decisions to make along your road to becoming a short-term rental owner. Below, I've compiled a list of frequently asked questions to assist along your journey.

## **This is a lot of work, can someone help me?**

Yes, there is quite a lot of work involved in marketing the property, keeping it maintained, and turning it around between tenants. If you lack the time to keep up with it yourself, consider hiring a property manager. Management fees can range from 8%-25% based on the service. My advice? Collect multiple quotes.

## **How can I determine the ROI of my rental?**

Once you know the annual rental income, use it to estimate your net operating income (NOI). Net operating income is the annual rental income minus the annual operating expenses (such as maintenance, insurance, property taxes and HOA fees). When calculating your NOI, don't include your mortgage payments & interest, those will come in later in the calculation.

Now you're ready to calculate the ROI. Divide your net operating income by the total value that's due on the mortgage. The formula will look like:

$$\text{ROI} = (\text{Annual Rental Income} - \text{Annual Operating Costs}) \div \text{Mortgage Value}$$

## **How do I identify the "right" investment property?**

Buying the "right" property at the right price takes some experience. Lean on a local real estate agent who knows the area and has experience with short term rentals. Having a professional on your side can be the key to securing a successful STR.

## **I can't afford purchasing a luxury home for my rental...**

Short term rentals don't have to be on the beach or a ski slope. Having a short-term rental that is modest and practical is advisable. Consider these rental scenarios: visiting friends or family in the area, job interviewing, waiting to close on a home, renovating a home, going on college tours, traveling with pets, entertainment events in the area, or having a medical procedure done at a nearby hospital. None of these scenarios call for a luxury rental.





# READY TO FIND YOUR RENTAL PROPERTY?

Reach out! I'd be honored to guide you  
through finding the perfect investment.

Las Vegas and Surrounding Area



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