



SHORT TERM RENTAL
PLAYBOOK



CASH FLOW DIARY
PRACTICE WHAT YOU TEACH

SHORT TERM RENTAL PLAYBOOK

WELCOME TO THE SHORT TERM RENTAL PLAYBOOK

Are you interested in Short-Term Rentals (STRs)? In this course (and accompanying materials), you will learn why the STR concept may be worth your time and investment.

In 5 sections, we will cover:

1. WHY STRs?
2. WHAT will you create?
3. WHEN is the best time to start?
4. WHO do you need on your team to get your STR Empire built quickly?
5. HOW do you run your STRs seamlessly?

Before we get into the fundamentals, you should break out a notepad and pen, grab a favorite beverage, and settle in. You might not even want to take a break to stretch your legs, because the information is THAT good.

Please print out these companion notes to help you stay on track. If you need to jot down bits of helpful information as you move through the video portion of this course, these printed companion notes are an excellent place to do that!

Here's to your continued success as a smart real estate entrepreneur!



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THE WHY

When getting into the STR space, you're going to have a lot of questions... or you should. For example, you should ask yourself:

- Why short-term rentals vs. other types of more traditional rentals?
- Which locations make most sense for the people I want to serve?
- How do I know my STR will rent?
- What do I put in the unit when I get it?

Let's begin by discussing how STRs are used in the real world. They go by many names:

- Serviced apartments
- Vacation rentals
- Short-term rentals
- Corporate rentals

As such, you have a diverse customer base for your STRs. And no matter who you wish to serve, you want to provide the highest level of customer care. That means you don't want to be too far away (physically) from your STR. It's best to be as close as possible, just in case you get a middle-of-the-night call to fix the fire alarm that just went off (and the guest doesn't know whom to call), or in case something else happens that requires your immediate attention.

You are creating a very personalized experience in your STRs. You want your guests to walk away with the WOW experience! After all, you are NOT running just an "Air BnB business." You are, in fact, creating your own brand of vacation and short-term rental property.

Consider that you don't want to be part of a brand that could get associated with just a single business (like Air BnB, Home Away, Trip Advisor and any of the rest of the travel sites). This helps avoid having a single point of failure.



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THE WHY

Now, let us get back to your WHY. The type of client (your guests) you desire to serve determines the location and type of rental you will create. For example, you will want to set up your units to serve:

Corporate renters who, for example, may be in the area for sales team meetings. Consider traveling executives who are in the area for mergers and acquisitions, or business conference-goers, and those traveling for the purpose of non-profit functions (or church-related events).

Those who rent due to emergency family displacement who are reimbursed by their insurance companies for unexpected problems with their own residences. As an example, consider a client with flooding or slab leaks. Another guest in this category may be between leases.

Medical travelers who need a place close to the hospital, so they can be close to their loved one going through an extended medical care.

Guests who are in the area for entertainment purposes and events such as weddings, parties (off premise), sporting events, concerts, amusement parks, historical landmarks, filming, etc.

Guests who are visiting for academic reasons such as those attending barber or cosmetology school, traveling professors, and foreign exchange students.

There are also guests who will stay with you for purely economic reasons, because, for whatever their reason, they require alternative accommodations:

- **Aesthetics** that may attract guests to your property (they prefer it to a hotel room).
- **An additional level of personalized service** that they can't find in a hotel setting.
- **Access to a kitchen** (unlike hotel rooms, which have no kitchen).
- **A more affordable price-per-square-foot** (compared to what is usually charged for a hotel room per-square-foot)



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THE WHAT

Before creating your first STR, you need to know whom you serve, Then, create the space around the type of guest you want to attract. Is that someone who wants to stay in a studio? Is it guests who like a 1-bedroom or 2-bedroom houses or other experiences?

What about amenities? Do you want to mess with a pool and a private Jacuzzi, or do you go for the community-pool/Jacuzzi experience where you don't have to pay for the upkeep (and the guests still get the enjoyment)?

The truth is that all property types can work in this real estate strategy, but the layout matters. The floor plans have to be functional, and the bedrooms should NOT share a wall. (You may not be able to avoid that, however, in which case, make sure the walls are not paper-thin.)

In creating your STR, there are phases:

Acquisition phase

In this first phase you are looking (and this can take a while at first). Just like in any other type of real estate investment-strategy, you are going to:

1. Talk to people, like Realtors, property management companies and people in complexes where you think you might want to have your STRs. Build a relationship with the community manager. In short, you are building a network, and sharing your goals and vision.
2. Use a lease and Master Lease strategy to take the properties. You DO NOT need to buy the property; subletting and renting/leasing works just fine. You are after the cashflow, not the asset. In a Master Lease you are saying to the landlord, "I want to pay you rent, but I don't want to stay there. I want to find people to rent this place."
3. Use your virtual business card to share your information.
4. You are looking for REIT-controlled and owner-controlled properties (the latter being the best and easiest to do). Regarding REITs, look at Avalon Communities, LMC, Equality Residential and ESSEX.

NOTE: Understand that when you employ this real estate investment strategy you are not in the real estate business. Rather, you are in the hospitality business.



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THE WHAT

Building the Unit

If you want to create an STR quickly (and perhaps, repeat the process), you can't do it alone. You need a team, and you need to make some choices.

You will need a Head Designer who should control the total design of the interior of the house. When it comes to paying this individual, wrap it into one cost so that design comes to about \$25 per square foot.

Furniture choices are key and must be chosen around the needs of the guest you intend to serve. What follows are basic needs:

- Ottoman beds that fold into twin-size beds
- Furnishings that look good and are multi-functional
- King-size bed(s) where possible

In the Kitchen

You need to fill the kitchen with useable equipment:

- Britta water filter
- Tea kettle
- Cookie sheets
- Rice cooker
- Nice set of knives
- Plenty of utensils and decent dishes (themed to the overall theme of the unit)
- Good dish towels/wash cloths
- Salad spinner
- Blender, mixer and other helpful tools
- Coffee maker (give guests coffee, too)

NOTE: *If you find that a guest has stolen from you, charge them for the missing items. Taking a security deposit is a good idea. Some of the vacation rental sites on which you will post your property have options for this. Depending on each site's criteria, you can plan to implement this.*



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Technology

TV, WIFI, Home automation, any other amenities are always good to have:

- 4k TV with simple remotes
- Roku TV with easy remote. TCL TV 55K
- Wall mount every one of your TVs
- The fastest WIFI you can get
- A good router
- Basic cable
- Apple TV in every room
- Optional dry-cleaning machines (a SWASH system is a good choice that can be stored in the master bedroom closet)

Home Automation

The more you can automate your STRs, the better for you (and the more impressive to your guests). Here are basic inclusions for you to consider:

- Nest - Thermostat
- Nest Protect - Smoke, Fire
- Access to the property - August Smart LOCK, Doorbell CAM, Smart Keypad (One's Phone becomes the guest key)
- Noise Protection - NoiseAware
- Dimmer switches - Lutron makes a good dimmer switch
- Samsung SmartThings Water Leak Sensor

NOTE: *The Software to pull it all together can be found on IFTTT.com!*



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Rehearsing

Before renting your first STR and each STR thereafter, stay in the unit(s) at least one entire day and night. Mess everything up! **Test everything.**

Helpful tips:

- If you have a switch that goes to a lamp, buy a power bank (and plug both lamps into it).
- Add USB receptacles. Guests want to charge their devices in the bedroom, living room, etc. You can even have furniture with USB charging plugs!
- Use all of your TVs before the guest arrives. Test them. Make sure all the remote batteries are charged and that the remotes work.
- Find all the ways to get in to and out of your property. Find the easiest route, and document that route. If you get this wrong, you can annoy a lot of guests. You need to give solid directions.
- Use all the amenities (pool, gym, business center, club house), so you can accurately describe the experiences the guests will have in your listings.
- Run all the appliances. Test them all at least once. Test the towels. Test the AC.
- Maximize natural light! This is important to many guests.
- Check the air duct filters. They need to be clean. If the property has a forced-air unit, be sure the filter is CLEAN.
- Open every drawer and cabinet in the kitchen. Make sure nothing is loose or peeling.
- Check all blinds and window treatments.
- Make everything that can move... move. YOU make sure it all moves correctly.
- Pull out the sleeper sofa. Do you have linens for it? Does the layout work when it is pulled out? If not, rearrange! Otherwise you will find that your guests will move your furniture.



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Marketing the Unit

- As you create your listing on each platform (Air BnB, Home Away, Trip Advisor, etc.) **leave nothing blank**. Fill out everything you can about the property in the forms provided by each site.
- Photos - Make them as good as possible. Get someone to take them. Take photos when the unit is clean and shoot between 24 and 30 photos (Travel sites often limit to 24). Take photos of your unique offerings and items such as your Pack n' Play, stroller, high chair, white boards, and dry-cleaning machine, and add a screen-shot of the Internet speed.

NOTE: If you don't tell clients about or show clients the amenities, then potential guests can assume they are NOT there. The exception to this rule is the headline, which should be keyword-specific.

In your headline, you DON'T need the word "2 bedroom" included.

"Air conditioning" or "AC" or "WIFI" would be good to add. Consider words like "king bed," because units with this size bed tend to fill up the fastest.

Eventually, you should list your units on multiple channels. When you are getting started, though, chose one and really work it! From there, you can improve at creating and managing your STRs.



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Here is a list of **SOME** of the platforms on which you can post your unit(s) (some will have crossover from the two main sites, Home Away and Air BnB):

- [AirBnB.com](https://www.airbnb.com)
- [homestay.com](https://www.homestay.com)
- [flat4day.com](https://www.flat4day.com)
- [9flats.com](https://www.9flats.com)
- [wimbu.com](https://www.wimbu.com)
- [onlyapartments.com](https://www.onlyapartments.com)
- [expedia.com](https://www.expedia.com)
- [tripadvisor.com](https://www.tripadvisor.com)
- [flipkey.com](https://www.flipkey.com)
- [booking.com](https://www.booking.com)

While there is “channel manager” software available to you, in all likelihood you will not need it (Air BnB and Home Away are sufficient, and they have the managers built in).

Air BnB gets about 50 million visits a month and has robust systems, which means there is less that you have to do. Home Away has similar stats. This is important, because, when it comes to background checks, processing credit cards/payments, and being able to vet potential guests, Air BnB and Home Away both offer stellar services (making your host-life easier).

These platforms also offer great review systems, so both your guests and you can leave reviews (hopefully positive). The more positive reviews, the better. On Air BnB you are rewarded by earning different host levels when you get positive reviews.

NOTE: Once you get to your second STR location, it's time to find a good property management system of some kind.



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THE WHEN

“When” is obvious! The short answer is right away.

It is Now O'clock!!

You may ask, “When will I get my first reservation?” Once you have finished your listing, it can happen rather immediately, even in a matter of hours.

Note: Every day you delay, it is costing you \$125-150 per day per unit. So if you have 5 units, it is costing you \$750 a day that you did not get.

Just as in other areas of real estate entrepreneurship and investing, you do your first deals for experience (not profit), and then you profit from your experience!

What does that mean here? When you list your units, focus on building your reputation on the platform (i.e. reviews). Positive reviews is what you're after. Get killer reviews. You want to work out the kinks in your system.

In that system, one of the most challenging things to determine is pricing. There's actually a type of art and science to determining rates. Your pricing should **NOT** be static. What you charge for Mondays should be different from what you charge on weekends (starting on Fridays). What you charge is referred to as your ADR or Average Daily Rate.



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THE WHEN

Your goal is to have all your expenses covered by the 18-20th day of the month. At that point, you can lower your rate, because it's often better to have the unit filled at any rate than for it to be empty. There is no room for ego. You are in business to create cashflow through renting your unit(s) to guests.

Some people would rather do the opposite and charge more and keep it vacant more. That's okay, too. Both models are correct, so it is totally up to you.

Others things to keep in mind:

- Consider placing a 1-night minimum stay at least in the beginning, because that's a way to build your cache of good reviews and get more bookings. You might want a 2- or 3-night minimum on the weekends.
- No check-ins on the holidays. Check-out on a holiday is fine. The reason is that finding someone to clean the unit before the new check-in can be difficult. Of course, you always have the choice of cleaning the unit yourself, which is up to you. (Finding a couple of great housekeeping teams is one of the best things you can do for yourself. Be sure to pay them adequately. You want them to be rock star cleaners.)
- Use the Instabook option on the travel sites when offered. Your customer wants to book instantly, so be sure to provide the system with your guest parameters and let people book instantly. On Air BnB you can only offer the Instabook option if you have been positively reviewed at least once. However, there are other criteria and rules change all the time. So be sure to stay current on the rules.

This strategy turns a profit faster than any other method of real estate.



THE WHO

You cannot do this thing alone if you plan to have two or more STRs running at the same time. If your goal is to have 10+ units, you most definitely need a team, and you'll keep adding members to that team if you intend to move forward quickly.

You can absolutely move quickly and have 10+ units in six months if you bring together a team of people, and you are willing to pay them appropriately. Just as in most other areas of real estate entrepreneurship, you will quite likely start out on your own. You will wear many hats, and you will get tired.

The following are the minimal tasks that you may need help with as you build your STR Empire:

Operational Positions:

1. Calendar Management - When you have just one property on one platform, you don't need it. If you have several properties on several platforms, you really need it!

2. Cleaning - All you want this individual or team (if larger properties) to do is the cleaning. They need to be detail-oriented and clean everything. Clean the inside of refrigerator every time before new guest come. The cleaners need to wipe the cabinets (every time), empty the dishwasher, run the garbage disposal (and clean it if needed), super-clean the bathrooms and kitchen, clean into room corners, and dust the fans. Seriously, this has to be a team that deep-cleans between guests. And not all housekeepers are created equally. Some are just not meant for this type of cleaning. You will likely kiss a number of frogs before finding your prince of STR cleaning.

Note: A big benefit to a landlord having you as a tenant is how you keep the unit(s). You have to make the unit look like the picture. You have to make it look like new all the time, which can take lots of upkeep and maintenance. You will be painting and spiffing up a lot. You will replace old, worn-out things.



THE WHO

3. Maintenance - Electronics, ceiling fans, batteries in clocks, remotes, washer, dryer, air filters, etc. Everything needs to be up to snuff and working great.

4. Inspector - You should be able to operate without going to every unit yourself between guests. But, it's good if you can have someone who can go through and make sure everything is set up correctly. Did the pillows get put where you want them? Did the flowers get set up correctly? This Inspector handles all the fine details. You can have an inspector go through all the time or just occasionally to put the units back where they need to be. You will find that things drift and move.

5. Linen and Laundry Service - Some of your cleaning people will do your laundry as well, which is great. However, I suggest you have a separate linen and laundry service. Granted, if you only have 1 to 5 units, it is fine to combine these services. At some point, though, you will want to separate the two... probably sooner than later.

6. Booking and Guest-Support – Success in this area requires sales skills and customer service. This can mostly be supported remotely with a VA (virtual assistant). There are a number of places online that offer this service, or you can just get a VA, and train her yourself. (Women typically do better in sales, but you can have a male VA if you prefer. The person just needs to have the right skills.)



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THE HOW

There are ways to keep your STR-life running smoothly and efficiently. This section is a bit of a review, but give it your attention. Following are the basics:

Pricing and calendar management:

There are a number of automated tools you can use for this. They are great within reason, but they need human supervision:

- [everbooked.com](https://www.everbooked.com)
- [usewheelhouse.com](https://www.usewheelhouse.com)
- [beyondpricing.com](https://www.beyondpricing.com)

All three of these places can help you with automated pricing, but, as stated, they all require human supervision.

Housekeepers:

There are too many cleaning services to count in the world today. You will have to see which ones work best for your situation. Here are two recommendations that may serve as a starting-point for you:

- [maidthis.com](https://www.maidthis.com)
- [handy.com](https://www.handy.com)

The individual method - Finding your very own personal maid service is probably the method you will use (at least at first). The problem is it does NOT scale to well. That is okay. Just understand that sometimes the cleaners won't show up, or you will have scheduling issues. Know that, at some point, you are going to need a way to scale the cleaning. Even so, one individual may be able to handle four or five units, depending on the location of the units and the proximity to each other.



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THE HOW

Inspector:

In the beginning, you might inspect units, but as you branch out and grow your base of STRs, you'll need someone to take this role. There are companies out there in the world that specialize in STR property management. They don't come cheap and it doesn't make sense to hire one unless your profit margins are really good. It is a great idea to hire someone on your internal staff that you personally train for inspections. You could give the housekeeping Team Leader a check-off sheet so he/she could also inspect the premises after each cleaning.

Linen Service:

This is going to be local to your area. Call different services and vet them.

Booking and Guest Support:

You can absolutely do this on your own in the beginning, but once you surpass a few units, you'll want to have help. Here are a handful of companies to consider:

- lodgify.com
- streamlineVRS.com
- guesty.com

Guest Guide:

This is a service to consider adding. Check these guest guide services out:

- coral.life
- hostfully.com
- yourwelcome.com

This requires you to leave a device out for your guests typically so that they can access all the cool features of your property. However, if you want to go a less technical way, you can always create your own printed guest guide.

The point is to make the guests feel welcome and to give them any instructions they need to make their stay its absolute best.

