How to Maximize Profit From Your Airbnb Listing

GET PAID For YOUR PAD

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Prologue

I was done. Frustrated and fed up, disgruntled and exhausted, I knew that I had to leave my trading firm. For six long years I toiled away as an arbitrage trader: buying and selling stocks, futures, and currencies at a cutthroat pace. I had endured long hours, stressful work environments, and incessant verbal slings and arrows as I rapidly bought and sold goods to rein in profits for my firm.

Were the financial incentives impressive? Certainly. I was able to purchase a lovely two bedroom apartment in Amsterdam with one year’s bonus check. But was the grind worth the reward? Did it make sense to be held financially captive to a laborious workweek and an unfulfilling profession? One day, those very questions suddenly had a clear and resounding answer: no and no. I had to leave. Right now. I could no longer sit idly by as months and years of my life slipped into oblivion. What good is a pile of money if the bulk of your life is confined to grueling tasks in a stale workplace? So in 2010, I marched into my boss’s office, set down my ID badge, and tendered my resignation. And that my friends, was my glorious birth cry into ultimate freedom.

University

I loved my time at university. I enjoyed my classes and relished each and every opportunity to engorge my mind with delectable bits of knowledge. I was especially enamored with economics. As I delved deeper and deeper into the subject matter, I recognized that it was a breeze to understand and moreover, utterly
fascinating. I couldn’t get enough of the material, and began reading well ahead of my educational level.

In the spring of 2004, I graduated with a master’s degree in Econometrics. I was 26 years old, completely broke, and eager to begin a new life as a financial trader. After receiving an offer at one of the top trading firms in the Netherlands, I was absolutely ecstatic. I would no longer have to worry about money and my life was to be henceforth filled with champagne brunches, steak dinners, and glamorous trips across Europe and Asia. I couldn’t wait for the cash to start flowing and my new life to begin.

Life as a trader

“What is wrong with you, you stupid pig!! I told you about 10 times what to do, and you still blew the trade! You are a complete moron. Sit down, shut up, and don’t do anything else until I give you further instructions. Idiot!!”

I had never been yelled at so cruelly in my life, but my fellow traders assured me that such treatment was par for the course. I had always been the top of my class, the brightest of the brightest, yet suddenly I was being referred to as a “stupid pig.” The traders would beat me down mercilessly every time I fumbled a trade or miscalculated a profit. The high-pressure trading environment was something I had never encountered before, and while it was wildly exciting, it was extraordinarily intimidating. Large sums of money were on the line everyday, and people were constantly being berated for minor mistakes. I saw countless traders in tears every week, some eventually succumbing to the frustration and walking out the doors for good.
But I was resolute to stay the course. I wasn’t going to give up, not unless they physically forced me through those doors. I absorbed the countless insults, shrugged off the unpleasant work environment, and endured the difficult lifestyle with a smile on my face. And lo and behold, after three long years, things started to get better. I got reasonably comfortable at the office, and trading started feeling more natural as well. My mistakes were infrequent, my financial success was increasing, and my demeanor was calm and stable.

Now, it’s not as though trading became fun; it simply became bearable. The money, however, was a great deal of fun. It provided me with the freedom and flexibility to party at all of the best nightclubs, eat at the nicest restaurants, and travel the world at my leisure. Life was pretty awesome, and I wanted to take advantage of every pleasure available.

But in 2009, after working for nearly five years as a trader, something had shifted internally. I felt empty. Sure, I was being compensated well and my life was full of exciting trips, but my day to day was still a drag. I was bored and unhappy at the office, and I couldn’t wait to get home. It just seemed like a perverse way to live life. So after a bit of contemplation, I shared my internal unrest with my boss. I explained that I wanted a change, but I didn’t know precisely what to do. He thought about it for a few days and came back with an offer. “How about you take a position with our Chicago office?” he asked. I was intrigued. Although my day to day would remain relatively unchanged, it would give me an excellent chance to explore the U.S. So after I mulled over the opportunity for a few days, I accepted the offer and moved to Chicago.
Life in the U.S.

Chicago is a dense jungle of steel and concrete, laden with immaculate skyscrapers and high-flying condos as far as the eye can see. The entire downtown runs alongside Lake Michigan, a massive body of dark blue water that looks like the Pacific Ocean. Strewn along the waterfront are collections of beaches that are filled with bustling locals during the summer. Suffice it to say, I was absolutely in love with the vibe and the charm of the city.

My work life in Chicago was roughly equivalent to what it had been in Amsterdam, but I was so preoccupied with my new surroundings that I didn’t let my job bring me down. I was on a constant mission to explore my neighborhood and meet new people. I even decided to treat myself with the purchase of a brand new Aston Martin sports car. Whizzing down Lakeshore Drive in a sexy convertible was a dream in and of itself. For a while, life seemed pretty sweet.

Internal turmoil returns

Every day I would: fire up my fancy cappuccino machine, fry up some eggs and sausage, devour a quick meal, shower, slip on my business casual garb, and head to the office. I would work all day, hustle back to my apartment, and enjoy the evening hours with my friends. It was a nice and easy life, one that many of my Dutch buddies envied.

But something was off. It had been nearly eight months since I had left Amsterdam, and as the awe and magic of Chicago had started to wane, I realized I was back at square one. I was still unhappy with my career. And a career, after all, is a central part of life. 10 hours a day, 5 days a week, and 50 weeks per year could not be devoted to a mind-numbing,
soul-crushing profession. At least not in my vision of a perfect life.

So what was I to do? Should I quit? And if so, what would I do next? I spent several weeks thinking about my life and my aspirations. I struggled with all of the questions one might ask with regards to a life long pursuit, and finally came to an astonishingly clear conclusion: I wanted to travel. Yes, I know what you’re thinking… that’s not a career, right? I thought the same thing too, but I didn’t care. I knew how I wanted to spend my life. I sincerely believed that everything would click into place once I began living my dream.

This was the hardest decision of my life. After a lengthy period of contemplation, I finally realized what I had to do. I needed to let everything go. I had to take the leap. If I didn’t do it now, I would regret it forever.

So once again, I marched into my boss’s office to deliver some bad news. But this time my resolve had shifted. I wasn’t interested in conveying my woes and confusion. I didn’t want any compromises or new opportunities. Instead, I was committed to leaving. I said the following: “Thank you for the wonderful chance to live in Chicago, but after a great deal of thought, I have realized that I can no longer work here.” Sensing my determination, my boss barely protested, simply asking if there was anything he could do to change my mind. I said that my decision was made and although I had learned a tremendous amount at the firm, it was time for me to leave. He accepted my resignation, sent out a firm wide email notifying the staff of my departure, and let me go on my way.

I bolted back to my apartment with an electrified spirit. My body was surging with adrenaline, floating atop a euphoric cloud of excitement and anticipation. As I neared a busy intersection near
my home, I paused. I watched the corporate worker bees scurrying home from their offices in a chaotic frenzy. It was a dance that I had done too many times. I took a deep breath, closed my eyes, and released any lingering tension in my body with a long exhale. I was no longer a member of the corporate tribe. What a lovely realization.

Now that I had once and for all cut the umbilical cord from my trading firm, it was time to set my master plan in motion. I arranged to have my belongings placed in storage, found a garage unit to house my car, and sold off whatever possessions I thought were no longer necessary. I was engineering a brand new existence, one that cast off the shackles of immovable baggage. I was determined to be lean, light, and mobile. I was going to be a free spirit.

Brazil and beyond

In the winter of 2010, I booked a one-way ticket to Brazil, packed my two remaining suitcases, and ventured into unchartered territory. I didn’t know what I would do for money or where I would end up in the world; I simply recognized that I was taking the first step of an epic journey.

The next few months in Brazil were magical. I spent my days surfing and bouncing around the beautiful city of Florianopolis, meeting loads of locals and travelers everywhere I went. I was already fluent in Spanish, French, English, and Dutch, but Portuguese was a language I had never been exposed to. Since I felt such an attraction to Brazilian life and culture, I decided to study Portuguese. In two short months, I had achieved a solid fluency level allowing me to
make even more friends in the region.

I felt so free and at ease! My life had morphed into a Peter Pan like fairy tale. I was no longer biding my time and gritting my teeth to make it through a treacherous and boring workday. Instead, each moment was memorable and lovely. The idea of sitting behind a desk and working for a company seemed so distant and unappealing. I couldn’t fathom ever going back to that life. Never again.

But I had one minor issue I had yet to resolve: money. Sure, I had some funds in the bank, but they wouldn’t last forever. I needed to develop a stream of capital in order to finance my newfound lifestyle. Granted, I was living quite a humble life, staying in relatively cheap accommodations and eating inexpensive meals; but all play and no pay would eventually take a toll on my bank account.

At that point in time, I only had one revenue stream: the rent I earned from my apartment in Amsterdam. It made me a little cash, but not nearly enough to survive. So began my financial quest. I pondered a number of potential options such as: (1) starting various Internet related businesses, (2) buying and selling used automobiles in South America, and (3) diving head first into online poker. But all of those options turned out to be dead ends.

My research finally led me to a new method of monetizing property. Instead of renting out a home using a standard fixed-term lease, owners were now renting out small chunks of time just like a hotel. To make all of this possible, they were utilizing a new and revolutionary site called **Airbnb**, an amazing online marketplace for short-stay rentals. It sounded interesting, but the risks seemed way too high. How could I trust a complete stranger in my home, not to mention a stream of strangers over several years? Plus, I was
already earning a solid cash flow from a straight fixed-term rental. How could I be certain that the short-stay market would be more profitable? But as I dug deeper, I realized that I could substantially magnify my annual income for very little additional risk.

I read everything I could about the short-stay business, and began setting up the necessary logistics. After a few months, I was making enough money to fund my travels. I was no longer eating into my hard earned savings; instead, I was staying afloat atop a sturdy raft of short-stay customers. And just like that, I had achieved absolute financial freedom! This was the lynchpin of my quest. This was the final answer I had been searching for. I could now spread my wings and glide effortlessly across the sky without a care in the world.

Still wondering how everything works out financially? Think of it like this: I’m roaming the streets of Bangkok with a few of my buddies, stopping on the street to grab some fresh made chicken pad thai and a Singha beer. As I take the first sip of my perfectly brewed beverage, my phone begins to vibrate. It’s a notification from Airbnb. Someone has booked my apartment for the next 5 days at $200 a night! This is great news because I’ve now hit my average monthly target of 80% booking. This means that I have 24 nights booked, netting me a positive cash flow of approximately $4,000 (with costs factored in). After removing $70/per night to stay at the reasonably priced Aloft hotel (-$2,100), $30/per day for food (-$900), I still have $1,000 left over. That’s plenty of cash to indulge my fancies and book my next plane ticket to a new and exotic location.

Today, my life is a dream. I spend several weeks in an amazing city, chronicle my experiences on my travel blog, and then pack up my belongings to enjoy another adventure elsewhere. I have been lucky enough to explore the Americas, Asia, Europe, and Australia.
When I’m tired, I sleep; when I’m hungry, I eat; and when I feel like partying, I hit the bars of whatever city I’m currently residing in. I’ve met so many incredible and interesting people along the way. I simply can’t get enough of life.

Many of my friends look at me in awe, wishing that they could have the wonderful and carefree existence that I enjoy. You know what I tell them? You can. The key catalyst in this voyage has been Airbnb. It bridged the gap from my former life as a trader to my current life as a world traveler. If it were not for this wondrous invention, I would likely have been forced back into a corporate straight jacket a year or two ago. But now I have security. I have a consistent revenue stream that allows me to remain in this fairytale like existence. In short, I am Peter Pan. The world is my Never Never Land, Airbnb is my pixie dust, and my entire life is my happy thoughts. Onwards and upwards to the next adventure.
“Making money is a hobby that will complement any other hobbies you have, beautifully.”

- Scott Alexander, Author

Getting Paid for Your Pad
As the world continues to transition into a highly global economy, folks are increasingly yearning for enriching travel experiences and cultural immersions. People are more curious than ever about the world at large and the vast strata of nations and cities. But as the enthusiasm for international travel has grown, there has been a simultaneous tightening of pockets. Translation: people want to travel on the cheap. This is quite a conundrum, isn’t it? With exorbitantly high airline prices, expensive intra-city transportation, and costly big city restaurants, bargain traveling can be as elusive as the fantastical Lochness monster.

Of all the travel related money sucking goblins, the biggest beasts are luxury hotels. Don’t get me wrong, I love a nice hotel. But while my senses are titillated by the extravagance and comfort, my wallet is met with a cold sucker punch to the gut.

Let’s imagine “Joe the Traveler,” a native of New York, wants to go to Paris for a week. Joe the Traveler is a planner. Accordingly, he starts searching for airline tickets well in advance of his trip and finds a reasonable deal: $750 for a round trip fare. He then sets aside $500 in cash for restaurants, since he will have to eat out for every meal. And he adds another $400 for alcohol and other miscellaneous charges. Grand total for a week amidst Parisians and croissants = $1,650. Not too bad for a seven day jaunt in Paris, right? Oops, he almost forgot... he still needs to book a hotel. Joe the Traveler loves a nice hotel, but Paris prices are pretty steep. According to his research, he’s looking at spending upwards of $300 per night for a decent four-star hotel. That’s $2,100 for the week! There is always the hostel option, but Joe dislikes those types of accommodations. He feels that while on vacation, he wants to be comfortable and a bit pampered. Even if he drops down to a three-star hotel, he’s still looking at shoveling out $150 per night; a whopping $1,050 in total.
What seemed like a lovely idea for a Parisian getaway has turned into an unseemly and grotesque expense.

But hope springs eternal. As the global marketplace continues to grow and adapt to the changing needs of society, a wonderful cost cutting mechanism has emerged from right beneath Joe’s nose: short-stay rentals. Short-stay rentals (also called short-term rentals) are private homes that are subleased by owners directly to consumers. Instead of a homeowner offering a typical long-term lease (like six months or a year), an owner can lease out his domicile for a few days or weeks, similar to a hotel or hostel. Because these units are coming direct from owners and do not require the same maintenance and upkeep costs (such as employing an extensive management staff and housing expensive facilities such as restaurants), travelers can nab a terrific accommodation for a fraction of the price. Moreover, they have access to an actual home and all of the accompanying amenities. This means that tourists can: (1) save on the overall rental and (2) save on food costs by cooking their own meals. By booking a short-stay rental instead of a hotel, Joe the Traveler can now rent a private bedroom and bathroom in a luxurious condo in Paris for $75 per night, simultaneously cutting his food costs to $250 for the whole week (assuming he chooses to eat out a few times). That’s $775 versus $2,600… a savings of almost $2,000!

From the consumer’s standpoint, the short-stay rental is a marvelous bargain. A tremendous amount of cash can be saved without sacrificing comfort. But what about the other side of the transaction? Is it worth the hassle for homeowners to take on short-term guests?

Are you ready for the beautiful part? This is the beautiful part: short-stay rentals provide the ultimate middle ground for both parties involved. That’s right, it is a win-win scenario. Not only
do tourists save a solid chunk of change, but owners manage to rake in significantly more cash per annum than with standard fixed-term leases. And by significant, I mean 2x to 3x. I repeat, 2x to 3x! Don’t believe me? When I switched from offering a standard one-year lease to relying solely on short-stay rentals, my annual rental income went from a paltry $26,000 per annum to nearly $60,000! Moreover, providing short-stay rentals is extremely simple and convenient once the basic logistics are ironed out.

But there is one key problem: finding tourists to rent your place continuously throughout the year is difficult. Correction: it used to be difficult. With the emergence of an immaculately designed global marketplace for guests and owners alike, short-stay rentals are now easier than ever to arrange. What is this wondrous tool I speak of? It is the one and only Airbnb.

Airbnb was founded in 2007 by innovators Brian Chesky and Joe Gebbia. The product was first called “AirBed & Breakfast,” and its initial purpose was to simply provide attendees of the annual Industrial Design Conference cost-effective short-term living quarters. The target market at the time was people who were unable to pay the hefty hotel prices in San Francisco. The goal was to offer a bare minimum bed and breakfast experience complete with a comfy airbed and a home cooked meal first thing in the morning.

It was a simple yet innovative concept in an industry that was hungry for change. From this basic prototype grew the awesome international marketplace we know today. The founders eventually changed the name from “AirBed & Breakfast” to “Airbnb” and expanded the scope of rentals to include: entire homes and apartments, private rooms, castles, boats, manors, tree houses, tipis, igloos, private islands, and other properties. Airbnb has drastically
altered the travel sphere for the better, and has made the impossible possible for many wannabe travel buffs.

**Why Airbnb?**

Today, the accommodations market is massive. There are a plethora of websites and online tools that help travelers slice and dice hefty lodging costs into bite size morsels. For starters, there are sites like VRBO (Vacation Rentals by Owner), HomeAway, Couchsurfing, Roomorama, 9Flats, Wimdu, and HotelTonight just to name a few. These are all excellent websites with a variety of lodging options and terrific track records. But when it comes to product lines, there is always one that shines a little brighter than the rest. There is always one captain of quality that consistently provides the best level of service, the top products, and the highest level of overall value.

At the helm of this burgeoning industry, the so-called Neo of the accommodations matrix, is Airbnb. It is the most innovative and far-reaching company in the short-stay rental niche. Guests and owners alike choose to use Airbnb above all else because of its reliability and ultimate dedication to customer service. Personally, I have tried several competitor sites for my home in Amsterdam, and after a lengthy trial and error period, I have stalwartly decided that Airbnb reigns supreme for the following reasons.

**Size and growth**

Airbnb is a massive network of owners and guests that only seems to be growing bigger. As of 2014, Airbnb has hosted over 11 million guest stays at more than 600,000 properties across 190 countries
and 34,000 cities. There were in excess of 6 million guest stays in 2013 alone, more than double the total in 2012. Of these 6 million stays, only 1/3 were within the United States. The remainder were spread across the globe, further supporting the fact that Airbnb has a substantial international presence that is only getting stronger.

The strident success of the company is garnering a lot of attention amongst financial investors in Silicon Valley. Co-founder and CTO Nate Blecharczyk has confirmed that Airbnb raised over $200 million in 2012 with the help of Founders Fund, a San Francisco based venture capital investment firm. More recently, Airbnb raised an additional $500 million in April of 2104. Even more impressive than a VC’s vote of confidence is Airbnb’s staggering valuation of $10 billion.

When you compare these figures to the competition, Airbnb comes out as an exponentially more successful and farther-reaching company. Wimdu, one of Airbnb’s largest competitors, has only 300,000 properties worldwide. Roomarama, another major player in the accommodations space, has about 120,000 properties. Although these competitors have managed to develop strong reputations in the peer-to-peer rental industry, Airbnb remains the undisputed front-runner. Moreover, they have their sights set high, aiming for an eventual $1 billion annual revenue stream at 100 million stays per year.

**User friendly**

The Airbnb website is a breeze to use for both hosts and travelers. Sticking with a simplistic design and a natural feel, first time users are able to flip through the pages and find an appropriate lodging
option within a few minutes. The landing page for the site greets users with a self-explanatory search box.

Once a user enters a 1 City, 2 Arrival and departure dates, and 3 Number of occupants, the search function launches into action and populates relevant listings according to location, price, and rating. The search results can then be refined based on a particular user’s preferences.
Once a user has perused the listings and made a selection, all that is left to do is click the “Book It” button. A notification is sent to the host, and once he provides his approval, the short-term rental is confirmed and arranged.

From the standpoint of the host, the process is streamlined and easy to use as well. When a traveler is interested in a particular property, he sends an inquiry message to the property owner. Based on availability, reviews, and whatever other criteria a host chooses to examine, the traveler will either be accepted or denied a booking. As each acceptance is made, the host’s calendar of available dates is automatically updated.

Safety, trust, and verification

Safety is the single biggest concern potential hosts have when renting out their house. Many folks feel that inviting unknown strangers into their homes is an unpredictable liability. Despite the upside
of making a decent stream of supplemental income, hosts worry themselves sick over the following list of questions and concerns:

- What if a guest steals my belongings?
- What if my home is damaged?
- What if my guest is highly unsanitary?
- How can I be sure that my guest will not harm me?
- How can I be certain that my guest will not bring an unwanted pet or animal into my home?

These are all reasonable concerns when dealing with complete strangers. But don’t fret just yet. Airbnb has recognized these potential perils and implemented a number of highly effective protective measures.

1. **The Airbnb Host Guarantee** – Airbnb has insured all hosts up to $1,000,000 in damages and losses on each and every rental. It is complimentary protection and the policy is backed by Lloyd’s of London. Although the coverage is fairly broad, the following items fall outside the scope of the coverage:

   - Normal wear and tear
   - Cash and securities
   - Collectibles
   - Rare artwork
   - Jewelry
   - Pets
   - Personal liability

For more information on how to file a claim, you can check out the [Airbnb Host Guarantee FAQ page](#).
2. **Profiles and reviews of potential guests** – Airbnb is a short-term rental social network. Guests and hosts alike are encouraged to create profile pages with pictures, videos, personal information, reviews, and references. Hosts can take advantage of the wealth of personal information available before accepting a guest. Airbnb encourages users to look at reviews, read personal references, examine photos and videos, and make sure that the guest feels like a good fit. At the end of the day, the best safety measure is a bit of due diligence.

3. **Security deposits** – If a host wants to implement a financial failsafe, he is free to require a security deposit. The amount of the deposit can be anywhere from $100 to $5,000. In order to use this protective measure, the security deposit must be in place before the reservation is made. A host is not allowed to retroactively apply a security deposit to an established rental agreement. If a problem does arise during the rental period and damage has occurred, a host has 48 hours to report the issue. If a report is not made within the allotted time, the host must release the security deposit.

4. **Messaging capabilities between hosts and potential guests** – When a potential guest wants to reserve a home, he will usually shoot the host a personal message. Hosts then have the opportunity to communicate with the potential client and ask why he is in town, what he does for a living, how many people he is traveling with, etc. This is a terrific opportunity to gather a bit more intelligence before handing over the keys to the castle.
5. **Reservation requirements** – Hosts can require that all guests have Verified ID. This will ensure that they have been reviewed and approved by the Airbnb staff.

6. **Guest guidelines** – Airbnb provides hosts with two awesome ways to help keep their guests in line: House Rules and a House Manual. The House Rules provide hosts with the opportunity to outline precisely what is acceptable and what is not permitted during the visit. Potential guests can see these rules before a reservation is even requested. The House Manual is private information that is shared with guests only after the reservation is confirmed. It can provide tidbits such as the WiFi password, operation instructions for the dishwasher, and the location of the nearest café.

The bottom line is that hosts have a number of excellent tools at their disposal to learn about guests. If at the end of the inquiry, a host feels unsure about a potential guest, he is always free to reject an application and move on to another request.

**Sticking with one accommodations marketplace**

There are multiple accommodations websites where you can list your space for short-term stays. When I began renting out my flat, it seemed logical to utilize all available avenues. I presumed that if I only listed my space on Airbnb, I would miss out on a number of potential guests that were using other sites.
Since Wimdu had the next largest market share in my region, I created a second profile on the Wimdu platform. After a few months of double dipping my flat, I realized that I wasn’t getting nearly as many bookings through Wimdu as with Airbnb. But since I was getting some traction on Wimdu, I decided to keep both of my profiles. Two profiles are better than one, right?

But then I started thinking about my rental strategy a little more deeply. I did some research on the various accommodations websites and scoured whatever travel message boards I could find. After much contemplation and consideration, I finally decided to delete my Wimdu account and focus solely on Airbnb. Why? Here’s why:

- **User reviews, ratings, and bookings are the key to success** – Spreading your listing across several sites can hamper your ability to boost your bookings on Airbnb. Say, for example, a traveler happens to use Wimdu before Airbnb. That means that once they locate your spot on Wimdu, your room will be booked through that website. No big deal, right? In the short-term maybe not, but this can have grave effects in the long run. If your ratings, reviews, and bookings are evenly dispersed amongst several listings on different platforms, you will fail to optimally boost your rank and reputation on any one website. This, in turn, will drastically impact your success in a negative way. This can be so detrimental because the algorithms that are used to pull up your listing from a region-based search are highly influenced by user feedback and overall booking numbers. As you climb the search ranks, your booking rate will increase exponentially, not linearly. This is similar to the distribution of clicks that webpages receive from Google search results. Page one results usually net 80 - 90% of
the total clicks, while the countless pages thereafter are fighting for mere scraps. This means that placing your listing on multiple sites can potentially cost you: (1) a lot of bookings and (2) a great opportunity to raise your prices in tandem with higher demand.

- **Airbnb is an integral part of a short-stay rental search**
  - Since Airbnb is the biggest and most well known of the accommodations sites, it is usually the first choice of guests. If, however, a user chooses to glance at several sites in his quest for a rental space, there is a large likelihood that Airbnb will be amongst the list of websites utilized. Accordingly, even if you’re not on other sites, most people will still come across your listing.

As with all strategies, there are of course exceptions. If, for example, your property is located in an area with very low demand, it could make sense to list your home on a few different sites. When competition is low, there is less of a need for a solid reputation because differentiation is not as necessary for success. By virtue of the low supply, your listing will invariably be high up on the search results.

**Who is this book for?**

This book has been written for two groups of people:

1. Current Airbnb hosts who want to improve their earnings
2. Property owners who are short-stay rental novices

For current hosts, I want to give you the keys to the kingdom. I aim to provide you with a comprehensive toolkit so that you will be
empowered to get your listing firing on all cylinders. Your goal should be to become the best host possible. This will in turn mean that your search rank will be extremely high within your neighborhood, your price will be maximized, and your listing will attract the highest quality guests available.

For group number two, the short-stay rental novices, I seek to open your eyes to the endless possibilities. Many homeowners are highly reluctant to enter this business because of the seeming complexity of managing streams of visitors. Not only that, they are deterred by the apparent risk of hosting strangers. But as I’ve explained already, the risks are manageable. Hosts have complete control over what guests they take in, and accordingly, how much risk they take on. And sure, renting to a single person for an entire year might seem vastly simpler, but once the basic logistics are arranged, the process is not that time-intensive. Moreover, the financial benefits are more than worth the added effort. Doubling, or in some cases, tripling your net income over a fixed-term lease is certainly something to take heed of.

Although this book has been written specifically for Airbnb hosts, many of the concepts can be applied to other accommodations websites. Again, it is my view that the sole use of Airbnb will yield the best results in most cases, but if you are so inclined, feel free to apply these basic principles to any and every listing you choose to create.

How to use this book

This guide is an all-encompassing reference on how to optimize your Airbnb listing and maximize your rental income. It contains
everything you need to know to ensure that you will draw in the maximum amount of money from your listing. Unlike other Airbnb books, Get Paid For Your Pad isn’t meant to be a one-time read. You could certainly flip through it in a day, but the idea is have this book beside you while you create or tweak your listing. I suggest reading it in its entirety once, and then pulling it up periodically as you attempt to improve your particular listing.

This book covers every single aspect of hosting on Airbnb. Because I will dive into intricate details, the material might feel overwhelming at times. Accordingly, make sure to re-read each section while editing your listing. For example, when you find yourself sitting down to whip up an awesome guidebook, flip to the corresponding section and read through it as you work. Get Paid For Your Pad will serve as a map to help you navigate through the listing labyrinth.

DO THIS NOW!

If you’re serious about making and utilizing an Airbnb listing, I advise you to take heed of the “Do this now!” headings. These are action items that I intend for my readers to implement immediately. When reading these sections, I want you to stop what you’re doing and take action. Following these steps instantaneously will provide you with an excellent framework and a terrific foundation to begin building your high caliber listing. Moreover, it will prevent you from succumbing to the terrible and powerful procrastination monster that resides in your subconscious closet.
Overview of “Get Paid For Your Pad”

Chapter one, *Preparring Your House*, covers everything you’ll need to know to adequately prepare your house for your guests’ arrival. It identifies items that should be removed, lists appliances that your guests might need, describes how to create comfortable sleeping arrangements, and explains how to provide access to your house.

Chapter two, *Creating A Killer Listing*, covers the ins and outs of drafting a killer Airbnb listing. I will delve into profiles, titles, descriptions, house rules, cancellation policies, and the minimum and maximum amount of nights you should accept.

Chapter three, *Pricing*, covers the complex and potentially confusing quest to find an optimal price point. I explain how to: (1) find a pricing strategy for a new listing, (2) adjust the pricing for an existing listing to match demand, and (3) negotiate with a bargain hunting guest.

Chapter four, *Your Guests*, is arguably the most important chapter of the book. How you communicate with and treat your guests will determine the longevity and success of your listing. I suggest that you study this chapter carefully and avoid being complacent with regards to customer service. The chapter covers a wide array of subjects, such as: (1) how and when to communicate with your guests, (2) what to do when a problem arises, and (3) how to get feedback.

Chapter five, *Reviews*, examines the Airbnb review protocol. Getting positive reviews is essential to increasing the number of inquiries and bookings that you will receive. I will explore: (1) the inner workings of Airbnb Guest Satisfaction ratings, (2) how to get
positive reviews, and (3) how to handle bad reviews. Although bad reviews can definitely hurt, there is a way to minimize damage and potentially use them to your advantage.

The last chapter of the book, *Promoting Your Listing*, deals with how to advertise your space. Although there are several ways to promote your listing, the most important channel is of course the Airbnb Search Results. This section parses all of the details to secure a prominent position in the results. Reaching page one in the search ranks for your neighborhood or city will be essential for reeling in a hefty chunk of change.

I have peppered this book with a number of examples and templates that I use when managing my listing. These have been included so that you can use these references as a guiding hand when crafting your own profiles or guest communications.

**The main message**

This book aims to transform you into a super-amped ultra host. Why? Because the integral catalyst for augmenting your rental income is the quality of service you provide. In the short-stay rental business, customer service and overall quality reign supreme. This book is not about tricks or tactics, it is about: (1) creating an awesome product, (2) spreading the word about your amazing property, and (3) making your guests feel welcomed and comfortable. In short, the only recipe for success is being the best host you can be.
Preparing Your House

“Before anything else, preparation is the key to success.”

- Alexander Graham Bell, Inventor and Scientist
Before you create your listing, you must ensure that your space is ready to receive guests. So what is the appropriate standard to follow? When contemplating this question, it’s important to bear in mind that most guests envision a vacation to be nothing short of picturesque. Most folks are accustomed to a plush hotel lobby, friendly hotel staff, and an assortment of complimentary travel goodies.

No, you shouldn’t begin construction on a spiraling staircase and a magnificently gaudy chandelier. I am not suggesting that you aim to recreate a hotel atmosphere verbatim. The goal here is to provide comfort, peace of mind, and the impression that your guest is being taken care of. You want to create a carefree vacation vibe where questions are answered, concerns are addressed, and needs are met and exceeded. You are now part and parcel of a vacation fantasy factory. Your job is to build the best experience possible to ensure that your lovely guests experience a magical holiday in your city.

Making your space “guest friendly”

Transforming your space from a private living area to a guest friendly unit can take some doing. There are a number of details to attend to; some are intuitive, others are not. Below is a step-by-step guide on how to prepare your apartment or house for all types of travelers.

Removing or storing personal items

First things first: remove personal items that are not useful for guests. There is no reason to have your personal belongings strewn about the apartment. You probably don’t want your guests to try on your favorite pajamas, and they don’t want to see your toothbrush and
razor in the bathroom. Here is a quick list of items that you should try and store elsewhere:

- Clothes
- Personal toiletries (razors, toothbrushes, medications, etc.)
- Computers
- Shoes
- Jewelry
- Personal documents
- Personal photos

There are, of course, certain items that could be useful to your guests. I typically leave the following personal items:

- Books
- Movies
- Video games
- Magazines

And, in case you’re wondering, I have never had a personal item stolen.
Purchasing essential items that your guests will need

Here’s what you’re shooting for: a home away from home. The central goal of a stellar host is to make the apartment feel familiar and comfortable. The best place I’ve ever rented on Airbnb was a duplex apartment on the island of Hvar in Croatia. A couple of my buddies and I rented out an awesome condo in the heart of the city. The location was incredible, and the host was very kind, but the amenities are what made it a truly memorable stay. We had a fully stocked kitchen with amazing appliances, an in-house laundry machine, a loaded linen closet, two TVs with satellite, and a collection of blockbuster movies. It was pretty awesome to say the least.

But why did it feel so special? It was the amazing little extras that made us feel at ease. It was the intrinsic familiarity that seemed to transcend international borders. As soon as I walked into the apartment, a wave of calm washed over me. I instantly felt comfortable. As a host, my goal is to engender that same feeling of familiarity for each and every one of my guests. After hosting nearly 100 groups at my place and heeding their requests and suggestions, I’ve assembled a comprehensive list of all the basics that make a space truly welcoming:

- Bedroom supplies
  - Extra blankets
  - Extra pillows
  - Towels
  - Baby crib
  - Extra air mattress
  - Alarm clock
- Bathroom supplies
• Paper towels
• Toilet paper
• Tissue
• Liquid soap and shampoo
• Bathroom hooks for hanging clothes and towels
• Hair dryer
• Disposable razors and shaving cream
• Toothpaste

• Kitchen supplies
• Microwave
• Toaster/toaster oven
• Tea pot
• Salt
• Sugar
• Oil
• Coffee maker
• Salad mixer
• A high quality knife and cutting board
• Two pans and two pots
• At least four sets of basic utensils

• Cleaning supplies
• Odor neutralizing spray (e.g. Febreze)
• Broom
• Vacuum
• All-surface spray cleaner

Even if you are only renting out a two-bedroom place, you might very well have four to five guests residing in your apartment at once. Accordingly, I suggest having sufficient linens and bedding material for multiple guests.
Ensuring your guests get a sound night of sleep

One of the most important components to providing a comfortable stay is making sure that your place is conducive to a good night’s rest. Lumpy mattresses, annoying sounds or noises, or uncomfortable linens can be a sure fire way to a negative review. There are some really simple and inexpensive things that you can do to make sure your guests have a deep and relaxing slumber at your home:

- Install drapes and curtains that completely block out all outside light
- Fit your bed with a soft foam top
- Provide different blankets for warm/cold nights
- Leave an eye-mask and ear plugs by the bed
- Place a small fan in the bedroom

Bathrooms

Attention: your bathrooms must be immaculate! Remember, the standard you are competing against is a luxury hotel. When is the last time you checked into a five-star establishment and saw a single spec of dirt in the bathroom? Your toilet must be scrubbed to perfection, your sink must be free of all particulates, and your shower must not have an inkling of mildew. That is your baseline standard. For guests who are very clean themselves, having a moderately clean bathroom can ruin the entire stay. Bathrooms are very intimate spaces. People must feel secure and safe while using bathroom facilities.
Going the extra mile

If you implement the suggestions I’ve already listed, then you are on your way to a stellar review. But, if you want to strive for absolute excellence and true five-star caliber service, you will have to go the extra mile. If you’re up for the challenge, here are a few supercharged suggestions:

- Provide a cell phone with a local sim-card
- Offer discount coupons to tourist attractions, restaurants, and bars
- Leave a collection of menus for nearby restaurants
- Give your guests access to bicycles
- Provide public transportation cards
- Offer an airport pick-up service

Paying attention to presentation

Top-notch service is not just about what is available; it’s about how it is presented. You’ve seen the show Top Chef, right? While excellent ingredients and perfect seasonings are a must, what separates the wheat from the chaff is presentation. It’s all about the arrangement of the items: the colors, the symmetry, and the overall artistic flair. Just like competitive cooking, presentation is key in the short-stay rental game as well.

Here are a few quick tips on how to make your place look as prim and proper as a lavish resort:

- Perfectly folded towels with a bottle of shampoo and a soap packet on top
- A mint or chocolate on the bed accompanied by a brief
welcome note
• A six pack of beer in the fridge
• An assortment of apples and oranges in a decorative bowl on the kitchen table

Making your house smell nice

My favorite hotels in the world are the Shangri-La hotels. They have impeccable service, lush accommodations, and scrumptious food. But you know what I always remember? What always makes me feel at home as soon as I walk through those lovely revolving doors? It’s the pleasant and familiar Shangri-La smell. As soon as I enter the hotel lobby, I am warmly welcomed by a fresh and crisp floral aroma. It feels so good.

This is the atmosphere you want to create for your guests. You need to fill the air with an inviting aroma (without overpowering their nostrils). This will not only make your guests feel at ease, but it will reinforce the idea that your place is extraordinarily clean. I recommend using neutral smells from products with mass appeal. Some examples of terrific aromatic tools are as follows:

• Glade plug-ins
• Febreze Noticeables
• Hamilton Beach True Air
**Scented candles (in order of the most popular scents)**
- Chocolate
- Fresh Laundry
- Lavender
- Lemon
- Sandalwood
- Apple
- Rose
- Coconut
- Cookie
- Vanilla

**Investing in your house**

When it comes to providing your guests with basic amenities, it should be astoundingly clear that this is a must. The basics are relatively low cost items that will be met with a high level of appreciation by your guests. Translation: it is a minimal investment for a truckload of glowing reviews.

But what about big-ticket items? Friends often ask me if they should purchase a $1,000 mattress or a $3,000 flat screen television. Sure these would be nice additions, but you must view all of your purchasing decisions as investment vehicles. When deciding whether or not to buy an expensive item, consider the incremental money you will be able to charge a guest.

Think about it this way: let’s say you are considering buying a new mattress for your house. Your current bed is moderately comfortable and slightly worn down, and the one you have your eye on is phenomenally plush and costs $1,000. Should you buy it? Let’s consider the numbers.

First off, how much do you think guests would be willing to pay for a substantially better mattress? One dollar more per day? Two? There is no direct answer to this question, so the best any host can do is implement logic and common sense. Let’s assume that an expensive
and comfortable bed could reasonably justify a price hike of at least $3 per night. Assuming your apartment is rented approximately 200 days per year, this new addition would yield $1,200 after two years... a net profit of $200. So you should buy the mattress, right? Not so fast, cowboy.

Before you call up your local mattress retailer, you need to consider opportunity cost. For example, could you hike the price an equivalent amount by springing for a top of the line $200 foam top? If so, you could earn a profit of $1,000 in two years! For your convenience, I have compiled a quick list of keystone items that will boost your value in a cost-effective manner.

- A reasonably priced LCD TV – $400-$500
- A very comfortable foam top mattress – $100-$200
- In unit laundry machine – $700-$900

A great way to determine how to optimally invest your money is by reviewing your guests’ feedback. Look at both your reviews and private messages to see what suggestions have been raised. This is a highly valuable research mechanism at the disposal of every host. Take advantage of it.

DO THIS NOW!
Brainstorm for a moment about every cool appliance you could imagine purchasing for your apartment. Make a list of these items, and then estimate how much extra guests might be willing to pay per night for each item. After that, try and think of cost-effective alternatives that might achieve the same result.
Providing access to your house

Hotels are dependable. Even three-star establishments have reliable front desks with 24-hour service. That means that new guests can walk in at any time and have someone assist them with a check-in. It’s a great feeling to know that someone will always be there at your beck and call. Moreover, if a key is misplaced, guests can simply ask for a replacement with minimal hassle.

How can you provide a similar level of service without building a front desk and hiring a staff? Simple.

First, make sure that you create several sets of spare keys. I’m not talking about two sets or three sets; go ahead and have five sets made. Does that sound excessive? Here is the method behind my madness. The first set of keys will be with you (or your space manager) at all times. That will ensure unfettered access in the case of an emergency or in the event that your presence is urgently required. You then need two sets of keys for the guests (if you want to provide true hotel-like service and convenience). That allows multiple guests to have flexibility when they go to separate locations during the day and night.

Next, you should have a fourth set as a back up. This needs to be stored somewhere in case you lose your key or you need to replace a guest key mid-stay. I recommend having a trusty neighbor keep it, so long as they are home often. And now we get to key number five, the backup key that should be stored somewhere by you (or your manager). Having a fifth key is the height of preparedness and the absolute pinnacle of forward thinking. Here’s why: in the off chance that your guests happen to encounter an all-encompassing party blitz of alcohol and dance music that causes them to lose both sets of keys, you are good to go.
First, you can rush to their aid and provide them with key number five while retaining key number one and key number four. Next, you can scuttle down to the key store with key number one and have two extra copies made (while, once again, holding key number one). Even if you have new guests arrive before the two copies are finished, you still have a set of keys to offer them while holding onto a pair of keys yourself without disturbing key number four. Crisis averted. Bad review avoided. The day is saved. Bravo.

Another quick tip is to make sure your lock works smoothly. If you have a lock that is tricky to open, replace it. Even if it’s easy for you to open, you need to be mindful of guests who are unfamiliar with whatever magic “jiggle” or “twist” that is required to get the door to open.

Managing your space

“If you build it, [they] will come.” That classic line is from *Field of Dreams*, a 1989 blockbuster about baseball and angels. This quote is a timeless piece of advice that is applicable even to the short-stay rental business. Except, of course, that it overlooks a critical piece
of the Airbnb puzzle: management. Once you’ve set everything up in your place and it’s ready for the most picky and uptight guests imaginable, you need to make sure it stays that way. Your space must be absolutely immaculate each and every time a set of new guests check-in. If you want those intricate details in place for each visitor, you need to take the time to set up a well-oiled management machine.

Monitoring your listing

It is your responsibility to stay on top of your reservations. If a potential guest emails you, the onus is on you to respond in a timely fashion. Your listing’s ranking is actually affected by your promptness. Accordingly, you need to keep a vigilant eye on your inbox. I recommend setting up a special filter on your email so that you can respond ASAP to any inquiry.

When I worked as a trader, I used to have a strict rule regarding work related emails: if an inquiry came in while I was awake, I would aim to respond within one hour. Responsiveness, in my opinion, is a key component of stellar customer service. Do your best of course, but my advice is to strive for a superb level of communication.

Now, if you’re a traveler like me, keeping on top of your bookings can be a bit more challenging. But lo and behold, Airbnb has created an amazing way to monitor your listing on the go: the Airbnb mobile app. It doesn’t matter if you’re an Apple or Google loyalist; the app comes in both flavors.
Routine cleaning

Remember: cleanliness of your property is essential, critical, necessary, vital, and an absolute must. Get my drift? Good. A survey released by J.D. Power and Associates in 2012 explored customer satisfaction (or lack thereof) in the hospitality industry. Amongst the chief complaints: lack of cleanliness. Your guests will demand a very high level of sanitation, so I recommend hiring a cleaner to prepare your space before each new guest arrives. Even if you think you are a very tidy individual, I strongly suggest employing a professional.

Instruct your cleaner to do an extremely thorough job. He should leave no stone unturned, and walk away only after the apartment is spotless and sparkling. Another quick tip: if you are giving
your guests early access before the cleaning process has been completed, there is a chance that they will judge your place based on their first impressions. Translation: an act of kindness on your part might backfire. Make sure to explain to your guests that the apartment is not completely ready, and to please understand that the apartment has yet to be thoroughly cleaned.

My cleaning lady works as a maid in a five-star hotel. As you might expect, her cleaning standards are extremely high. She is an absolute perfectionist and a master of her craft. I can always trust her impeccable service and attention to detail. My recommendation to you is to put forth a few extra bucks in order to find a great cleaner. The high quality will pay dividends down the line as you accumulate five-star ratings and solid reviews.
Airbnb’s pilot cleaning service

In particular regions of San Francisco, Los Angeles, and New York, Airbnb has launched its own cleaning service for select hosts. The cost for the service is $55 for a three-hour cleaning, which is taken directly from the money received for the reservation. If the reservation is canceled, the cleaning will automatically be canceled and no charges will be incurred.

Airbnb’s promotional email states that the service is “affordable, easy to schedule, and can be tailored to include amenities such as linen service and gift baskets.” The cleaning service targets the sections of apartments that are most critical to a happy stay. Areas that are covered include:

- **Bedrooms and common areas** – The cleaners will dust all reachable areas; wipe down surfaces and countertops; wash mirrors and glass fixtures; vacuum and mop all floors; and take out trash and recycling.
- **Bathrooms** – The cleaners will wash and wipe down toilets and basins; wash and sanitize showers and sinks; wash mirrors and glass fixtures; vacuum and mop all floors; and take out trash and recycling.
- **Kitchen** – The cleaners will wash the kitchen sink and dirty dishes; wipe down the inside and outside of the microwave; mop floors; wipe down the stove; and take out trash and recycling.

Since this new service is not available in Amsterdam, I have not been able to try it. Regardless, for folks who have access to this cleaning service, I recommend using it. Not only is it very reasonably priced, but I suspect that the quality of service is quite high (since it is backed by Airbnb).
Check-ins

Checking your guests into the unit is a critical part of the process. It’s fairly simple and straightforward, but you must not bumble this part. A mishandled check-in will certainly lead to a negative review and a sour taste in your guests’ mouth.

I remember staying at an apartment in Miami that was fairly nice for the price listed. I had joined a few of my friends to attend a wedding on South Beach, and I was really looking forward to spending a week in the beautiful Miami weather. But the trip was tainted from the get go. My host was irresponsible and unresponsive, and I had to wait nearly three hours before I could get inside the apartment. This caused me to be late for the wedding festivities and created a rift between the host and me. What made it worse was that the host failed to offer me a sincere apology. Needless to say, I was very disappointed and upset.

Doing it yourself

Ideally you should handle all the check-ins yourself. Although I’m on the road the majority of the year, I make sure to personally attend to my guests when I’m in town. The extra care is appreciated, and it gives me an added opportunity to learn about my guests and to optimize their experience.

If you are available during check-in, you can show your guests around the apartment and offer tips for places to visit. It is a great way to personalize the experience and ensure a solid review. And, even though this might go without saying, always show up on time. If you have told your guests that they can check in at noon, aim to arrive at the apartment no later than 11:45.
Once my guests have had a chance to get settled, I usually treat them for a coffee at a nearby cafe. I spend an hour or so getting to know them, answering their questions, and asking them about their plans. I don’t just do this for a good review; I am genuinely interested in my guests. If you are a people person like me, I recommend adding this extra touch. It’s really fun and will make your guests feel at home.

But remember, your behavior should mirror the wants and needs of each particular set of guests. If you notice that your guests are tired or perhaps a bit shy, it might be best to simply check them in and leave them be.

Outsourcing it

If you are unable to do the check-ins yourself, you will need to find a highly responsible and personable individual to do it for you. This is an important role, so choose your employee carefully.

A good candidate should be:

- Socially calibrated
- Always on standby in case of problems
- Responsible, reliable, and punctual
- In close proximity to the apartment

Obvious choices are: (1) a retired neighbor, (2) a nearby family member, or (3) a close friend. While you may have friends or family members that offer to take on this role for free, I advise against this. As the age old adage goes, “you get what you pay for.” If you want someone who is reliable, friendly, and above all else, extremely professional, you should negotiate a reasonable payment.
Using a subpar employee or a friend can cost you substantially down the line. Let’s say that your check-in manager forgets to show up at the apartment and isn’t reachable by phone. Within an hour or two, your guests will inevitably check into a competing hotel. Once that happens, you will almost certainly lose the total rental amount. But that’s just the tip of the iceberg. Your guests will leave a scathing review for everyone to see. One bad review like this could sink your listing, especially if you are just starting out. The bottom line is that your check-in manager must be at the apartment on time, every time. A no-show is simply unacceptable.

Using your cleaner to manage check-ins

If you are lucky enough to locate a personable and friendly cleaner that doesn’t mind handling the check-in process, take advantage of it. I, for example, have such an arrangement with my cleaning lady. She is an awesome person, very sweet, and extremely knowledgeable about the area. It is an ideal setup as she always arranges the cleanings so that they are completed right before check-in occurs. In addition, I can always count on her in case my guests encounter a problem.

Because of her integral role and excellent service, I pay my cleaning lady well. She earns significantly more with me than she would at a normal cleaning job. Why do I do this? As I said before, “you get what you pay for.” Sure, she deserves the money, but the logic behind the additional cash is so that she knows her work is appreciated. Moreover, it incentivizes her to deliver awesome service time after time.
How much do I pay her? I give her $85 per check-in. That might seem like a lot, but let me explain why it’s all worth it. First off, my apartment rents for approximately $200 per night. The average guest stays approximately four nights. That’s $800 per visit. $85 is about 10.6%, a reasonable cut in my opinion. And this fee doesn’t just cover cleaning and a friendly face; it ensures absolute reliability in the case of any mishaps. You’ve lost a key? No worries, call my cleaning lady and she will be there in 15 minutes. Can’t find a cool disco or café? Give her a buzz and she will point you in the right direction. My $85 ensures top-notch service with a smile. Not bad, eh?

In addition to managing problems or answering questions, she also restocks supplies (such as toilet paper, cleaning supplies, etc.) and maintains the appliances and electronics. Since I am constantly on the go, this is an essential arrangement. It has worked out tremendously well for me, and I highly recommend it to other hosts.

Write down the names of people you know who would be suitable candidates to handle your check-ins. Next, call nearby hotels and ask for recommendations from their cleaning staff. Don’t tell the hotels that you are using someone for an Airbnb listing; simply state that you are looking for a part-time cleaner and would like to interview their top staff members. Compare the people you know against the interviewees and make a choice.
Checkouts

Checking out is easy for my guests. I don’t require a meet-up; instead, I simply tell them to: (1) lock the unit and (2) place the keys in the mailbox. My cleaning lady then grabs the keys when she comes over to clean. It’s simple, fast, and easy. Although this strategy works reasonably well for me, I recommend that you perform a checkout if possible. Foregoing a final meet-up has several disadvantages.

First of all, guests might forget to return the keys. This has happened to me a few times. In each case, the guests had to return the keys by mail. While I was able to get the keys eventually, it took several days before they arrived. This meant that I had to entertain new guests with fewer sets.

The second disadvantage is that you are unable to locate damages before your guests leave. This can make it more difficult to open a report and ask for remuneration in the event of a mishap.

Finally, you miss the opportunity to personally interact with your guests one final time. Chatting with them as they leave is a terrific time to get honest feedback. Moreover, if there were any problems, you can tell them face to face how sorry you are and that you will immediately rectify the issues. Simply conveying that you are concerned and eager to fix the problems can bump up a rating and review.

Check-in and checkout times

I recommend following the industry standard: check-in at 3 pm and checkout by noon. It’s straightforward and predictable, and it is in
line with standard expectations. In addition, the three-hour buffer provides more than enough time to get the apartment spic and span.

In my experience, the majority of guests will ask for an early check-in, a late checkout, or both. My general philosophy is to accommodate my guests so long as my schedule is not adversely affected. For example, if I have a new guest checking in the same day a current guest wants a late checkout, I usually cannot oblige the request. This is because my cleaning lady needs a solid two hours to prepare the unit. I cannot risk having the apartment look subpar when my new guests arrive. When I’m unable to provide a late checkout, I refer my guests to a nearby location where they can hang out and use free WiFi. I also allow arriving guests to drop off their luggage at my apartment by noon even if the unit is still being cleaned.
Kris’ Story

I used to work as a medical professional aboard massive cargo ships. My job required that I spend the majority of my time on the road, which left my four bedroom house in British Columbia, Canada, vacant for most of the year.

As you might expect, I decided to put my house up for a fixed-term rental early on in my career. I offered three of the four rooms in my house as separate rental units, each one costing $600 per month. Although I potentially could have earned a steady $1,800 per month from this setup, having full occupancy was extremely difficult to achieve. Finding people who are willing to move in with two strangers was a challenge. As a result, most months I grossed about $1,200.

During the summer of 2013, I learned of the peer-to-peer accommodations market. After a bit of research, I finally decided to launch an account on Airbnb. I was absolutely blown away by my results. During my second month of membership, I earned $1800 in just 6 nights! My returns since then have been absolutely phenomenal.

Before I learned of Airbnb, I felt that my only option was to live with roommates. Additionally, because my work required me to travel frequently, if I
wasn’t renting to roommates, I would often find myself paying the entire mortgage on an empty house.

Since transitioning to a short-stay rental model, my life has changed drastically. Because of the extra income I’ve earned, I am now self-employed and pursuing a career that I’m truly passionate about. I rent my house out when I’m working away from home, mostly to vacationers, families, and businessmen. If a group is interested in renting the house when I am scheduled to be home, I simply extend my travel plans and enjoy myself abroad knowing that my mortgage is being paid for.

But, not only am I paying my mortgage, I’m cash-flowing every month and earning a bunch of extra money with a greater than 70% occupancy rate. This gives me the freedom to travel and spend my time how I want, where I want, and with the people I love. That, to me, is the definition of freedom.

As far as I’m concerned, short-stay rentals are the way to go. They give you much more flexibility with your property. If you take the time to set up a solid listing, I’m confident that you can make significantly more money than you would with a long-term lease. Plus you are insured through the Airbnb guarantee, which protects your house in the event of any damages. Add in the fact that you can still use your house whenever you want to, and the short-term path just makes the most sense.

In December of last year, I rented my house to a family during the holidays. I charged a significant premium for the dates they stayed because of the heightened demand. While the house was rented, I
traveled to Western Canada to see my parents. Of course, staying at my parents’ house was virtually free (aside from helping out with groceries and buying them dinner), so I was able to save most of the money I made on the rental. After a relaxing visit with Mom and Dad, I traveled to Mexico and spent two weeks on the beach with some friends. We did nothing but swim in the ocean, work out at the gym, lie on the beach, surf, and check out the local pubs. The money I made from renting my house over the holidays paid for my mortgage and more than covered the expense of my vacation. And that’s just one amazing story. The bottom line is that I’m now able to work about half of the year and vacation the other half. Life is amazing.