

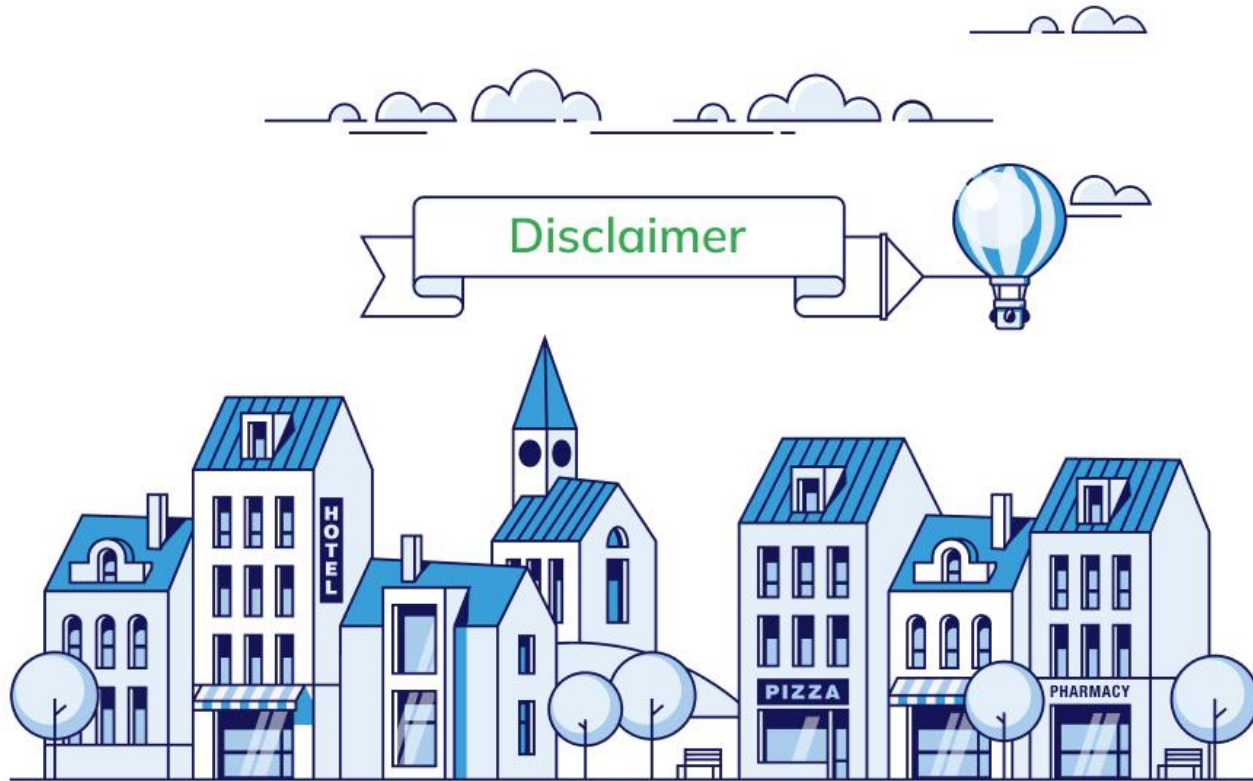


Short Term Rentals in Denver

Course Outline

| by Ben Einspahr

Disclaimer



This information is designed to provide accurate and authoritative information with regard to the subject matter covered.

It is offered with the understanding that the presenters are not engaged in rendering legal, accounting, or other professional services.

If legal advice or other expert advice is required, the services of a competent professional should be sought.

Introduction



1. [About Me](#)

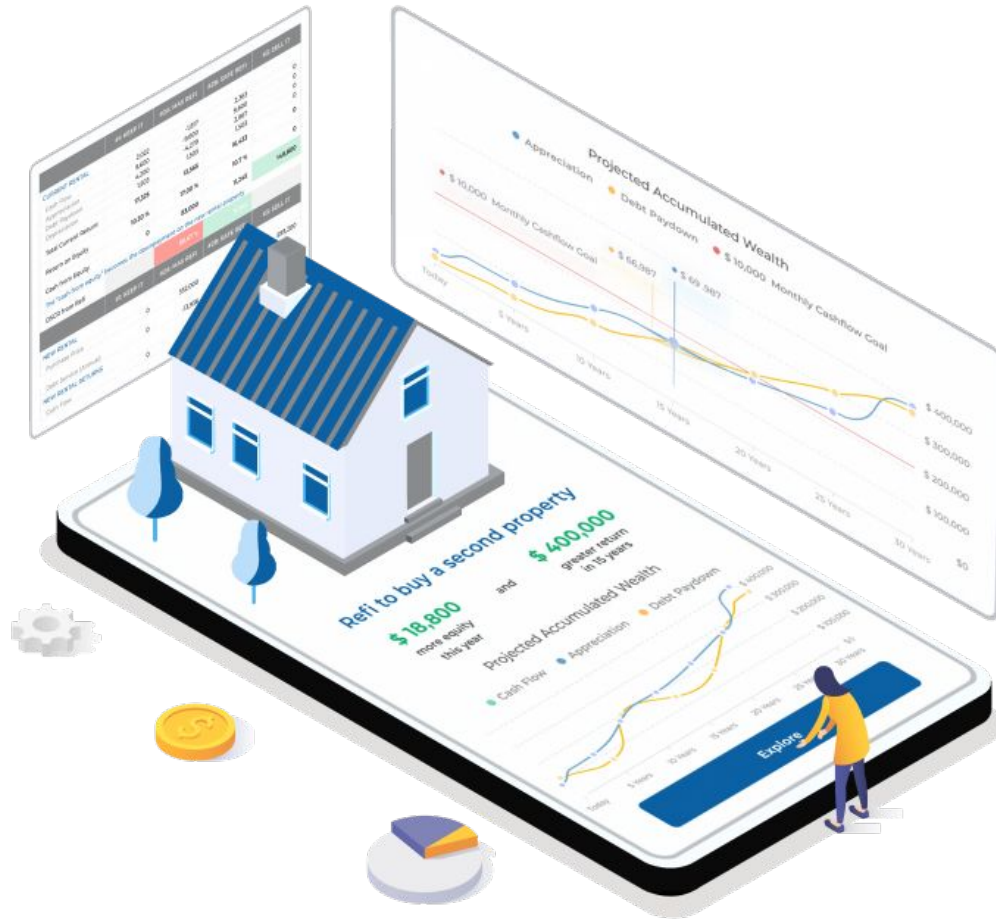
2. Course Overview

- **Module 1** - You just closed, now what?
- **Module 2** - Operations
- **Module 3** - Business Management
- **Module 4** - Slow Season Tips
- **Bonus** - Medium-Term Rentals

3. Course Tools

- [STR Case Study Example](#)
- [Resource Page](#)

Definitions



- **What is a Short-Term Rental (STR)?**
 - Any dwelling that is available for use for a period less than 30 days. Once you hit that 30-day marker, the category transitions from a STR to an MTR.
 - 3 Types of STR's
 - Entire Home
 - Individual room
 - ADU/ Separate income suite
- **Medium - Term Rental**
 - Any dwelling that is available for use for a period between 30 days and 12 months
- **Investment Property** = Non-owner-occupied property
- **Primary Residence** = Owner-occupied property

Short-Term Rental Platforms



Booking.com



1. Airbnb
2. Vrbo
3. HomeAway
4. Booking.com
5. FlipKey

Unpacking the Short-Term Rental “what if’s”



1. What if my guests destroy my property?
2. What if my place never fills?
3. STR's seem like a lot of work and headache
4. What if my city rules and regulations change

Module 1

| You Just Closed, Now What?

Understanding Local Rules and Regulations



1. Operating an STR as a Primary Residence.

- Much less restrictions
- Many HOA's restrict short-term rentals
 - Read the bylaws

2. Operating an STR as an Investment Property

- Many more restrictions
- STR friendly locations are very competitive

3. Cities' regulations status for non-owner-occupied STR's

- Allow rentals less than 30 days
- Do not allow rentals less than 30 days
- Allow STR's due to lack of regulation

Understanding Local Rules and Regulations (continued)

The screenshot shows the City of Wheat Ridge website. The header includes the city logo, a search bar, and navigation links: "Your Government", "Our Community", "Doing Business", and "How Do I?". The main content area is titled "Short Term Rentals" and includes a "Short-Term Rental Registration" section. The registration section states that the city's Short-Term Rental (STR) ordinance took effect on May 1, 2021, and that there will be a limit on the total number of non-owner-occupied short-term rentals licensed in each City Council district. The limit is calculated as 2% of the total number of units within single- and two-family dwellings in each district. Additionally, STR hosts were required to begin collecting a 10% City lodgers' tax on all STR completed reservations starting August 1, 2021. The registration process is outlined in a "Step 1: Acquire a registration account number and code" section. A graphic titled "Wheat Ridge Short Term Rentals" shows two people with a suitcase standing next to a house. A sidebar on the left lists various licensing categories, and a "FAQS" section on the right provides links to questions like "What is a Short-Term Rental or STR?", "Why regulate Short-Term Rentals?", and "Who can operate a short-term rental?".

1. Resources

- Check your local cities' website
 - Example: [City of Wheat Ridge](#)
 - Give them a call for the quickest response
- Research Local Blog Posts or Forums
 - Bigger Pockets

2. Short-Term Rental Licensing and Additional Taxes

- Does your city require one?
 - [Post License Number on Your Listing](#)
- Additional Lodging Tax?
 - Example: City of Wheat Ridge = 10% on gross revenue received
 - [Add Additional Lodging Tax to Your Listing](#)

Furnishing Your Airbnb Listing

Furnishings Estimator STR & MTR .XLSX ☆ 🗑️ ☁️
 File Edit View Insert Format Data Tools Help [Last edit was seconds ago](#)

	A	B	D
1	Estimator	Avg. Cost	Click Link below to Purchase
2			
3	Bathroom		
4	Blow Dryer	\$ 15.00	Revlon Blow Dryer
5	Hand Soap	\$ 12.00	Hand Soap 3 Pack
6	Bath Towel Set (2 bath, 2 hand, 2 face)	\$ 35.00	Amazon Bath Towel Set
7	Shampoo/Conditioner/ Soap	\$ 18.00	Shampoo, Conditioner, Body Wash Set
8	Shower Liner	\$ 13.00	Amazon Shower Liner
9	Bath Rug	\$ 18.00	Amazon Bath Rug
10	Makeup Mirrors	\$ 25.00	Amazon Magnifying Makeup Mirror
11			
12	Living Room		
13	Sofa w/ Chaise	\$ 500.00	AFW Sofa w/ Chaise
14	Coffee Table	\$ 45.00	Amazon Coffee Table
15			
16			
17			
18	Bedroom		
19	Queen Mattress & Box Frame	\$ 500.00	AFW Queen
20	Headboard	\$ 100.00	Amazon Headboard
21	Bed Frame	\$ 150.00	AFW Queen Frame
22	Murphy Bed	\$ 2,900.00	
23	Pillow (Set of 2)	\$ 45.00	Amazon Pillow Set
24	Sheet Set (Includes Pillow Cases)	\$ 35.00	Amazon Sheet Set
25	Duvet Insert (Queen)	\$ 30.00	Amazon



● Furnishings

● Basics

- [Nook on W 41st](#)
- Use this example as a starting point
- Check out [Nook on W 41st furnishings list](#) (includes safety essentials below)

● Safety Essential Furnishings

- Carbon monoxide and smoke detector
- Fire extinguisher
- Fire escape ladder (If exit is on the 2nd floor)
- First Aid Kit

● Revolving Supplies List/ Consumables

- Kitchen, bath, living, misc
- Check out [STR Revolving Consumables List](#)

● Furnishing Estimator (on resources page)

Short Term Rental Furnishing Quick Tip



- Have an option for soft and firm pillows for your guests
- If you are providing phone chargers, make sure they are odd colors. That way guests do not mistake them for their own.
- Use duvet covers vs. comforters
- Have black-out blinds for all bedrooms
- Keyless entry is a must!
- Chalkboard (or something similar) for easy guest communication
 - Local Dining and Breweries
 - Popular trails and hikes nearby
 - Wifi info
- Security cameras. If you have them, be sure they are mentioned in your listing

Listing Photos Tips



1. Listing photos

- The first 4-6 photos matter most
- Between 15-25 photos seems to be the sweet spot
- Choose your cover photo based off your competition
- Quick Tip- show your wifi speed, here is one of the many websites you can use
 - <https://www.speedtest.net/>

2. Things to avoid if doing DIY photos.

- Poor lighting
- Your reflection
- Open toilet lid
- TV on
- Clutter
- Extra guests in the picture (pets)



Listing Photos



Hiring Real Estate Professional Photographer vs. DIY



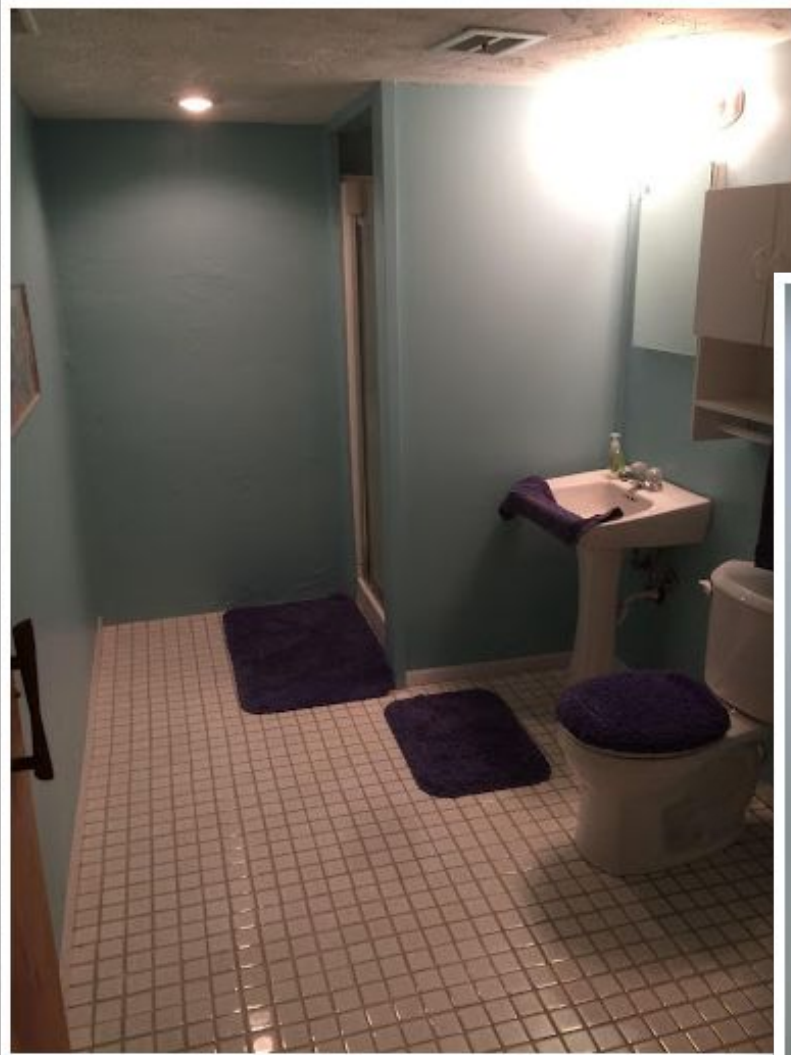
Listing Photos (continued)



Hiring Real Estate Professional Photographer vs. DIY



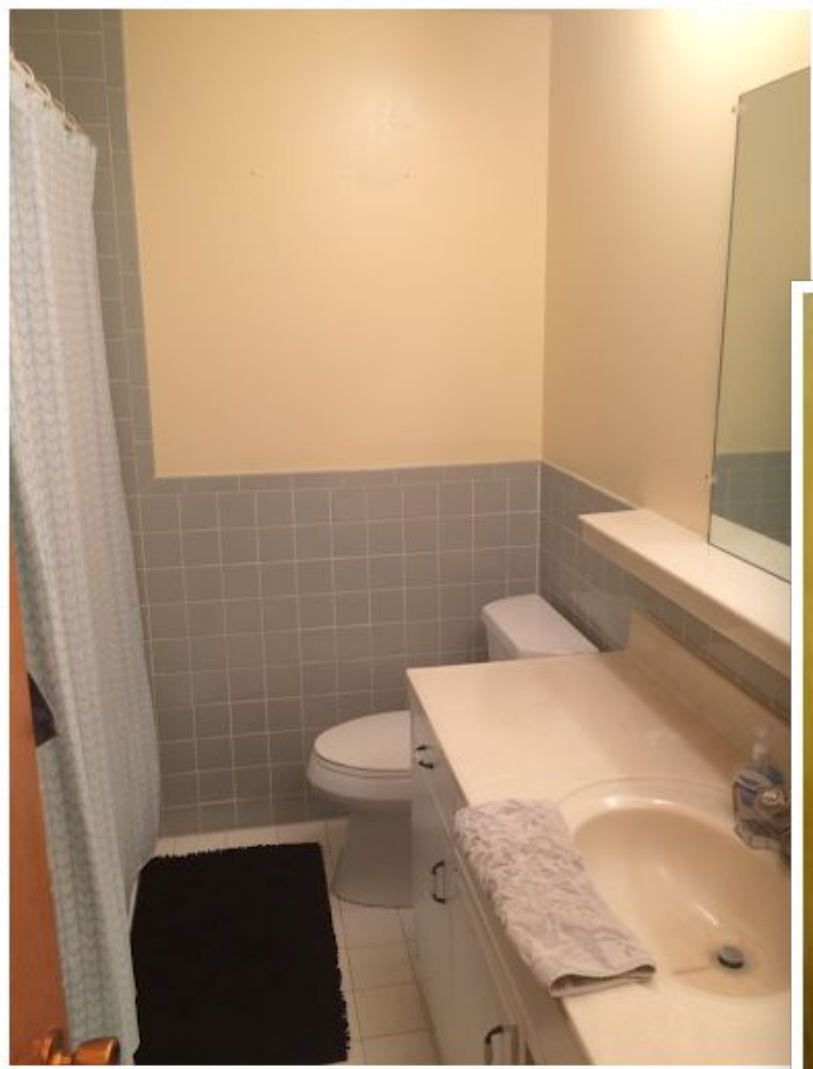
Listing Photos (continued)



Hiring Real Estate Professional Photographer vs. DIY



Listing Photos (continued)



Hiring Real Estate Professional Photographer vs. DIY



Listing Photos



Phone Filters- Light and bright



Taking Photos in Different Seasons



Spring and summer time are ideal for taking outdoor photos.

- If listing goes live in December, retake some new photos in the spring



Creating a Catchy Listing Title

♥Romantic Retreat♥Boutique Apt/Hot tub/Fire Pit

🌟 The Olympic Studio! 🏔️ In the ♥ of CO Springs!

★Nook on West 41st | Cozy Private Studio★



- 1. The more characters the better**
 - Airbnb allows you to use 50 characters, use them all!
- 2. Adding symbols will increase your views**

Creating a Catchy Listing Title Continued



1. Avoid generic adjectives:

- Nice
- Good
- Excellent
- Great
- NO ALL CAPS

2. Spice it up:

- Secluded
- Rustic
- Historic
- Spacious
- Romantic
- Rare
- Vintage

Creating a Catchy Listing Title (continued)



The secret sauce formula

- **Adjective + Property Type/Selling Point + Experience, Top Features, or Location**
 - Secluded Villa Perfect for Romantic Weekend Getaway
 - Rustic Lodge w/ King Bed + Rooftop
 - Spacious 4BR Near Sloans Lake – 5 min walk



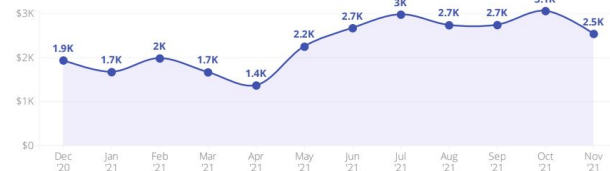
Module 2

| Operations

Pricing Your Listing

Annual Revenue	Average Daily Rate	Occupancy Rate
\$27,588	\$115	66%

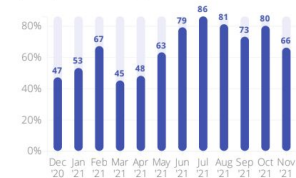
Revenue Forecast (\$)



Average Daily Rate Forecast (\$)



Occupancy Forecast (%)



2 bed · 1 bath · 7 guests
BartaHouse No. 1 w/ Rooftop

\$37K	\$33.9K
Revenue	Revenue Potential
318	153
Days Available	ADR
	76% Occupancy



2 bed · 2 bath · 7 guests
BartaHouse No. 2 w/ Rooftop

\$38.6K	\$40.2K
Revenue	Revenue Potential
279	160
Days Available	ADR
	87% Occupancy



1 bed · 1 bath · 2 guests
Rest & Recoup - Private Suite w/Gym & Sauna

\$16.9K	\$19K
Revenue	Revenue Potential
302	65
Days Available	ADR
	86% Occupancy



1 bed · 1 bath · 6 guests



1 bed · 1 bath · 2 guests



2 bed · 1 bath · 6 guests

4 Common Methods:

- **Airbnb Smart Pricing**

- Pros

→ You will definitely see occupancy greater than 90%

- Cons

→ Your nightly rate will be anywhere from \$15 - \$20 below where it should be at

- **PriceLabs.co**

- Portfolio Analytics

- Market Dashboard

- Dynamic Pricing

- **DIY**

- Check out how to video in Resource Page

- **AirDNA**

- Data Scrape

- Things it can not take into consideration

→ Picture quality

→ Is it self managed or under property management

→ Property size (sq.ft)

- Actual vs. AirDNA

→ Projected= \$115/night at 66% occupancy

→ Actual= \$101/night at 85% occupancy

The 4 Levels of Cleaning & Operations



1. Level 1 - DIY
2. Level 2 - Hire out unit cleaning & turnover
3. Level 3 - Hire out unit cleaning, turnover, and laundry management
4. Level 4 - Hire property manager

Level 1 Cleaning



Do It Yourself - The perfect starting point!

	Level 1
Cleaning & Turnover	You
Laundry	You
Restocking Supplies & Consumables	You
Guest Communications	You
Your Cost	\$

Level 1 Turnover Operations

EXAMPLE

Restocking Checklist for [Nook on West 41st](#) (Short Term Rental)

BATHROOM

- 2 Bath Towels
- 2 WashCloths
- 1 Hand Towel
- Toilet Paper (small rolled)
- Trash Bags
- 1 Bath Matt

BEDDING

- Sheet Set: fitted sheet, flat sheet, 2 pillowcases.
- Duvet Set: duvet cover, 2 pillowcases.

KITCHEN

- 1 Kitchen Dish Towel
- 1 Paper Towel Roll
- 1 Clean Sponge
- 2 K Cups
- 1 Dish Dry Mat

ACCESSORIES AND QC

- Hand soap
- shampoo/ conditioner/ body wash
- Dish soap
- Coffee creamer



Level 1 Turnover Operations

- Read through Airbnb's 5-step enhanced cleaning process (direct link in resource page)
- Have 3-4 preassembled tubs ready
 - For a comprehensive list of everything that goes into these tubs see [Restocking Checklists for Turnover Tub](#)s in the resource page
 - [Clear Storage Tub \(64 quart\)](#) from Home Depot work best
- Clean/ Disinfect/ QC/ Restock
- Wash laundry
- Reassemble tub/ put back into rotation
- Leave review for previous guest



Level 2 Cleaning



Hire out cleaning and unit turnover

- Turnover = restocking supplies & replacing linens (towels and sheets)

	Level 1	Level 2
Cleaning & Turnover	You	Cleaner
Laundry	You	You
Restocking Supplies & Consumables	You	You
Guest Communications	You	You
Your Cost	\$	\$\$

Level 2 Turnover Operations



1. Level 2 Turnover Operations

- Hire STR friendly cleaner
- Communicate booking calendar
- Ensure cleaner has easy access to turnover supplies (tubs)
- QC after cleaner leaves
- Wash dirty laundry
- Put clean turnover supplies back into rotation
- Leave review for previous guests

Level 3 Cleaning



Hire out unit cleaning, turnover, and all laundry management/cleaning

	Level 1	Level 2	Level 3
Cleaning & Turnover	You	Cleaner	Cleaner
Laundry	You	You	Cleaner
Restocking Supplies & Consumables	You	You	You
Guest Communications	You	You	You
Cost	\$	\$\$	\$\$\$

Level 3 Turnover Operations



Level 3 Turnover Operations

- Hire STR friendly cleaner that handles the following
 - Cleaning
 - Unit turnover
 - Laundry
- Communicate Airbnb booking calendar with your cleaner
- QC after cleaner leaves
- Leave review for previous guests
 - If there were any issues with how the previous guest left your space, cleaner will let you know.

Level 4 Cleaning



Hiring out through Property Management

	Level 1	Level 2	Level 3	Level 4
Cleaning & Turnover	You	Cleaner	Cleaner	PM
Laundry	You	You	Cleaner	PM
Restocking Consumables	You	You	Cleaner	PM
Guest Communications	You	You	You	PM
Your Cost	\$	\$\$	\$\$\$	\$\$\$\$+

Choosing What Level is Right for You



1. Start at Level 1 and Progressively decrease your level of involvement

2. Pro's

- Understand process firsthand
- Easily communicate expectations to cleaner and better appreciate the hard work they are about to take off of your plate
- Save money and help pay off upfront furnishing costs

3. The only exception

- If your listing is an entire home

Detailed Quality Checks (QC)



1. Under the bed
2. Refrigerator
3. Microwave
4. Shower
5. Toilet
6. Inside vanity drawers, or where hairdryer is stored.
7. Dishwasher (if you have one)
8. Watermarks on mirrors and sink handles

Pricing Your Cleaning Fee



1. Check your local comps

2. Price cleaning appropriately

- High cleaning fees can turn guests away

3. Pricing too low

- Low cleaning fee will not cover your time and cost.

4. Find that sweet spot



Quick Tip- You only need to set your cleaning fee one time. This is not something that consistently changes with the seasons, unless your cleaner increases their rates.

Income and Expense Example for 1 Night Stay

	Income	Expense
1 night room fee	\$ 100.00	
Cleaning fee	\$ 50.00	
Airbnb Host service fee (3%)		\$ 4.50
Cleaning paid		\$ 45.00
Property (Lodging) taxes received (10%)	\$ 15.00	
Property (Lodging) taxes paid (10%)		\$ 15.00
TOTALS:	\$ 165.00	\$ 64.50
TOTAL INCOME:	\$ 100.50	

Assumptions

1. Nightly rate = \$100
2. Cleaning fee = \$50
3. Cost for cleaning = \$45
4. Lodging Taxes = 10%



Property Taxes = Lodging Tax

Airbnb defines this as property tax and the city will define this as lodging tax.

Auto Messaging



1. Auto Messaging

- [How to](#)
- [4 Must Have Messages](#)
 - Thank you for booking with us
 - Check in instructions
 - Follow up next morning
 - Check out instructions

2. For all other message

- Be quick to respond
- Always be kind and enthusiastic

Turnover Quick Tip



Ask your cleaner to check the thermostat before leaving to make sure it is set at a reasonable temperature.

Auto Messaging Quick Tip



If your “check-in instructions” are scheduled to be sent out at 2 PM and a guest books at 2:01 PM, they will not get sent automatically. You will personally need to send check-in instructions.

Communications with Your Cleaner



1. Option 1 (preferred)

- Make your cleaner the co-host on your Airbnb Listing. That way they will have access to your calendar

2. Option 2 - Send a screenshot of your calendar to your cleaner once a week or as new bookings come in.

- Less automated & more labor intensive.

3. Calendar sharing apps

- TurnoverBnb
- Properly
- Breezeway



Ask your cleaner to check the thermostat before leaving to make sure it is set at a reasonable temperature.



1. Pro's

- Scalability
- Access to expensive pricing tools
- They are on top of the local rules and regulations
- Save owner time on monthly income and expense tracking.
- Good experience handling difficult guests

2. Con's

- No one takes as much pride in caring for your investment property than you do!
- Less personal touches with guest experience
- High Fees - 20-25% nightly rate
- You could lose "superhost status"

Module 3

| Business Management

Financial Tracking

2021 Basic Rental Property Income / Expense Tracker

	January	February	March	April	May	June	July	August	September	October	November	December	Year-End Summary
Income:													
Airbnb	\$2,200	\$2,425											\$4,625.00
Unit 2													\$0.00
Unit 3													\$0.00
Unit 4													\$0.00
Unit 5													\$0.00
Sec Deposit													\$0.00
Sum of Income	\$2,200.00	\$2,425.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,625.00

Expenses													
Advertising													\$0.00
Auto and travel													\$0.00
Cleaning and maint.	\$200.00	\$260.00											\$460.00
Commissions													\$0.00
Insurance/ Esc													\$0.00
Legal and other prof. Fees													\$0.00
Management Fees													\$0.00

	Days Booked	Days Available	Occupancy	Monthly Income	Avg \$/day	Income Goal	Maintance %	Supply %	Utilities%
January	25	31	81%	\$ 1,970.00	\$ 78.80	\$ 70.00	0.0%	1.5%	15.2%
February	27	28	96%	\$ 2,165.00	\$ 80.19	\$ 265.00	0.5%	0.0%	13.9%
March			#DIV/0!	\$ -	#DIV/0!	\$ (1,900.00)	#DIV/0!	#DIV/0!	#DIV/0!
April			#DIV/0!	\$ -	#DIV/0!	\$ (1,900.00)	#DIV/0!	#DIV/0!	#DIV/0!
May			#DIV/0!	\$ -	#DIV/0!	\$ (1,900.00)	#DIV/0!	#DIV/0!	#DIV/0!
June			#DIV/0!	\$ -	#DIV/0!	\$ (1,900.00)	#DIV/0!	#DIV/0!	#DIV/0!
July			#DIV/0!	\$ -	#DIV/0!	\$ (1,900.00)	#DIV/0!	#DIV/0!	#DIV/0!
August			#DIV/0!	\$ -	#DIV/0!	\$ (1,900.00)	#DIV/0!	#DIV/0!	#DIV/0!
September			#DIV/0!	\$ -	#DIV/0!	\$ (1,900.00)	#DIV/0!	#DIV/0!	#DIV/0!
October			#DIV/0!	\$ -	#DIV/0!	\$ (1,900.00)	#DIV/0!	#DIV/0!	#DIV/0!
November			#DIV/0!	\$ -	#DIV/0!	\$ (1,900.00)	#DIV/0!	#DIV/0!	#DIV/0!
December			#DIV/0!	\$ -	#DIV/0!	\$ (1,900.00)	#DIV/0!	#DIV/0!	#DIV/0!
TOTAL	52		89%						

How to find "Days Booked" and "Days Available" on your Airbnb webpage.
 On your Airbnb Listing
 Insite -> Occupancy Rate

1. Income & Expense Tracking (excel doc.)

- [Basic Financial Tracker](#)
- [Airbnb Financial Tracker](#)

2. Keeping track of all income and expenses

- Airbnb rental income
- Cleaning paid
- Lodging tax expense
- Consumables
- Furnishings
- Landscaping
- Utilities
- Etc

Taxes and Insurance



1. Investor friendly tax expert

- Maximize your refund
- Ensure everything is done by the book

2. Insurance coverage- 2 Questions to Ask:

- “If I rent my property out on Airbnb for a period less than 30 days, and that guest is injured on my property, do I have liability coverage?”
- “If I rent my property out on Airbnb for a period less than 30 days, and that guest damages my property, do I have liability coverage?”

Managing with a Partner



1. Manage as a Business!

- Divide and conquer operational tasks
 - Examples
 - Communications (guests and cleaners)
 - Supply inventory (i.e. sheets, towels, shampoo, paper towels)
 - Tracking income and expenses
 - Maintenance
 - Pricing management
 - Big picture outlook

2. Understanding your strengths and weaknesses!

Managing with a Partner (continued)



Weekly Operations Meetings:

- Is cleaning scheduled for all next week's turnover?
- Supply Inventory
- Maintenance
- Does nightly price need to be adjusted?
- Safety (snow & ice mitigation)
- Etc.



Module 4

| Slow Season Tips

Slow Seasons Tips



1. October-February
2. Lower your minimum stay to 1 night (if it is not already)
3. Lower your nightly rate

NIGHTLY RATE	OCCUPANCY	INCOME
\$90.00	65%	\$1,814.00
\$75.00	85%	\$1,976.00

- More stays = more reviews
- More reviews = more listing views
- More listing views = more bookings

Slow Season Tips



1. Relax your cancellation policy

- “Flexible”

2. Add “Listing Discount 10%” to your title

- When potential guests see a discount, they are likely to click.

3. Patience

- Do not panic if your calendar is looking empty.

Bonus Module

| Medium-Term Rentals

Medium-Term Rental (MTR) Overview



1. What is a Medium-Term Rental?

- Properties leased for 1 - 12 months and are typically furnished.

2. Typical MTR Renter?

- Traveling Nurses
- Young Professionals
- Digital Nomads

Medium-Term Rental Platforms



1. Airbnb

- Set minimum stay to 30 days on your Airbnb App.
- Still high demand
- You will still have a 3% service fee

2. Furnished Finder

- Connects you with interested renters
- You are responsible for screening, setting up a lease agreement, and rental payment method.
- \$99/month to list your property
- More traffic

3. Kopa.co

- Renters are pre-screened.
- App manages transactions
- Service fee ranges from 3% - 12%
- Longer the stay, lower the monthly service fee
- Shorter the stay, higher the monthly service fee
- Less traffic

Transitioning from Short-Term Rental to Medium-Term-Rental



1. Pro's

- Fewer turnovers
- Less overhead
 - Supplies
 - Cleaning
 - Laundry
- Requires security deposit

2. Con's

- Less income
- Less flexibility to accommodate for friends and family

3. Additional helpful furnishings if considering MTR

- Washer & Dryer
- Dishwasher
- Oven/stove top
 - Hot plate will do.
- Clothing storage

Listing Your Medium-Term Rental



1. Post Listing on multiple platforms

2. Same principles for short-term rentals apply

3. Things to include in your listing description

- Distance and travel times to:
 - Local hospitals
 - Grocery stores
 - Coffee shops
 - etc.

4. Not getting enough interest?

- Consider slowly decreasing your price in \$50/month increments
- Change your listing title-
 - Market to a specific hospital

Pricing Your Medium-Term Rental (continued)



1. Much more difficult with less rental comps
2. Use the websites to gather comps and measure availability
3. General rule of thumb
 - 30-40% higher than typical 12-month unfurnished lease

Medium Term Rental Operations

EXAMPLE

Restocking Checklist for [Everett Lodge](#) (Medium Term Rental)

BATHROOM

- 2- bath towels
- 2 -wash cloths
- 2 -hand towels
- 3 -TP
- 1- bath matt

BED

- Sheet Set: fitted sheet, flat sheet, 2 pillowcases
- Duvet Set: duvet cover, 2 pillowcases

KITCHEN

- 2- dish towels
- 1- paper towel roll
- 1 new sponge

LIVING ROOM (Extra sheets for pullout couch)

- 1- full sheet set
- 1- comforter
- 2- pillows

ACCESSORIES AND QC

- Trash bag roll
- Hand soap- kitchen and bathroom
- Dish soap- kitchen
- All-purpose cleaner
- Coffee and creamer
- Oil spray, salt and pepper
- Body wash, shampoo and conditioner

Cleaning and Turnovers

- Same Principals for STR apply
- [See MTR Restocking Checklist Example in the Resource Page](#)
 - Very similar to STR restocking checklist
 - Differences- Extra
 - Cooking supplies- Salt/ Pepper/Cooking Spray
 - Laundry Packs
 - All-purpose cleaner

Get Started!



Schedule Your 60 Minute **One-on-One Coaching Call** to:

- Discuss your goals
- Identify opportunities and how to improve your operations
- Work on your action plan

Email me at ben@envisionrea.com to schedule your call!