

MEMPHIS INVESTORS GROUP

SHORT-TERM RENTAL PROPERTIES HANDOUT 9/8/2022

1. WHAT IS SHORT-TERM (STRs) RENTAL?

Short-term rentals are mostly residential properties rented out for a short period of time. STRs properties can be rented anywhere from 1 day to a few months.

2. SHORT-TERM RENTALS VS TRADITIONAL RESIDENTIAL PROPERTIES EXAMPLE

STRs can be financially lucrative. You can earn more money with STRs than with a traditional Memphis residential rentals. **EXAMPLE - 3 BEDROOMS/2.5 BATHROOMS:**

DESCRIPTION	* STR RENTAL	TRADITIONAL RENTAL	DIFFERENCE
Daily Rental Income Rate	\$300	\$33	\$267
Days Rented	18	30.41	-12.41
Monthly Rental Income	\$5,400	\$1,000	\$4,400
Annual Rental Income	\$64,800	\$12,000	\$52,800
Annual Rental Expenses	-\$30,000	-\$2,400	-\$27,600
Annual Net Income	\$34,800	\$9,600	\$25,200

* STR Rental information came from Airbnb Author, Avery Carl.

According to theshorttermshop.com, the typical ROI for a traditional long term rental property is anywhere from 4 to 10%, and anything above 12% is considered well above average. Short term properties typically yield higher return rates of around 10 to 15%.

3. STRs HIGH IN DEMAND

"STRs demand is through the roof and STRs booking platforms like Airbnb, Vrbo & Booking.com have made huge strides against the hotel industry." Find STRs properties in well sought-after locations (i.e. Graceland, Downtown, Midtown, Mud Island, Branson MO, Overton Square, Smoky Mountains, etc.) at a reasonable purchase or rental price. Properties in these areas are excellent investments.

4. "LOCAL REGULATIONS - LOOK INTO THE PLACE'S LEGAL STATUS"

Know the local laws before investing in STR'S. "Some markets have tighter short-term rental regulations than others. Some counties have outright banned short-term rentals while others impose licensing and permit processes that cost both time and money." Memphis currently do not have laws banning STRs. Nashville's law requires that anyone wishing to rent a property on STRs booking platform such as Airbnb, Vrbo etc. receive a permit from the Metro Codes Department prior to listing. Also, make sure that there are no HOA restrictions.

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5. LISTING, MARKETING, AND MANAGING YOUR SHORT-TERM RENTAL

- A. Use booking platforms such as Airbnb, Vrbo, your website, Facebook, Instagram, etc. to make it easy to market your short term rentals.
- B. Furnish the space with beds, appliances, decoration, kitchen utensils, TVs sofas, towels, smart devices, etc.
- C. Chose a comfortable design theme, “but make sure that it is CLEAN AND FRESH”.
- D. Provide excellent cleaning services & communication with guests.
- E. “Getting 5 Star rating reviews will keep a constant stream of guests & income”.

6. SHORT TERM RENTALS RESOURCES

SHORT TERM RENTALS CALCULATORS



<https://www.airdna.co/airbnb-calculator>



<https://alphageekcapital.com/calculator/>

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7. SHORT TERM RENTALS RESOURCES

SHORT TERM RENTALS BOOKS:

Short-Term Rental, Long-Term Wealth: Your Guide to Analyzing, Buying, and Managing Vacation Properties by Avery Carl (Amazon \$16.59)

Airbnb Business: The New Up-to-Date Guide to Become a Successful Airbnb Superhost with a Fully Automated & Highly Profitable Property. Including Hard-to-Find Secrets and Helpful Tips from the Experts by Jacob Harvey (Amazon \$19.97)

How to Start a Successful Airbnb Business: Quit Your Day Job and Earn Full-time Income on Autopilot With a Profitable Airbnb Business Even if You're an Absolute Beginner by Walter Grant (Amazon \$22.46)

Building Lucrative Income with an Airbnb Business: The Low Budget Beginner's Guide to Creating Passive Income with Vacation Rentals by Sarah L. Carter (Amazon \$9.99)

YOUTUBE SHORT TERM RENTALS VIDEOS CHANNELS

BIGGER POCKETS 5 STEPS TO MAKING SHORT-TERM RENTAL MILLIONS (PART 1)

<https://youtu.be/g3wsAl8EPIY>

AIRBNB AUTOMATED

<https://www.youtube.com/c/AirbnbAutomated>

THE REAL ESTATE ROBINSONS

<https://www.youtube.com/c/TheRealEstateRobinsons>

KRISTEN & MICHAEL

<https://www.youtube.com/channel/UCPaX3MRL1uiRU0P7b3PCvxA>

STR University

<https://www.youtube.com/c/STRUniversity>

PMI PREMIUM SERVICES

https://www.youtube.com/channel/UC_SZ0v5z9NETMVAJ-B_wdig

BIGGER POCKETS WEBSITE: Short-term rentals