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REE 4956: INTERNATIONAL REAL
ESTATE

AIRBNB MARKET ANALYSIS: MIAMI

Tourism and the Limitations

- ❖ Improve infrastructure such as highways, public transportation in Miami.
 - ❖ Beaches attract more tourism using Airbnb.
 - ❖ Airbnb expand very fast in Florida especially in Miami areas
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- ❖ The Airbnb has offered liability coverage for its guests.
 - ❖ Short-terms rentals are not limited by the HOAs at all levels i.e. state, county and city level.
 - ❖ Airbnb has met some of the requirements of their Homeowners Association (HOAs).

Like any other business, Real Estate target on profit making and securing the future of it's business. A potential way to make good profit from Real Estate is through Airbnb. Airbnb has over four million listings of lodgings in about 64000 cities. 45000 along in Miami area.

Our project is about airbnb in the Miami Metropolitan Area. Airbnb can be very beneficial because it's easily accessible online to any traveler, it deals with the short-term rental that generate income, and it is very flexible for airbnb landlords. Airbnb does not own any real estate property, and they receive some percentage of profit from each reservation.

As miami expands, the growth of the population has forced the infrastructure such as local roads and highways to meet the higher levels of demand. So, good infrastructure is much needed in order to meet the basis of tourism and increase the satisfaction of tourist during their duration of the stay at Miami. Miami-Dade County is committed to enhancing the infrastructure of the community in order to improve the economy and support the growth of our county.

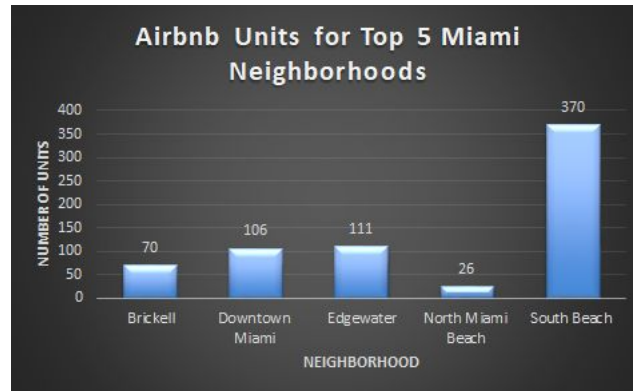
The attractive beaches in Miami attract many tourists and also attract the investors to do Airbnb in Miami. Airbnb website is getting popular and many homeowners share their houses and rent out their rooms or homes for short-terms rental to travelers. However, the crimes have increase as miami gets busier. Airbnb Short-term rentals have their challenges.

Some tenants who rent the airbnb have their own shortcomings. Some of them leave the house in a very bad shape. For example, they broke the washer and dryer, or leaking water taps and may result in leakage which result in a flooded house.

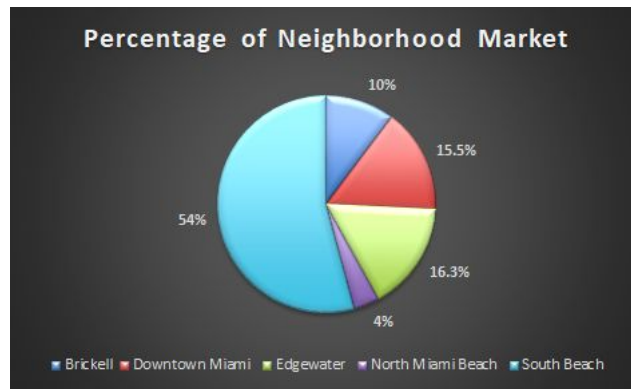
Some strategies have been put in place to ensure limitation of risk for rentals at the state, county and city levels like offering liability coverage for every person they host which amount to tens of thousands of people in the US However, the airbnb company does not offer the ability to purchases a retail primary insurance solution for renting. Luckily, the condo HOAs

do not prohibit the short-term rentals in the miami metropolitan area. The reason is that the company has met all the requirements that satisfy the Homeowners Association. For example: **Cases like hosts leaving** a rented house before an enforcement action is completed or initiated are diminished. Also, Homeowner Association use the short-term monitoring services which helps in creating the awareness of the guests arrival. Lastly, the company has assigned a group of people whose monitoring the houses for rent before and after tenants leave. This stage was initiated to help customer and homeowner satisfaction.

Size of Miami's Airbnb Market



Size of Miami's Airbnb Market



Miami's Hotel Market

Condo Prices and Trends

Income Potential of Airbnb Units

Averages						
	Top Neighborhoods (ALL)	South Beach	Edgewater	Downtown Miami	Brickell	North Miami Beach
Daily Rate	\$ 58.67	\$ 59.41	\$ 46.63	\$ 64.34	\$ 58.67	\$ 51.18
Annual Revenue	\$ 805.83	\$ 1,032.94	\$ 701.10	\$ 347.30	\$ 805.83	\$ 175.58
Occupancy Rate	28%	29%	29%	25%	28%	23%
Number of Bookings	3.58	4.57	3.59	0.75	3.61	0.81
Published Nightly Rate	\$ 68.92	\$ 73.62	\$ 55.03	\$ 56.43	\$ 89.57	\$ 56.50
Published Weekly Rate	\$ 411.81	\$ 439.22	\$ 334.08	\$ 347.79	\$ 543.50	\$ 283.69
Reservation Days	29.16	34.08	28.83	14.70	25.49	7.18
Days Available	93.31	86.02	110.20	80.18	90	142.41

Recommendation

References

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