

SA property owners: Short-term rentals are a hot ticket this season

This summer presents an opportunity for homeowners to profit from short-term rentals during what is expected to be a bumper tourist season driven largely by demand from international visitors, says Max Urban, managing director of short-term rental management company, Propr.



Image source: Konstantinos Eleftheriadis from [Pexels](#)

Urban believes that properties listed on short-term rental platforms like Airbnb could outperform the long-term rental rate.

Short-term rentals, long-term gains

He shares that over and above earning money from the rent itself, hosts benefit from the value of their property increasing since it can be sold with existing bookings as a going concern which is attractive for investor buyers. “Additionally, with the right management company, the property will always be kept in showhouse-ready condition, which is helpful should hosts decide to sell.”

“Unlike long-term leases, where the property typically degrades over the course of the rental period, short-term rentals mean that homeowners won’t have to spend time and money bringing the property back into a rentable condition once guests leave,” adds Urban. “Hosts also get to use the property whenever they like which is not possible with longer lets.”



Investing in holiday rental property? Here's what you need to know

12 Sep 2018



Boosting bookings

He advises hosts to list their properties on as many platforms as possible. “This way, they can maximise the pool of potential guests.” Urban also shares some suggestions below on how they can attract bookings:

- **Make sure the property is in good condition.** The design aesthetic should appeal to a wide audience.
- **Get professional photographs taken of the property.** Potential guests look at photos first and then at reviews, so it's not worth skimping on this; the photos will more than pay for themselves in the long run.
- **Put loadshedding measures in place.** Get an inverter or UPS so guests have internet access at all times. This is particularly important for hosts in the Western Cape in light of the City of Cape Town's new partnership with Airbnb to attract remote workers. It's also an easy way to differentiate the listing and attract extra bookings in general.
- **Make use of dynamic pricing.** Test a few pricing tools that use aggregated data to price the listing accurately. Some research should also be done to get a feel for what other properties are charging. Additionally, hosts must look at what events are scheduled to take place in their cities and adjust the price of their rental in line with anticipated demand for accommodation.
- **Have a flexible cancellation policy.** If the pandemic has taught us anything, it's that life can change at a moment's notice. Nowadays, guests are less willing to book accommodation with strict or moderate cancellation policies.
- **Offer shorter stays and/or accept same day bookings until very late in the evening.** This strategy is not for everyone as it requires more work, but there are definitely fewer listings on the market that offer this, which makes it easier to obtain bookings.
- **Research articles on how to optimise the listing score on Airbnb.** Some examples would include encouraging guests to leave reviews, lightning-fast response times whenever a guest sends an enquiry or message, making changes to the listing description or photos, and never cancelling a booking unless absolutely necessary.

Considerations for running a short-term rental

When it comes to operating a competitive short-term rental, he points out that those who are new to the game often underestimate what it takes. “There are a number of aspects to running an Airbnb that require hosts to be available 24 hours a day, seven days a week, and on any day of the year. Guests locking themselves out at 2am, a burst geyser on a Sunday or a guest checking in after midnight are all commonplace. Moreover, skills like accurate property pricing, revenue management, optimising listings on non-Airbnb platforms as well as securing payment from these platforms are all essential for being a successful host, but not everyone is equipped with these and might not have the time to learn them.”



What the rise of short-term rentals means for landlords and tenants

9 Dec 2020



For those who are only hosting for a few weeks a year, Urban says doing it on their own is manageable. “However, most hosts are better off letting a reputable management company run their short-term rentals for them. If they are good, they will make up for their commission through higher earnings, time saved and a well-maintained property.”

“Utilising a management company can also help with keeping properties and their contents safe,” he notes. “There are three levels of security that these companies can offer – vetting guests when they book; managing them while they are on the property; and conducting exit inspections to detect damages and, if needed, claim from guests.”

When it comes to picking the right management company, Urban advises shortlisting and meeting with at least two or three companies before appointing someone. “Ask them the hard questions to get a sense of how comprehensive their services are and what is excluded from their commission. Many rental management companies lure property owners in with a low commission but then either deliver a sub-par service or charge extra for everything else. Ask to speak to some of their existing clients too and look up reviews online.”

He concludes by saying, “Barring any unforeseen circumstances, this season is shaping up to be the best in seven years. Rates and occupancies are eclipsing pre-Covid levels, with forward bookings on the rise. October/November is the ideal time for hosts to start listing their properties so they can take full advantage of the season, especially with short-term rentals guaranteed to outperform the long-term rental rate over the next six months.”

For more, visit: <https://www.bizcommunity.com>