

How to tell if a Short-Term Rental works before you make an offer

By Rob Abasolo

The most important thing you can do to have a profitable short-term rental is to purchase the right property in the right location at the right price. Deal analysis means estimating what a property will earn and what it will cost before you make an offer. That way, you know your return before you buy. In the past, I used AirDNA as a temperature check, but today, it is the main course—the core tool you need to establish a revenue spectrum from your top competitors. Here is my updated 6-step method to validate a property before you waste hours contacting realtors and lenders.

My 6 Steps

1. Calculate the Monthly Baseline I start on Zillow or Redfin to look at typical prices and calculate what my monthly mortgage payment (principal, interest, taxes, and insurance) will be. For example, on a \$749,000 house with 20% down at a 7% interest rate, the mortgage is roughly \$5,700 a month. That gives a baseline cost to beat.

2. Audit the competition on Airbnb

I read the top listings the way a guest would: Photos, descriptions, interiors, calendars. Airbnb flags listings with little open availability using a “Rare find” badge. When I see 3 or 4 of them in 1 neighborhood, something there is filling calendars. Weak listings nearby get me excited, because a better listing nabs the booking.



3. The Main Course: Build Your Comp Set on AirDNA AirDNA pulls all listings from Airbnb, which means it includes duds, inactive listings, and places people only listed once for a major event. To find valid comps, match the exact bedroom and bathroom count, then apply my two strict rules: uncheck the lower availability tiers so the days available filter is set to "271 to 365," and filter out any listing with fewer than 20 reviews. Sort the remaining list by revenue to see the true spectrum of what mid-tier and top-tier properties actually make.

4. Verify the Review Population Old data is bad data. Open your saved comps on Airbnb and sort their reviews by "most recent". You are looking for an active, consistent pattern of bookings—meaning reviews from a week ago, two weeks ago, and last month.

5. Check seasonality
AirDNA’s seasonal chart shows which months bring in the bulk of the revenue. Estimate from a slow month and you’ll undershoot the house. Estimate from the peak and you’ll overshoot it.

6. Run the "Back of the Napkin" Math Take your monthly mortgage from Step 1 and add your estimated monthly operating expenses (cleaning, utilities, supplies, maintenance) to find your breakeven point. Next, add your target minimum return—usually a 10% to 15% cash-on-cash return. Compare this required revenue to your AirDNA Comp Set. If your required revenue is higher than what the absolute best comp makes, the deal is dead.

My rules

Category	My rule
Furnishings	About \$20-30 per square foot (a 2000 square foot house is about \$22,000).
Remodel	Under \$15,000: Paint, floors, and light fixes. I skip kitchen and bathroom remodels at this price point.



Category	My rule
Guests	Up to 2 per bedroom and 5 per bathroom. I sleep the fewest people that earn the highest revenue.
Valid Comps	A comparable listing must have at least 20 reviews and be available for 271 to 365 days a year.
Minimum Return	10–15% cash-on-cash return before I make an offer.
Maintenance	Budget 4% of revenue at the low end and up to 10% to play it safe. My own spending has run higher than 4%.

Run Your Own Numbers

Your Setup	My 2022 Example	Same deal at 7.40%
Purchase price	\$285,000	\$285,000
Down payment (10%)	\$28,500	\$28,500
Closing costs (3%)	\$8,550	\$8,550
Remodel	\$5,000	\$5,000
Setup (travel, meals, small items)	\$3,000	\$3,000
Furnishings (about \$10 per square foot)	\$22,000	\$22,000
Legal and other (the rest of my total)	about \$750	about \$750



Your Setup	My 2022 Example	Same deal at 7.40%
Total cash to close	\$67,800	\$67,800
Loan rate	3.5%	7.40%
Loan principal and interest per month	\$1,152	\$1,776
Revenue estimate	\$106,500	\$106,500
Profit after costs	\$55,170	\$47,680
Cash-on-cash return	81.4%	70.3%

Host Camp's Buy & Hold Analysis Worksheet has these lines built in, and it's available as a complimentary download.

Where to Start

- Pick 1 address you're watching and pull its AirDNA estimate. If you use the "Host" tier, you also get a property management system for up to three listings.
- Filter ruthlessly for 271-365 days available and 20+ reviews to build a valid comp set.
- Check which months bring in the bulk of the revenue.
- Run the worksheet 3 ways, using your estimate, revenue 20% lower, and your lender's real quote.
- Make an offer only if the deal clears your minimum at the lower revenue case.



My Take

Set your criteria before you fall for a house. Then stick to them. Competition and saturation aren't necessarily a bad thing; you can use the blueprint of top earners to create a listing that outperforms them.

Disclaimer: This guide is for educational purposes only and isn't financial, tax, or lending advice. The rules and numbers are mine. AirDNA and similar tools give averages, and your results will vary. Talk to a lender and a CPA before you buy. Host Camp has an affiliate partnership with AirDNA.

What to Do Next

Run your own address before you make an offer. If you want a second set of eyes on it, that's what the call below is for.

Kai Andrew and I built Host Camp into the world's biggest resource for short-term rentals. Visit our website for blogs, newsletters, tools, and personally mentored coaches, all built to help hosts and investors turn a listing into a real set of numbers.

We'll run your deal with you and tell you straight whether it works before you spend a dollar.

Book your complimentary strategy call here →