



The Rule of ROR

When buying or renovating a short-term rental property, let this guide on **rates**, **occupancy** and **reviews** rule every decision you make.



Curated with care by the pros at **Guesty**
www.guesty.com

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To Invest or Not to Invest

Putting time and money into your business is always a risk, but it can be especially daunting trying to predict which potential investments are going to end up paying off in the end. Whether you're deciding which rooms are most beneficial to renovate, which amenities can attract the most guests or which home improvements add the most value, you're always going to want to be sure you're allocating resources in a way that yields the best possible return on the investments you make.

When it comes to all things investing, the short-term rental pros at Guesty suggest following **The Rule of ROR**: a trusty rule of thumb to ensure every dollar you put into your short-term rental business is being spent wisely.





So, What is The Rule of ROR?

With The Rule of ROR, making wise investments is as easy as 1, 2, 3 - or, in short-term rental speak - rates, occupancy, reviews. When making any investment decisions regarding your short-term rental business - from purchasing a new property, to furnishing or finishing a property, or improving on your existing property - first ask yourself how that investment is going to affect each of these 3 areas:



How does it affect the rate?

Will this purchase allow me to charge a higher nightly rate?



How does it affect occupancy?

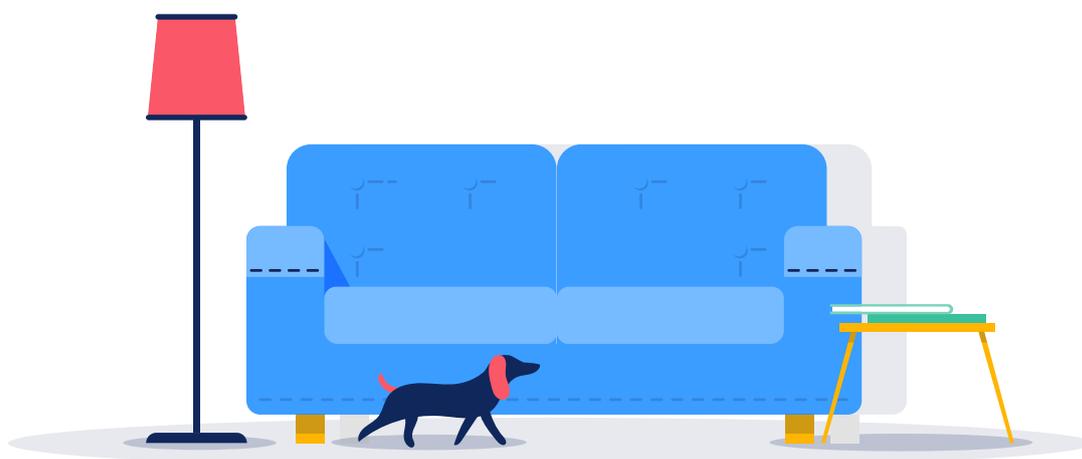
Will this purchase increase my chances of getting this property occupied, a.k.a. booked?



How will it affect reviews?

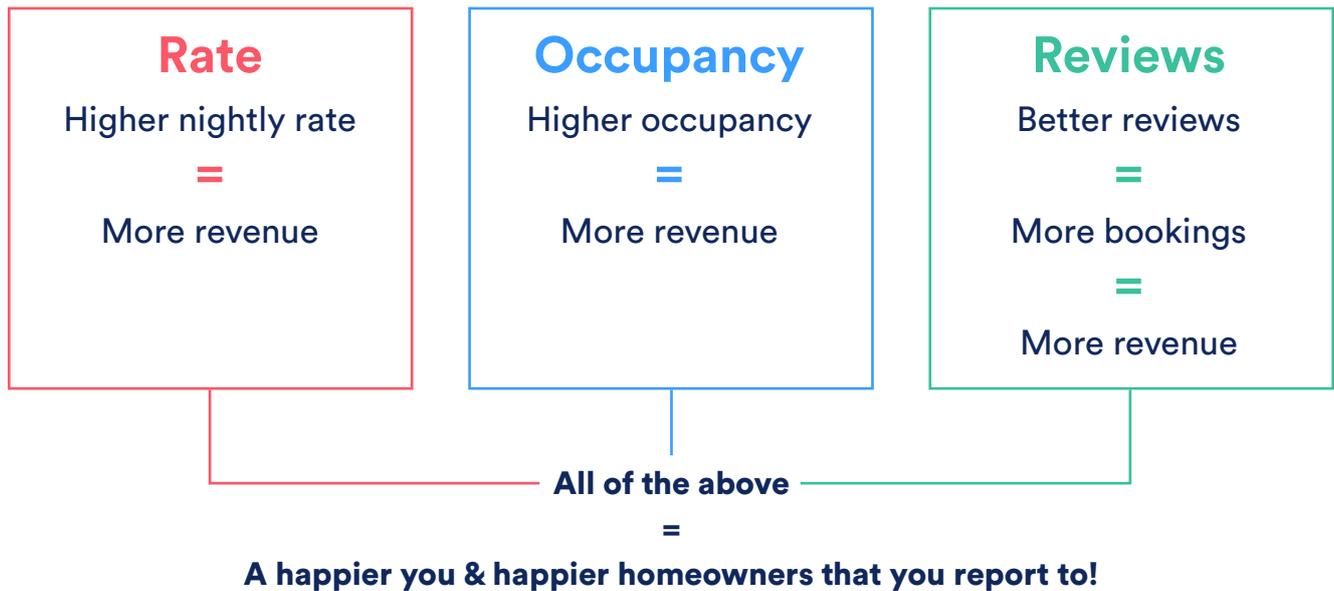
Will this purchase compel my guests to leave better reviews?

Did you say yes to all 3 questions? If so, then it looks like that investment opportunity has what's needed to benefit your business in all the right areas. And if you can't say yes to all 3 questions? Then we say don't spend money on that potential investment. It's that simple!



Let's Talk About Why These 3 Factors Matter

Why bother talking about rate, occupancy and reviews so much when it comes to how you invest in your properties? At the risk of sounding like a broken record, allow us to explain:

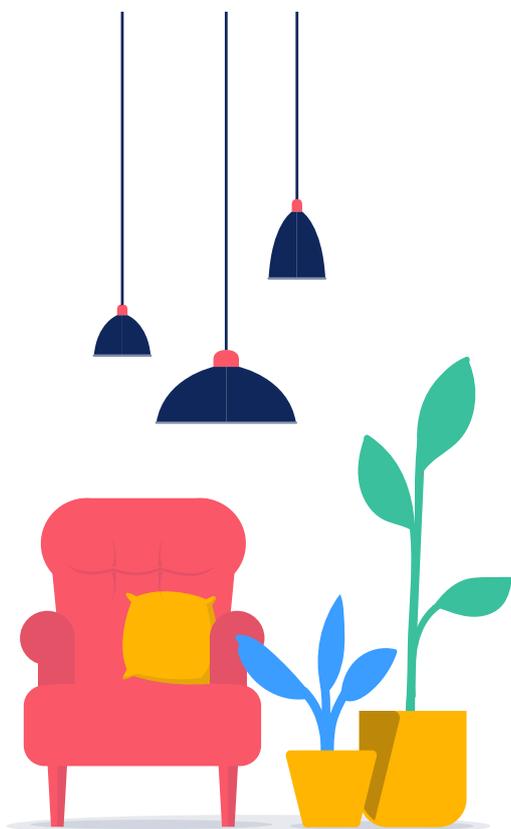
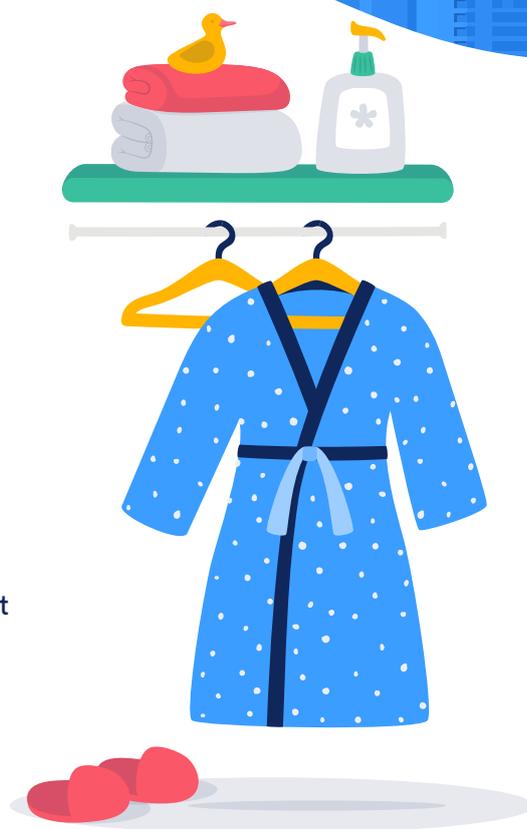


Where Do I Start?

Not sure where to begin? Let's dive deeper into what you can do to specifically address rates, occupancy and reviews with the investments you make.

I. How to: Charge Higher Nightly Rates

By adding hotel-like vacation rental amenities to your property, you can offer your guests the comforts of a traditional hotel with the flexibility of a short-term rental to justify charging a higher nightly rate. In addition to crisp white linens in bedrooms and a squeaky clean kitchen stocked with cooking utensils and appliances, some big ticket items that will give your listing a hotel-like flair (and in turn allow you to charge more per night) include: an automatic entry system, a blow dryer, shampoo and body wash, a high-tech climate control system, a Tempurpedic mattress, and granite or marble in the kitchen and bathrooms.



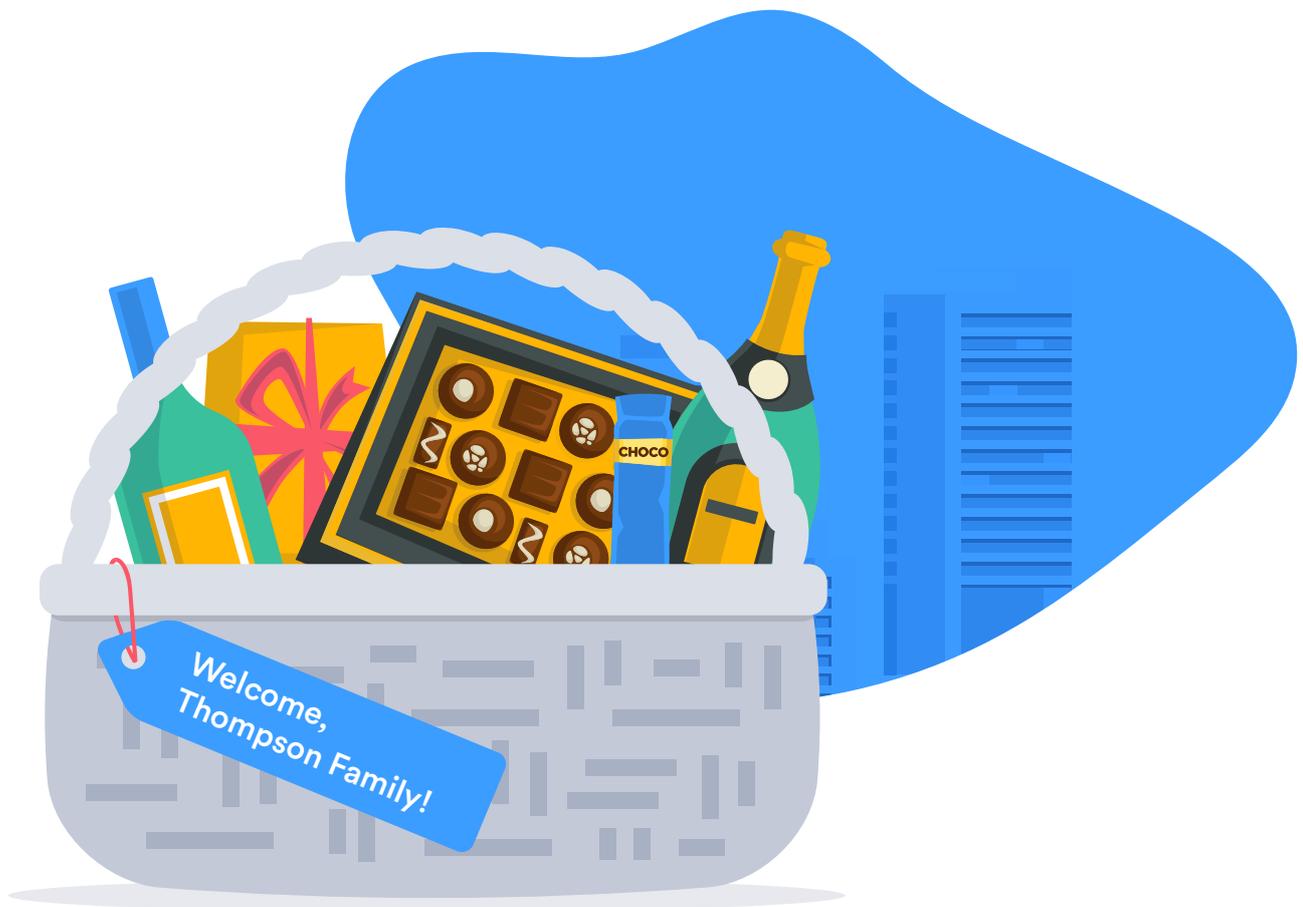
II. How to: Boost Occupancy

To help boost occupancy rates, some of the investments you might consider could include getting professional photos taken of your listing, adding a sofa-bed to accommodate extra guests, or even setting up high-speed WiFi for your business travellers. Based on a 2016 [study](#) of more than 100,000 Airbnb listings, those with professional photography earned 28% more bookings and increased overall earnings by 40%! Of course, what you're actually showing in your photos should be up to snuff — make sure your listings are 'Instagrammable' and highlight your property's best features, to help you stand out from your competition.

In addition, having [24/7 guest communication](#) will ensure that your guests have accurate and timely support from the moment their first inquiry hits your inbox, further helping you to ensure you secure as many bookings as possible.

III. How to: Earn 5-Star Reviews

In order to garner those coveted 5-star reviews, going the extra mile is essential for standing out from the competition and ensuring your business's success. Some examples of valuable details that can increase your property's ROI by bringing you stellar reviews? Personal touches like a welcome basket with a note, a professional cleaning service, and a property management system that provides [automation tools](#) so you can meet queries quickly and informatively, are sure to leave lasting impressions on your guests. Automation tools also enable you to auto-review your guests - in turn, making guests more likely to review your property.



See It in Action

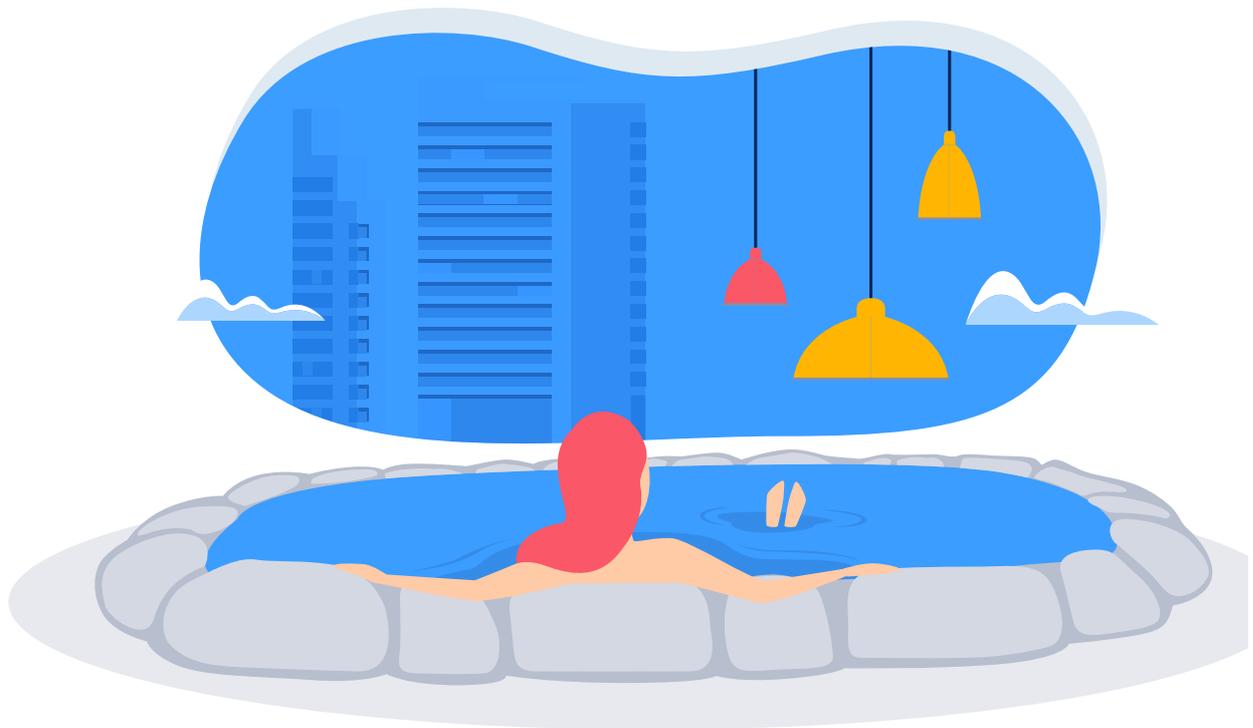
Ready to put The Rule of ROR to the test? Here's an example:

Let's say you want to widen your audience and appeal to a younger demographic of travellers. As such, you're considering buying a hot tub to elevate your rental property and increase its value - but is it worth the significant investment? Considering the answers to the questions below, it seems so.

- Can you charge a higher nightly rate for having this amenity? **Yes.**
- Does having this amenity make your property more desirable to prospective guests? **Yes.**
- Would having this amenity help you garner better reviews? **Yes.**

With The Rule of ROR in your back pocket, making smart financial decisions in today's guest-centric short-term rental market just got that much easier.

Happy investing!



About Guesty

More Tools to Help Your Business Grow

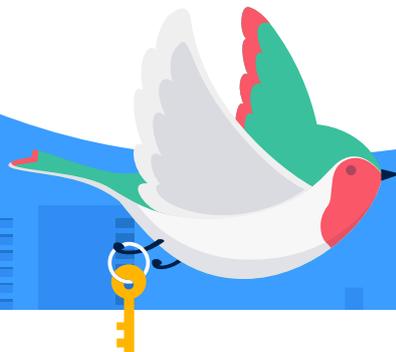
Guesty provides property managers and management companies with an end-to-end solution to simplify the complex operational needs of short term rentals. With Guesty, users can manage listings from multiple online travel agencies like Airbnb, Booking.com, Agoda, TripAdvisor Rentals and more, as well as utilize the company's guest-centric tools such as: Unified Inbox, Automation Tools, 24/7 Guest Communication Services, Payment Processing and more.

For more helpful guides like this one, visit [Guestyversity](#), Guesty's online educational resource center chock-full of guides, webinars, best practices and more, all available to help you take your short-term rental business to the next level.

Not a Guesty user?

Request a free demo to learn more about the ultimate end-to-end platform for short-term property management.

[REQUEST A DEMO](#)



Customers who use Guesty report a:

 **100%**
Increase in
Listings Annually

 **150%**
Increase in
Annual Revenue

 **50+**
Hours Saved
Weekly On Average

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