



BUSINESS PLAN

**SHORT-TERM
RENTALS**

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Executive Summary

About

Company XYZ Properties (hereafter referred to as 'Company XYZ' or the 'Company') is a forward-thinking entrant in the short-term rental (STR) industry, focusing on acquiring and managing high-potential single family residential properties to offer exclusive accommodations. Residing in the vibrant locale of CITY, Company XYZ is poised to leverage the burgeoning demand for unique, comfortable, and authentic travel experiences, setting new industry benchmarks in customer service and property management. With an emphasis on exceptional concierge services and comfortable living experience, Company XYZ aims to carve out a leadership position in the STR market. The Company aims to strategically acquire and manage a portfolio of residential homes to be placed as STRs in the short term. As part of the long-term strategy, the Company will transition to a mix of STR and long-term rentals to ensure sustainability of operations.

Business Model



Market Analysis

The Company capitalizes on CITY's distinction as the most visited state in the U.S. by overseas tourists. Following the global trends, CITY's STR market exhibits robust

growth metrics, including steady increases in average daily rate (ADR), revenue per available room (RevPAR), occupancy rates, and average bookings, indicating a promising outlook for Company XYZ in this flourishing market. Company XYZ, situated in CITY, has become a hotspot for travelers seeking coastal bliss and outdoor adventures. Boasting stunning beaches, a plethora of water sports, and fantastic fishing opportunities, the city offers an irresistible allure for vacationers. The short-term rental market reflects this popularity, with AirDNA reporting a substantial X,XXXX active rental properties.

Value Proposition

Company XYZ presents an unparalleled value proposition by intertwining authentic local experiences with exceptional comfort and convenience. The Company's offerings are meticulously curated to not just meet, but exceed the expectations of travelers seeking authentic, hassle-free, and memorable stays. Moreover, its white-glove concierge service offerings provide guests with the home-like comfort away for home.

Competitive Landscape

Company XYZ expects direct competition from independent STR owners and property management firms like [REDACTED]

[REDACTED] However, Company XYZ distinguishes itself in a competitive landscape through its unique blend of local cultural integration, superior guest service, and sustainable management practices. Unlike traditional vacation rentals and hotels, Company XYZ prioritizes personalized experiences tailored to the unique preferences of its guests, setting it apart as a brand synonymous with quality, authenticity and full white-glove concierge services. As Company XYZ aims to revolutionize STR industry, understanding and navigating the dynamics and ongoing developments in the market will be crucial to establish dominance in the industry.

Go-To-Market Strategy

The Company's market entry will commence with the strategic listing of its inaugural property on premier online booking platforms, marking the first step in our visibility and operational drive. Afterwards, a targeted digital marketing campaign designed to elevate our brand presence, will showcase our unique offerings to a broader audience. Subsequently, the Company will collaborate with key influencers to spotlight the listed property and significantly enhance brand's reach and networking capabilities, solidifying position in the market.

Management Team

Owner 1, Co-Founder and Chief Executive Officer (CEO)

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Owner 2, Co-Founder and Chief Operations Officer (COO)

[Blurred text block]

Financial Discussion

The co-founders will invest \$XXX,XXX to achieve the business and financial objectives of Company XYZ Properties LLC. The Company anticipates achieving \$XXXK in gross revenues and \$ XXXK in pre-tax income, or XX.X% by the end of year 5.

Business Overview

Company XYZ is an STR portfolio owner and manager which specializes in acquiring high-potential 2–3-bedroom single family homes in strategic locations to transform them into exclusive short-term rental accommodations. By capitalizing on the burgeoning demand for unique, comfortable, and localized stay experiences, the Company is aiming to build a superior portfolio of properties in CITY that cater to evolving market demands. The Company emphasizes agility, exceptional service and a sustainable approach to property management, ensuring profitable growth and community value. With a keen eye on expanding market trends and customer preferences, Company XYZ is positioned to become a leader in the short-term rental industry.

Vision

The Company envisions to become the most preferred and trusted brand in the short-term rental industry, known for commitment to guest's comfort, cultural authenticity and excellent service, for travel enthusiasts who are looking for authentic and hassle-free experiences away from home.

Mission

Company XYZ's mission is to revolutionize the Short-Term Rentals (STR) market in line with the global trends by prioritizing personalized experiences as per the unique requirements of vacationers. Company XYZ aims to revolutionize the way people experience travel by providing them with more than just a place to stay. The Company is committed to unlock the door to extraordinary travel experiences through a distinctive curation of STR properties that offer both comfort and authenticity. By meticulously maintaining our properties, the Company connects travelers with authentic local experiences while ensuring the highest standards of customer service.

Opportunity for Company XYZ

The Company will capitalize of the following opportunities:

- Growing demand for STRs due to tourism growth.
- Availability of attractive deals due to high-interest rate environment – leading to distressed properties and foreclosures.

Company's Offering

Company XYZ offers high-quality, distinctive, and strategically located properties for short-term rentals that cater to travelers' unique requirements. Each property in the Company XYZ portfolio is carefully selected and curated to offer guests not just a place to stay, but an immersive experience that allows them to live like locals and explore Company XYZ in a meaningful way.

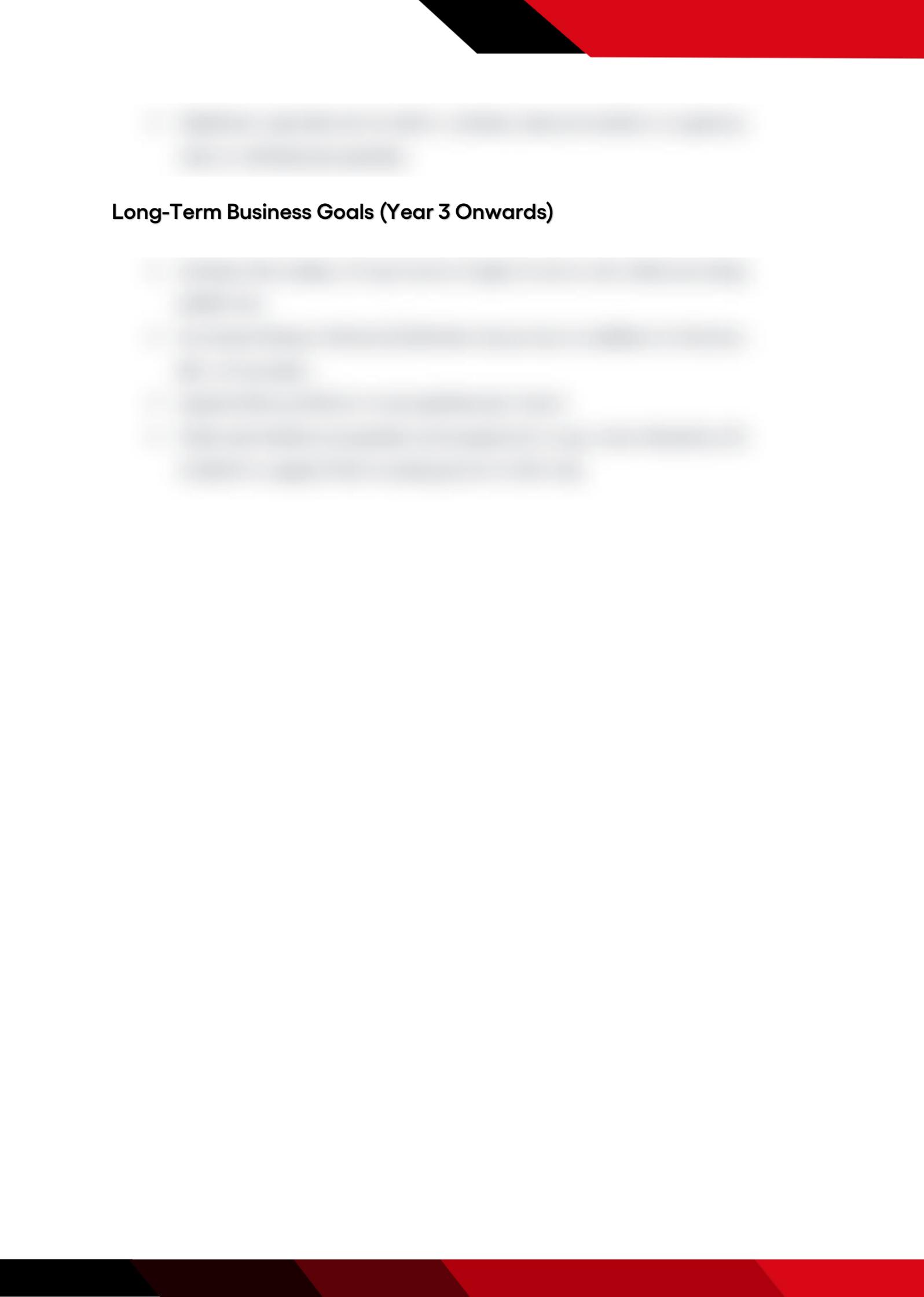
The Company goes above and beyond in its commitment to provide comfort and authenticity to its esteemed clients. Instead of managing guests' stay like traditional STR operators, the Company thinks of itself as caregivers, responsible for providing the customer with an enjoyable and unforgettable stay. Therefore, it offers exclusive concierge services to the vacationers, providing them ultimate comfort.

Business Goals

The Company aims to achieve the following business goals from years 1-3 and onwards:

Short-term Business Goals (by year 1)

Intermediate Business Goals (between years 2-3)



Long-Term Business Goals (Year 3 Onwards)

Market Overview

COUNTRY STR market

The COUNTRY STR market experienced robust growth, with its size reaching USD XX.XX billion in 2023, poised to soar to approximately USD XX.XX billion by 2033, reflecting a compound annual growth rate (CAGR) of XX% from 2024 to 2033. It holds XX% share of the global STR market¹, driven by the pioneering efforts of online booking platforms like Airbnb and HomeAway in popularizing the concept of short-term rentals.

CITY State



Company XYZ Overview

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Key Market Drivers

[Blurred content]



Key Market Statistics

Target Customer

In navigating the competitive landscape of the short-term rental industry, Company XYZ adopts a strategic approach to market segmentation, delineating its target audience into distinct categories to tailor offerings and marketing efforts effectively. The Company's ideal customers are:



Competitor Analysis

Company XYZ faces competition from various players in the local STR market. In Company XYZ STR, competitors range from established property management companies to niche providers catering to luxury or budget-conscious travelers. Each competitor offers unique strengths, such as extensive property portfolios, personalized services, or affordability. However, challenges like market competition, regulatory risks, and seasonal demand fluctuations are prevalent.

Key competitors in the short-term rental space include:

Competitor	Brief Description
Individual STR Owners	
Roelens Vacation Rentals and Management	
Sunshine Rentals & Property Management	

Competitive Edge

Company XYZ distinguishes itself in the competitive landscape through acquiring a property for short-term rental purposes and instilling a new life in it by renovating in such a way that optimizes space utilization and enhances living experience. Additionally, the Company offers full white-glove concierge services to its clients for unique, tailored and memorable guest experience.

In short, purpose-built properties and high-quality services provide Company XYZ its competitive edge.

SWOT Analysis

Strengths	Weaknesses
[Blurred content]	[Blurred content]
Opportunities	Threats
[Blurred content]	[Blurred content]

Economic Benefits:

Company XYZ serves the U.S. economy in the following ways:

Job Creation

By hiring at least 3 full time employees (not including the owner) over the next 5 years, the Company will create long- term employment opportunities. As the Company expands, its job creation impact will continue to grow.

Transfer of Knowledge and Expertise

Expertise and experiences of founder will present an opportunity for the transfer of unique connections, knowledge and expertise to the U.S. workforce.

Economic Activity

The Company will be profitable from Year 1 and therefore will be contributing to the U.S. economy in terms of taxes, including sales tax, property tax, income tax and payroll-related taxes.

Support to Tourism Sector

By focusing on market trends, leveraging its expertise, and providing authentic experiences, Company XYZ offers a compelling proposition for supporting tourism sector and attracting travel enthusiasts.

Marketing Plan

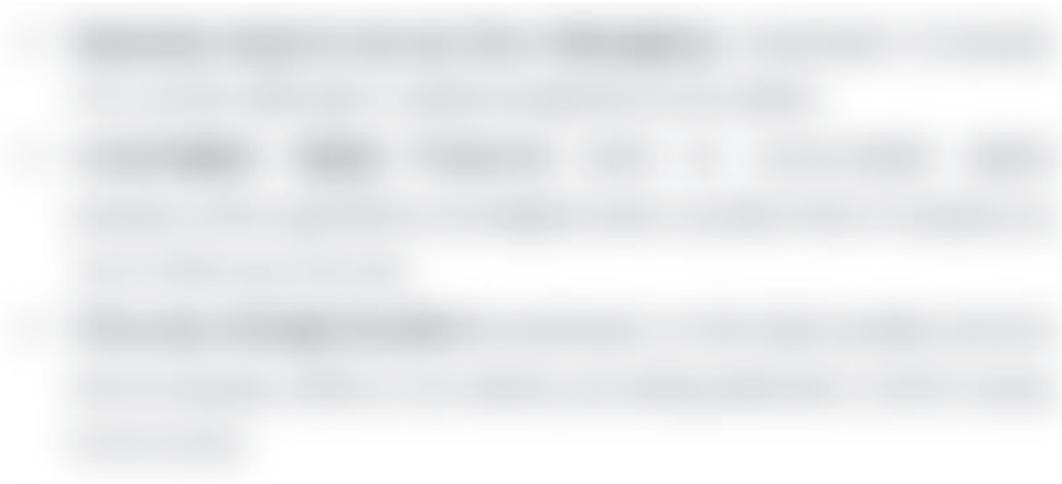
Marketing Objectives

The aim of all the marketing efforts of Company XYZ will be as follows:

- Cultivate Company XYZ's image as the synonym of "Tourist-friendly" and "Authentic" in Company XYZ STR market.
- Fostering a unique database of esteemed clients who long for localized experience.
- Maximize the occupancy rates.

Marketing Strategy

Following are the key themes that will be followed as part of marketing strategy for Company XYZ:



Marketing Channels

Following marketing channels will be utilized by Company XYZ:

- A dedicated website will be developed to amass web traffic and build confidence in the audience.
- Search Engine Optimization (SEO) will be conducted to make Company XYZ visible to target audience.

- Engage social media influencers to spread the word and showcase Company's portfolio and expertise.
- Publish digital ads on the forums popular among vacation rental sectors.
- Utilizing a referral program.

Networking

The Company will focus on establishing network with professional associations to build relationships in industry and boost confidence in the brand name. A few of these associations are as follows:



Partnerships

Company XYZ will enter long term contracts with the service providers for pest control, insurance, routine maintenance, housekeeping, internet, household supplies and property management software. The Company has shortlisted following companies for this purpose:

Service	Companies
---------	-----------

Moreover, the Company will also seek partnerships with service providers who excel in different concierge services to offer the highest quality services to its guests.

Go-To-Market Strategy



Sales Plan

Revenue Model

By deploying a rent-based revenue model, Company XYZ will receive its revenue majorly in form of rent paid by the guests.

The other minority revenue stream will be the commission per service, which will be charged to guest against the service provided for each service availed. Some examples of such services include:

Delivery Model

The Company will mostly depend on the listings of properties on online booking platforms for booking the properties. Guests will use the preferred platform to book the desired property for the required period and pay for the stay using the same platform.

Concierge services on the other hand will be ordered by contacting the property manager directly and payment will be directly made into Company's account using appropriate payment handle, before availing the service.

Pricing

[Blurred text block]

Revenue Stream	Price
[Blurred content]	[Blurred content]

Operations Plan

Target Properties

The Company will target properties in those areas which are popular among tourists to ensure high occupancy rates. Some of such properties, shortlisted after research, are as follow:



Company XYZ will prioritize distressed properties, particularly the ones undergoing foreclosure, to capture high-value assets at low prices.

Renovations

The Company will engage third party service providers for renovation and upkeep of its properties.

Service Provisions

In case of guests requiring add-on concierge services, the Company will engage its partner service providers, gather quotes, and finalize with the guests. The requisite services will then be provided by the partner companies.

Regulatory Compliance



Customer Relationship Management (CRM)

CRM module of the property management software will be utilized to handle all the complaints and issues in a systematic manner. Moreover, a robust feedback mechanism will be established to know guests' perspective of the Company's performance.

People

Key Team Members

Owner 1, Co-Founder & Chief Executive Officer (CEO)

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and growth.

Owner 2, Co-Founder & Chief Operations Officer (COO)

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Planned Hires and Responsibilities

Marketing Lead:

- Develop and implement Company's marketing strategies.
- Determine and track Key Performance Indicators (KPIs) for marketing department.
- Manage marketing budget.
- Keep the relevant internal stakeholders informed of all the key highlights from the market.

Guest Services Lead:

- Responsible for onboarding service providers through long-term contracts
- Develop vendors to make sure that the Company always have multiple options while choosing for a service provider.

Property Operations Lead:

- Responsible for managing day-to-day operations of the assigned properties with the help of contractors.
- Ensuring the quality of services by deploying appropriate quality monitoring routines
- Responsible for managing and resolving all customer complaints.

Employee Policies and Procedures

Employee policies and procedures for Company XYZ will be designed to comply with federal and state labor laws, privacy regulations and ethical guidelines. Given that STR operations may involve access to confidential data, the Company will formally develop policies including, but not limited to:

- Privacy and Confidentiality Policy
- Harassment and Discrimination Policy
- Ethic and Compliance Policy
- Code of Business Conduct
- Performance Management Policy

Founder and Investor Salary

Both co-founders will receive a \$XXXX monthly salary from Company XYZ, starting from Xth month of operations. This amount will cover for their basic living expenses in the COUNTRY, such as rent, utilities, food, transportation, health insurance, and

Financial Plan

Use of Funding

The co-founders will invest \$XXX,XXX into Company XYZ Properties LLC - \$XX,XXX.

Startup Assets		Startup Liabilities			
Capital Expenditure	Purchase Price	Down Payment	Mortgage Loan	Interest Rate*	Purchase Date

Loan Schedule

	Year 1	Year 2	Year 3	Year 4	Year 5
Number of Properties					
Total Value of Properties					
Original Amount -					
Mortgages					
Interest Payments					
Principal Repayment					
Net Liability					

Projected Profit & Loss Statement

Pro Forma Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Rental Income					
Commission (Add-On Services)					
Total Revenue					
Direct Cost of Revenue					
Booking Platform Fee					
Total Cost of Revenue					
Gross Margin					
Gross Margin/Revenue					
Expenses					
Software					
General Insurance Liability					
Professional Services					
Housekeeping					
Repair & Maintenance					
Marketing & Advertising					
Internet & Utilities					
Travel and Gas					
Memberships					
Miscellaneous Expenses					
Startup Cost					
Property Tax					
Payroll Taxes					
Total Personnel					
Total Operating Expenses					
Profit Before Interest and Taxes					
EBITDA					
EBITDA Margin					
Interest Expense					

Pre-Tax Income
Pre-Tax Income/Revenue



Proforma Cash Flow Statement

Pro Forma Cash Flow						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Cash Inflows						
Total Cash Inflows						
Cash Outflows						
Total Cash Outflows						
Net Cash Flow						
Ending Cash Balance						

Projected Balance Sheet

Projected Balance Sheet					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash					
Total Current Assets					
Long-term Assets					
Long-term Assets					
Total Long-term Assets					
Total Assets					
Liabilities and Capital					

Current Liabilities
Accounts Payable
Subtotal Current Liabilities
Non-Current Liabilities
Net Long-Term Liabilities
Total Liabilities
Paid-in Capital
Retained Earnings
Earnings
Total Capital
Total Liabilities and Capital
Net Worth



Year 1 Monthly Profit & Loss

Year 1 Income Statement												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Revenue												
Subtotal												
Cost of Revenue												
Merchant Credit Card Fees												
Total Cost of Revenue												
Gross Margin												
Gross Margin/Revenue												
Expenses												
Software												
General Insurance Liability												

