

# The Airbnb Phenomenon

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MFN Network, and Creative Wealth



Let me begin by sharing the following: here is the website to Airbnb.

<https://www.airbnb.com/> People are earning much money in this industry. It is a technological twin of Uber, which is where someone can book a ride in your car. In Airbnb, people book a room in your home, or in your furnished short-term rental, or your condo or cabin, or your trailer. There are even commercial applications for Airbnb.

Airbnb stands for Air Bed and Breakfast. People are renting out, houses, cabins, condos and even just bedrooms for over-night or several nights at less than hotel rates to make extra money and it is all set up by a cell phone app just like UBER. But instead of someone booking a ride in your car with you, they book a stay at your house, or your rental, or your summer cabin or condo.

Some entrepreneurs are even approaching rental owners and showing them how to partner with them to rent out their houses by the night instead of the month, thereby increasing the rents by 4 or 5 times, or more. But more on this one later. The point is, you do not even have to own anything to make money with Airbnb. It is like Uber driving but you do not own, rent or lease a car. You just use your brain. But let me digress to the most basic use of Airbnb.

I live near Sacramento, CA. It has an International Airport and is a hub statewide of government, corporations and business activity. I met a woman who is a widow, and she owns a nice free and clear home, paid off; a 4-bedroom 2 bath in a quality neighborhood about 12 minutes from downtown and 20 minutes from the airport. She was earning fixed income but not enough to enjoy the pleasantries of life and have extra funds to live real comfortably. She only uses one bedroom. So she made a way to close off half of her home, and leave two

bedrooms for guests with their own entrance, bathroom and kitchenette. She then fixed it up real nice with décor and props, staged nicely, and she lives on her own side, 2 bedrooms and a nice living area.

This woman charges \$59 per room per night, plus a \$15 a night charge per person too. People go on the app of Airbnb and look up Sacramento for their business or vacation activities, and they jump at this chance fast to stay at this woman's home because she has listed it with Airbnb. Apparently, this is quite a bit lower than hotels in the area. It is quiet and safe. They bring their own food and the woman does nothing for them but provide a nice clean place. The Airbnb app collects her money, in advance.

Shall we see how this works out for this widow? So let's say 2 couples stay in two rooms,  $\$59 \times 2 \text{ rooms} \times 2 \text{ nights} = \$236$ , plus  $4 \times \$15$  a person per night is \$60, so  $\$236$  plus \$60 is \$286, and she does this about 10 times a month. And many times, they are repeat customers, so she knows and trusts them. But most Airbnb customers behave and take care of property because Airbnb has their credit card and will hold them liable of abuse or damages. Since Sacramento is the State Capital, many business and government people travel and stay in Sacramento a lot, from other areas, and this beats hotels in pricing hands down. 10 times a month  $\times \$286 = \$2860$  a month, and as a widow, this lady makes up what her SSI and retirement lacks with \$2860 a month. What would \$2860 a month do for a single widow on a fixed income? There are so many applications of Airbnb and more creative ones come up daily. I hope this helps you understand it; many more ideas will be shared here in the coming weeks.

God bless,

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