

LuxHomePro Profit Formula



4 Pillars Workbook



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Pillar 1: Locate

Lesson 1: Identify the Ideal Property Location to Maximize Profits

- Speak with a Short Term Rental Specialist in the area to identify the hottest spots for short terms rentals and the ones to avoid
- Use Airdna to get a general sense of the area
- Use the Create Listing section of Homeaway to review their data about an area or a specific property
- Check comps on VRBO
- Check comps on Airbnb

Use Airdna to get general sense of a potential area

Area: _____

Airdna results: _____

Area: _____

Airdna results: _____

Area: _____

Airdna results: _____

Create a Listing in Homeway for an area

Area: _____

Homeaway results: _____

Area: _____

Homeaway results: _____

Area: _____

Homeaway results: _____

Check comps in VRBO and Airbnb

Search for Min 5 bedrooms, Min 4 baths, Min Sleeps 16, Min \$750/night. Clear calendar.
Check for several months out.

Area Name:

	# of properties	# over 50% booked	# between 30 - 50% booked	# less than 30% booked	Average nightly rental
VRBO Results					
AirBnB Results					

Area Name:

	# of properties	# over 50% booked	# between 30 - 50% booked	# less than 30% booked	Average nightly rental
VRBO Results					
AirBnB Results					

Area Name:

	# of properties	# over 50% booked	# between 30 - 50% booked	# less than 30% booked	Average nightly rental
VRBO Results					
AirBnB Results					

Lesson 2: Dial In on the Perfect Area

- Take a deep dive into 2 to 3 comps from your search in Lesson 1 to determine average occupancy rate and average nightly rate
- Check the seasonality of the area
- Determine if there are any short term rental restrictions in the area

Deep Dive Comp Search

Property Address	Average occupancy Rate	Average nightly rate

Seasonality of the area

High Season: _____

Low Season: _____

Short term rental restrictions in the area: check with local jurisdiction

Yes ___

No ___

Lesson 3: Assemble Your A-Team (Short Term Rental Specialists)

- Find local specialists by googling “short term rental specialists” + *your area*
- Use the Short Term Rental Specialists questions (in the members’ area) during your interviews
- Keep track of all referrals using the Referral Spreadsheet

Reach out to 3 Short Term Rental Specialists Don’t use a national company. Instead google “Short term rental specialist + *your area*”

Name	
Phone # and email	
Phone conversation (Use Guideline in Resource Section) Will you meet in person?	
Meet in person Use Guideline in Resource Section) What are your next steps?	

Name	
Phone # and email	
Phone conversation (Use Guideline in Resource Section): Will you meet in person?	
Meet in person Use Guideline in Resource Section) What are your next steps?	

Name	
Phone # and email	
Phone conversation (Use Guideline in Resource Section): Will you meet in person?	
Meet in person Use Guideline in Resource Section) What are your next steps?	

Keep track of all referrals

You'll find a spreadsheet on the next page, as well as a downloadable version in your LuxHomePro membership area.

Lesson 4: Assemble Your A-Team (Realtors)

- Identify top-performing realtors in your area
- Speak to realtor on the phone to determine if they are:
 - a) knowledgeable,
 - b) worth meeting in person, and
 - c) can follow directions
- Meet with realtors in person
 - a) arrive prepared
 - b) Emphasize win-win solutions and how you do business
- Follow-up with realtor to meet with homeowners

Assemble A-Team: Realtors

Find top performing realtors. First interview via phone. If worthwhile, meet in person.

Name	
Phone # and email	
Phone conversation (Use Guideline in Resource Section) Knowledgeable? Worth meeting in person? Follow directions? Next steps?	
Meet in person (Use Guideline in Resource Section) What are your next steps?	

Name	
Phone # and email	
Phone conversation (Use Guideline in Resource Section) Knowledgeable? Worth meeting in person? Follow directions? Next steps?	
Meet in person (Use Guideline in Resource Section) What are your next steps?	

Name	
Phone # and email	
Phone conversation (Use Guideline in Resource Section) Knowledgeable? Worth meeting in person? Follow directions? Next steps?	
Meet in person (Use Guideline in Resource Section) What are your next steps?	

Lesson 5: Work Directly with Homeowners

Identify homeowners

Public records

Linked-In

Real Estate Sites

Use search terms: distressed, must sell, divorce, owner carry, owner financing, make offer, vacant, fast close, and all offers considered

Craigslist

Rent to Own

For Sale by Owner

Networking Events

Social Media

Place Ads

Friends and Family

Name	Address	Phone #	Email	Circumstances	Phone meeting	In-person meeting

Lesson 6: Evaluate Property Profitability Potential

- Find properties that have potential revenue of at least a 2X lease rate
- Can you add extra value to the property with unique features and characteristics of your offer?
- Determine the daily rate you'll need to charge in order to make your desired profit
- Determine your profitability based upon the formula: total income - total expenses = profit

Identify profitable properties

Address:	
# of Bedrooms	
# of Beds	
# of Baths	
Pool/spa	
Backyard	
Square footage	
Other amenities	
Lease price	
Estimated monthly expenses	
Expected Occupancy Rate	
Expected nightly rate	
Projected monthly revenue	

Address:	
# of Bedrooms	
# of Beds	
# of Baths	
Pool/spa	
Backyard	
Square footage	
Other amenities	
Lease price	
Estimated monthly expenses	
Expected Occupancy Rate	
Expected nightly rate	
Projected monthly revenue	

Address:	
# of Bedrooms	
# of Beds	
# of Baths	
Pool/spa	
Backyard	
Square footage	
Other amenities	
Lease price	
Estimated monthly expenses	
Expected Occupancy Rate	
Expected nightly rate	
Projected monthly revenue	

Address:	
# of Bedrooms	
# of Beds	
# of Baths	
Pool/spa	
Backyard	
Square footage	
Other amenities	
Lease price	
Estimated monthly expenses	
Expected Occupancy Rate	
Expected nightly rate	
Projected monthly revenue	

Address:	
# of Bedrooms	
# of Beds	
# of Baths	
Pool/spa	
Backyard	
Square footage	
Other amenities	
Lease price	
Estimated monthly expenses	
Expected Occupancy Rate	
Expected nightly rate	
Projected monthly revenue	

Resources Pillar 1: Locate

Short term rental specialist questions:

Referral Tracker Spreadsheet and Resources:

[Click to download.](#)

Pillar 2: Negotiate

Lesson 1 - How to Negotiate on a Property

Prepare acquisition package:

- Introductory Letter
- References
- Credit Report
- Financial Statement
- Insurance Binder
- Blank Lease
- Top 12 Reasons to Rent to Me
- Business Card
- Website
- Letter of introduction to the neighbors

Lesson 2 & Lesson 3 - Structuring the Deal

Identify that the property will generate at least two times the monthly rent in revenue:

- Double check estimated average nightly rate
- Double check average occupancy
- Estimate monthly expenses
- Calculate for a straight lease strategy
- Negotiate your transaction, taking occupancy 45-120 days from signing (this way you can generate advanced bookings)
- Estimate your expenses for furnishings, supplies and inventory etc.
- Calculate total estimated monthly revenue

Done-For-You Strategy (with data compiled above)

- Assess the upgrades needed in the home (include extra furniture, linens, supplies, surveillance cameras, door locks etc)
- Negotiate your marketing fee (I use 30% in our calculations then can adjust it down as a point in my closing)
- Calculate total estimated revenue
- Determine Monthly Expenses:
 - Rent or mortgage
 - Insurance
 - Electricity
 - Water
 - Pool and Spa Maintenance
 - Cable
 - Internet
 - Yard
 - Cleaning
 - Trash Removal
 - Internet
 - Monthly Maintenance (\$150 a month)

- Determine security deposit for lease

- Estimate cost for setup
- Include Done-For-You Fee if applicable
- Estimate average occupancy rates
- Estimate average nightly rate

- Does property meet your goals? _____Yes _____No
 - If yes, meet with homeowner
 - If no, move on to a different property

Standard Lease Strategy Property 1 Address:				
Determine Monthly Expenses:				
Rent or mortgage _____		Cable _____		
Insurance _____		Internet _____		
Electricity _____		Yard _____		
Water _____		Cleaning _____		
Pool and Spa Maintenance _____		Trash Removal _____		
Monthly Maintenance (~\$150) _____		Internet _____		
Security Deposit _____		Set up Costs _____		
Average nightly rate	Average occupancy	Monthly Lease	Monthly Expenses	Monthly Revenue

Does the property generate at least 2x lease in revenue? Yes _____ No _____
 Does this property meet your goals? Yes _____ No _____

Standard Lease Strategy Property #2 Address:				
Determine Monthly Expenses:				
Rent or mortgage _____		Cable _____		
Insurance _____		Internet _____		
Electricity _____		Yard _____		
Water _____		Cleaning _____		
Pool and Spa Maintenance _____		Trash Removal _____		
Monthly Maintenance (~\$150) _____		Internet _____		
Security Deposit _____		Set up Costs _____		
Average nightly rate	Average occupancy	Monthly Lease	Monthly Expenses	Monthly Revenue

Does the property generate at least 2x lease in revenue? Yes _____ No _____
 Does this property meet your goals? Yes _____ No _____

Standard Lease Strategy Property # 3 Address:				
Determine Monthly Expenses:				
Rent or mortgage _____		Cable _____		
Insurance _____		Internet _____		
Electricity _____		Yard _____		
Water _____		Cleaning _____		
Pool and Spa Maintenance _____		Trash Removal _____		
Monthly Maintenance (~\$150) _____		Internet _____		
Security Deposit _____		Set up Costs _____		
Average nightly rate	Average occupancy	Monthly Lease	Monthly Expenses	Monthly Revenue

Does the property generate at least 2x lease in revenue?

Yes _____ No _____

Does this property meet your goals?

Yes _____ No _____

Standard Lease Strategy Property # 4 Address:				
Determine Monthly Expenses:				
Rent or mortgage _____		Cable _____		
Insurance _____		Internet _____		
Electricity _____		Yard _____		
Water _____		Cleaning _____		
Pool and Spa Maintenance _____		Trash Removal _____		
Monthly Maintenance (~\$150) _____		Internet _____		
Security Deposit _____		Set up Costs _____		
Average nightly rate	Average occupancy	Monthly Lease	Monthly Expenses	Monthly Revenue

Does the property generate at least 2x lease in revenue?

Yes _____ No _____

Does this property meet your goals?

Yes _____ No _____

Done-For-You Strategy Property # 1 Address:					
Determine Upgrades needed:					
Average nightly rate	Average occupancy	Homeowner's monthly mortgage	Homeowner's Monthly Expenses	Monthly Revenue	Your Marketing fee

Does the property generate at least 2x lease in revenue? Yes _____ No _____
 Does this property meet your goals? Yes _____ No _____

Done-For-You Strategy Property # 2 Address:					
Determine Upgrades needed:					
Average nightly rate	Average occupancy	Homeowner's monthly mortgage	Homeowner's Monthly Expenses	Monthly Revenue	Your Marketing fee

Does the property generate at least 2x lease in revenue? Yes _____ No _____
 Does this property meet your goals? Yes _____ No _____

Done-For-You Strategy Property # 3 Address:					
Determine Upgrades needed:					
Average nightly rate	Average occupancy	Homeowner's monthly mortgage	Homeowner's Monthly Expenses	Monthly Revenue	Your Marketing fee

Does the property generate at least 2x lease in revenue? Yes _____ No _____
 Does this property meet your goals? Yes _____ No _____

Done-For-You Strategy Property # 4 Address:					
Determine Upgrades needed:					
Average nightly rate	Average occupancy	Homeowner's monthly mortgage	Homeowner's Monthly Expenses	Monthly Revenue	Your Marketing fee

Does the property generate at least 2x lease in revenue?

Yes _____ No _____

Does this property meet your goals?

Yes _____ No _____

Lesson 4 & Lesson 5: Prepare for and Negotiate with Homeowner

- Understand the homeowners' circumstances so you can present yourself as the solution to the problem
- Prepare your pitch
- Memorize the *12 Reasons to Rent to Me*
- Prepare your acquisition packet
- Build rapport with the owner
- Get to know their situation so you're able to present yourself as an answer to their problem (solve the pain and you win)
- Only discuss details after the walk through (get to know the seller and ask why they are moving, and what seems to be the issues they are facing with the sale of the property)
- Touch on the *12 Reasons* several times during the conversation
- Use the soft-close and give them time to think about it
- Follow up with a phone call that emphasizes urgency and scarcity

Property Address:		
Homeowner's problem	Your Solution	Which of the top 12 Reasons to emphasize

Number of times you practiced pitch: _____

Notes from meeting: _____

Follow-up phone call within 24 to 48 hours

Notes:

Property Address:		
Homeowner's problem	Your Solution	Which of the top 12 Reasons to emphasize

Number of times you practiced pitch: _____

Notes from meeting: _____

Follow-up phone call within 24 to 48 hours

Notes:

Property Address:		
Homeowner's problem	Your Solution	Which of the top 12 Reasons to emphasize

Number of times you practiced pitch: _____

Notes from meeting: _____

Follow-up phone call within 24 to 48 hours

Notes:

Property Address:		
Homeowner's problem	Your Solution	Which of the top 12 Reasons to emphasize

Number of times you practiced pitch: _____

Notes from meeting: _____

Follow-up phone call within 24 to 48 hours

Notes:

Lesson 6 - Final Checks for Property acquisition

- Double check local laws and regulations regarding short term rentals
- Ask owner to add their pool and spa onto their home warranty policy
- Get a copy of the home warranty policy from owner
- Establish move in date as 45-120 days after you sign the lease
- All agreed-to details are in the final contract including clause that allows you to sublease to guests, as well as a clause that cancels the lease if the laws change

Property Address:

No restrictions or HOAs _____

Contract Terms:

Rent (if applicable) _____

Marketing Fee (if applicable) _____

Homeowner upgrades (if applicable) _____

Move in date (45 - 120 days after signing) _____

Contract null and void is short term rental rules change _____

Homeowners Warranty Policy _____

Pool and Spa included _____

Resources Pillar 2: Negotiate

Introductory Pitch Letter:

Landlord Letter:

Lease Example:

[Click here to download](#)

Pillar 3: Set Up

Lesson 1- Set up operational logistics and supplies

- Prepare instructions for potential problem areas and identify special items + laminate and place signs strategically throughout the house and point out each item as needed.
- Laminate a copy of the House Rules
- Create concierge book
- Shop for maid's closet supplies
- Set-up kitchen (this is a critical step and can break the bank). I use Good Will for a lot of filler items. Every other Saturday is 50% off you would be surprised how far your money goes. Have fun with it... :)

- Register utilities in your company name and get them turned on:
 - Gas
 - Electric
 - Trash
 - Internet
 - Cable
 - Water

- Install the following:
 - Front door lock
 - Maid's closet lock
 - Other locks if needed
 - Set up wifi thermostat control
 - Set pool and spa control (work with landlord on this)

- Contact the neighbors (Ask the landlord before proceeding... some landlords don't want you to do this)

Potential problem areas that need laminated signs:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

House Rules (lamine a copy):

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

Kitchen needs:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____

Register Utilities in Your Name		
Utility	Phone Number	Account number
Gas		
Electric		
Trash		
Internet		
Cable		
Water		

Unique Items needed (Check estate sales, craigslist and other sites)

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____
- 8. _____
- 9. _____
- 10. _____
- 11. _____
- 12. _____
- 13. _____
- 14. _____
- 15. _____
- 16. _____
- 17. _____
- 18. _____
- 19. _____
- 20. _____

Lesson 3 - Get Spectacular Photos of Your Property

- Use virtually-staged photos for interior, only if needed
- Use virtually-staged photos for exterior (I use this to bring out color and make home pop) i.e. for grass that is kind of brown, have them fill it in to show a very well manicured yard
- Make sure your photos are inviting, attractive and engaging
- Use exterior photos that highlight curb appeal and outdoor entertaining spaces
- Listing should contain at least 20 photos
- Choose first photo for the listing that really stands out - this can be a captivating picture about the area - disclose this via the description tag in the picture

IMPORTANT: If using virtually staged images, you must disclose that rooms are virtually staged in your listing. Send out actual photographs to all guests prior to their arrival to avoid any problems upfront. *“My home is being redecorated and we are using a professional designer to help with the layout and design. Actual furniture is based upon the virtually staged pictures seen in our listing.”*

1st Photo on the Listing: _____

Interior photos:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____

Exterior Photos:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____

Lesson 4 - Create an Amazing Experience for Guests

Primary reasons people travel to the area:

Special package based on one of primary reasons for travel:

Concierge Book Info:

Amenity	Description/ Rating	Contact Info (if applicable)	Directions/Distance
Shopping Centers: 1. 2. 3.			
Golf courses 1. 2. 3.			
Beaches 1. 2. 3. 4.			
Parks/trails 1. 2. 3. 4.			
Restaurants/Coffee 1.			

<ul style="list-style-type: none"> 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 			
<p>Nightclubs</p> <ul style="list-style-type: none"> 1. 2. 3. 4. 5. 			
<p>Grocery Stores</p> <ul style="list-style-type: none"> 1. 2. 3. 4. 			
<p>Places of Worship</p> <ul style="list-style-type: none"> 1. 2. 3. 4. 			
<p>Drug stores</p> <ul style="list-style-type: none"> 1. 2. 3. 			
<p>Gas stations</p> <ul style="list-style-type: none"> 1. 2. 3. 4. 			
<p>Private Chef</p>			
<p>Babysitting</p>			
<p>Tour guides</p> <ul style="list-style-type: none"> 1. 			

2. 3. 4.			
Other amenities 1. 2. 3. 4.			

Lesson 5 - Acquire Operations Team

- Hire maid service (professional company with multiple crews)
- Train crew how to clean and stage to your specifications (this is the most important aspect of your business, do this well and your life will be a whole lot easier -- don't skimp on this step)
- Provide photos of how the house should look
- Provide checklist for tasks and supplies
- Hire handyman who can respond within 24 hours
- Contact company that can respond to emergencies
- Hire Landscaper
- Have copies of the home warranty policy
- Take photos and write "how to fix" instructions for all potential problem areas
- Gather the contact information for:
 - Hot Water Heater
 - All Major Appliances
 - Pool or hot tub
 - Cable
 - Internet

Professional Cleaning Companies to Interview		
Company Name	Contact info	Notes

Tasks for Cleaning Crew to complete:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____

- Train crew how to clean and stage to your specifications
- Provide photos of how the house should look
- Provide checklist for tasks and supplies

Potential Handyman		
Name	Contact Info	Notes

Potential Emergency Repair Company		
Name	Contact Info	Notes

Potential Landscaper		
Name	Contact Info	Notes

Potential Problem Areas (“How to Fix” instructions and photos)

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____

Contact Info for Major Equipment		
Equipment	Contact Info	Notes
Hot Water Heater		
Air Conditioner		
Furnace		
Pool		
Hot tub		
Refrigerator		
Stove		
Dishwasher		
Washer		
Dryer		
Hot tub		
Pool		

Resources Pillar 3: Set Up

Master List for Set up

Sample House Rules

Example of Laminated Signs

[Click to Download](#)

Pillar 4: Market

Lesson 1 - Create the listing

- Gather all the information about the house:
 - Configuration of each room to maximize efficiency and for entertaining
 - Number of beds
 - Number of people
 - House Rules
 - Amenities
 - Area attractions
 - Passcodes to front door
- Create listing on VRBO and Airbnb
- Synchronize calendars for booking sites
- Research listings in your area that have at least 50% occupancy for ideas about creating your listing

Listings in area with at least 50% occupancy

Listing	Ideas

Lesson 2 and Lesson 3- Optimize your listing for maximum bookings

- Use a Wow! photo for the first image
- Write captivating headlines that draw attention to the listing (DON'T BE AFRAID TO CAPITALIZE AND USE EMOJIS: such as ★★★★★ OR ♥)
- Write a subheadline that builds on the message in the headline
- Write an enticing description
- Include any special packages in the 2nd paragraph of the description
- Write a bio that balances professionalism and personal interests
- Turn on Instant booking
- Make sure you're responding within an hour to all inquiries

Headline: _____

Subheadline: _____

Description: _____

2nd paragraph special package:

Bio:

Lesson 4 - Price your home for profitability

- Sign-up for online pricing app and input the info about your property (when first starting out)
- Use suggested pricing from app for about 30 to 60 days (strongly suggest - use 10-15% discount for first 30-60 days only - don't discount on premium dates)
- Set-up advanced payment with VRBO as soon as you get your first booking
- Establish the base price for 6 to 8 people
- Create an additional per person per night fee (\$25 to \$40)
- Include a reminder in correspondence about the additional person fee
- Create Honor System jar for additional person fees
- Charge a standard Damage Waiver (from \$199 to \$249)
- Pay your insurance bill
- Charge \$350 - \$399 cleaning fee, depending on size of property

Online pricing app: _____

10-15% discount for first 30-60 days only - don't discount on premium dates):

Base price: _____ For _____ people

Additional per person per night fee _____

Damage Waiver Fee: _____

Cleaning fee _____

Lesson 5 - Provide stellar customer service

- Respond to all inquiries within 24 hours
 - Build rapport
 - Keep them mindful of the house rules
 - Convey Logistics
- After 60 days automate emails with Guesty or any other property management software
- Call or text the guests upon their arrival (I automate this before they arrive to get everyone in sync and on the same page, so the lines of communication are already established)
- Respond to any issues that come up while guests are staying in the property
- Follow-up emails to request a 5-star review (automate entire process after 30 - 60 days)
- Proactively approach any guest who you think might not give you a 5-star review, and work something out... It's better to get NO review than less than a 5-star review, especially when you're first starting out.