The Numbers Behind a Short-Term Rental Co-Hosting Business

A free field guide from Bytell Press. The figures come from our example financial model for a part-time, solo co-hosting service. They are planning assumptions, not quotes for your market; the worksheet at the end is for your own numbers.

Co-hosting costs very little to start, so the usual question is not "can I afford it" but "how many properties make it worth my hours." This guide gives you that arithmetic in two pages.

1. How the money comes in

A co-host is paid a **management fee, set as a percentage of the booking revenue managed**. Cleaning is a pass-through paid by the guest to the cleaner, so it is neither your income nor your cost. The example model uses these lines:

Line	Model figure
Full-service fee	20% of booking revenue, in a range of 15% to 25%
Lighter tier	8% to 15%
Booking revenue per property	About $2,800 a month
Fee income per property at 20%	About $560 a month
Gross margin on the fee	**Near 70%**

The margin is in the count of properties, not in the rate. Each property the model adds brings in about $560 a month, and the fixed costs barely move.

2. What it costs to open

The example model starts on **$900 to $3,000** of the owner's own money, with no loan.

Startup item	Model range
Business name and setup fees	$25–$100
General-liability insurance, first year	$400–$700
Booking and pricing software	$40–$70 per property per month
One-page website and business cards	$100–$250
Listing photography for the first property	$150–$400, often billed to the owner
Lock and monitoring hardware	$100–$250 per property, often the owner's expense

3. What it costs to stay open

Fixed costs in the model run about **$175 a month**: general-liability insurance, phone, accounting software and a simple website. The model's fixed costs do not include any pay for you.

The rest of the cost moves with each property:

Per property, per month	Amount
Fee income	$560
Delivery costs, about 30%: software, monitoring, travel, guest supplies	$168
Gross profit	**$392**
Payment handling at 1% and marketing at 3%	About $22
Left to cover fixed costs	**About $370**

4. The break-even: the one number to know

Break-even revenue = monthly fixed costs ÷ gross margin.

The model's gross margin is 70%. Take off the 1% for payment handling and the 3% for marketing, and 66 cents of each fee dollar is left.

$175 ÷ 0.66 = about **$265 a month in fees**. One property at $560 clears that, with about $195 left over.

That is before you are paid anything. Add the profit you want to the fixed costs, then divide by the $370 each property leaves. The model shows operating profit of about $1,600 a month. ($1,600 + $175) ÷ $370 = 4.8, so it takes **five properties** to get there.

5. Each owner is a large share of the income

The model starts with two properties and reaches five over about eight months. At two, one owner leaving takes half the fees. At five, it still takes $560 of the $2,800.

The model also shows why an owner might leave. In its example, a property booking $2,800 a month rises to $3,200 under professional pricing, an extra $400. The 20% fee on $3,200 is $640. That owner is $240 behind in cash and ahead only in time saved, about twenty hours a month.

6. Your numbers

Fill this in with booking figures from your own market before you sign an owner.

Question	Model	Yours
Monthly booking revenue per property	$2,800	_____
Your fee percentage	20%	_____

Question	Model	Yours
Share of the fee left after delivery, payment and marketing costs	66%	_____
Monthly fixed costs	$175	_____
Break-even fees (fixed costs ÷ share left)	$265	_____
Monthly pay you want for your hours	Not in the model's fixed costs	_____
Properties needed to cover fixed costs and that pay	5 for about $1,600	_____

If your target needs more properties than your weekly hours can serve well, fix the plan before you sign more owners: raise the fee within the range, move light-tier owners to full service, or lower the target.

This guide is general business information, not legal, tax, accounting or investment advice. The figures are illustrative assumptions from an example model and are not a forecast or a promise of results. Licensing and insurance requirements vary by state and are not covered here; check yours with the state agency.

Bytell Press publishes the full business plan, the editable financial model behind these numbers, and the operating playbooks for a short-term rental co-hosting business.

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