

Foreword by Kathy Fettke, Cofounder of RealWealth

All the benefits of investing in short-term rentals without the hassle of constant turnover or changing city regulations.

With nearly thirty properties and decades of experience between them, authors Zeona McIntyre and Sarah Weaver introduce a powerful yet flexible real estate asset class—medium-term rentals. The concept is simple and profitable: Instead of fighting short-term rental regulations or sacrificing cash flow to long-term rentals, the host requires a month-long minimum stay in a furnished property and reaps massive profits.

Discover exactly why this strategy trumps short-term and long-term rentals and learn how to find the right properties in the right markets, supply the right furniture, and source the right tenants.

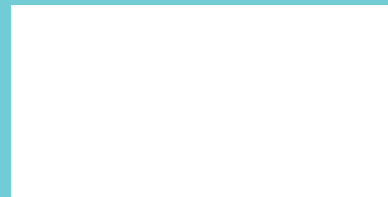
With the medium-term rental strategy, you will:

- 🔑 Stop worrying about shifting short-term rental regulations
- 🔑 Handle less communication and coordination with guests
- 🔑 Reduce expenses on supplies, cleaning fees, and more
- 🔑 Simplify your bookkeeping and say goodbye to lodging tax
- 🔑 Buy in cheaper markets and source higher profits with the right guests
- 🔑 Self-manage your properties from anywhere in the world with less hassle than short-term rentals

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30-DAY STAY

MCINTYRE



WEAVER

A dark blue silhouette of a hand holding a large yellow key. The key is positioned vertically, with the head of the key at the top and the bit at the bottom. The number "30" is written in large white font to the left of the key's head, and "DAY" is written in large white font to the right of the key's head. Below "DAY", the word "STAY" is written in large white font.

30 DAY STAY

Zeona McIntyre
& Sarah Weaver

**A Real Estate Investor's
Guide to Mastering the
MEDIUM-TERM RENTAL**



30-DAY STAY



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A Real Estate Investor's
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AND SARAH WEAVER



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30-Day Stay: A Real Estate Investor's Guide to Mastering the Medium-Term Rental
Zeona McIntyre and Sarah Weaver

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CHAPTER ONE

WHAT IS A MEDIUM-TERM RENTAL?

To begin, BEGIN.
—WILLIAM WORDSWORTH

What is the Medium-Term Rental Strategy?

The medium-term rental (MTR) strategy is a form of real estate investment where an investor furnishes a condo or home, usually in an urban market, to rent by the month to traveling professionals. This strategy is quickly gaining steam in cities where short-term rentals (STRs) are outlawed. In addition, this strategy works well in densely populated areas near universities, hospitals, and office parks, which may seem less desirable to longer-term tenants. There has also been an uptick in demand in rural locations for experiences in cabins, glamping, or farm stays.

DEFINITION What is a Medium-Term Rental?

A medium-term rental, also known as a month-to-month rental, executive rental, or a traveling nurse rental, is a furnished unit rented out thirty or more days at a time.

Short-Term vs. Medium-Term vs. Long-Term

A short-term rental is a furnished unit, rented for fewer than thirty days (in some markets under twenty-eight days), that caters to guests on vacation. The average length of stay is three to four nights. While there have been many cities and counties outlawing this rental strategy in the past five years, due to complaints around diminishing affordable housing and lobbying from the hotels who are losing their desirability, there are still many traditional vacation rental markets (generally near national parks and beaches) that have continued to allow these and likely will for years to come.

The medium-term strategy has swept in to save the day for those operators who have had to pivot after the laws in their cities changed. Instead of transitioning into long-term rentals, which may not earn enough income to cover the mortgage, investors can continue to utilize their furnished spaces in a strategy that they may enjoy even more. This strategy is especially powerful near hospitals, as the trend of traveling nurses is on the rise—as of this writing, there are more than 30,000 open, high-paying traveling nurse positions available. A medium-term rental can be as short as one month, but it is usually three to six months, centered around traveling nurse assignments.

A long-term rental is a concept most of us are familiar with. It is often applied to an unfurnished unit with a twelve-month lease. Since tenants stay longer and move in their furniture, landlords frequently must perform maintenance each time a tenant moves out, such as repainting the home or replacing carpets. Turnover expenses like this can be costly and can absorb an investor's annual profit if their tenants stay for only a year. Unfortunately, while any necessary or cosmetic work is being completed, the home also sits vacant. Long-term rentals have become less sexy for investors because they often come with low cash flow returns, requiring an investor to collect a large number of properties to replace their W-2 income. In our recent crazy market, where home prices are rising, it has become increasingly challenging to find long-term rentals that can earn enough to cover high monthly mortgage payments.

Who Do We Rent To?

People often want to know who our tenants are. In our history as landlords and property managers, we have realized that tenants can make the job of a landlord a headache or blissfully easy, depending on who you choose. While hosting Airbnb guests in a C-class neighborhood in St. Louis, Zeona noted the vast differences between the short- and long-term tenant pools. Many of the long-term rentals

and occupied homes in the neighborhood were in rough shape. In contrast, the Airbnb guests were traveling professors, international students, or people passing through on road trips. They were happy to pay \$100 per night and were barely there, and the regular cleaning and maintenance an STR necessitates meant the properties stayed in top condition. Compared to the \$850 per month one could get long-term, it was a no-brainer! Tenants can make or break your strategy, so be sure to pick the plan to help you align with the tenants you want to attract.

With MTRs, we get some great tenants of a wide variety. Let's dive into the most common guest types.

TRAVELING NURSES AND DOCTORS

Have we said how much we love traveling nurses? They are gainfully employed, highly background checked by their employer, and barely ever home. Unfortunately, just because they are medical professionals, that doesn't mean they will make fantastic tenants, so it is still essential to go through the screening process in Chapter Fourteen. Traveling nurses tend to have thirteen-week assignments and often ask to extend for another thirteen weeks, which is perfect for filling in the slow season. There are high- and low-demand times for tenants, so being price-aware is a critical skill, which we will go over in Chapter Twelve.

Markets are not created equal. Zeona has medium-term rentals in St. Louis, Missouri; Boulder, Colorado; and Colorado Springs, Colorado. St. Louis is the clear winner between the three for traveling nurses. Eight to ten new prospects can be found on a given day on the lead-generating website Furnished Finder. With a cluster of hospitals all within walking distance of one another near the Central West End, a robust medical program at Washington University, and a university hospital, the demand is high. Do your research to find active, thriving hospital complexes; it could be your ticket to money-making rentals.

EXECUTIVES

Executive rentals: Remember this aging term from circa 1990? These are the original MTRs, yet they never really caught fire—at least not as they have now. Historically, these operators needed to create relationships with placement agencies and the human resources departments at several large employers in the area. Thank goodness Airbnb made all this a heck of a lot easier. Now a lot of these placement agencies *reach out to us* on Airbnb.

Even though traditional business travel has slowed since COVID-19, people are still traveling. It now just means for longer stays. For example, three to four months is a common length of stay for professors in town for a semester, scientists

working on a project at the leading research center, and business professionals in their initial ninety-day probationary period before they have locked in the job and can commit to relocating.

DIGITAL NOMADS

COVID-19 changed the game by making most professions location independent overnight. According to the Future Workforce Pulse Report, the number of Americans who will be working remotely is expected to more than double from pre-pandemic levels by the year 2025, from 16.8 million to 36.2 million.¹ The first brave souls pushed this to the limits, and we have seen our fair share of digital nomads (travelers who can work from anywhere) pop in for a month on their journey. Why not take the opportunity to explore the U.S. for a lot less than it costs to rent in the big cities? (While we collect those high city-comparable rents!)

What's the difference between the executives and the digital nomads? Those executives often come to town to go into a local office, while the digital nomads will be turning your furnished rental *into* their office. In 2021, Airbnb added the ability to upload a speed test of your Wi-Fi to your listing to accommodate this. Another trend is furnishing your rental with a desk monitor. It is so convenient, especially for someone working in tech, to plug their laptop into a larger screen during their stay.

FULL-TIME AIRBNB RESIDENTS

A new trend is emerging: living out of Airbnbs full-time. Airbnb reported that the share of long-term-stay bookers who used their stays to lead a nomadic lifestyle grew from 9 percent in 2020 to 12 percent in 2021. Unlike digital nomads, many of these folks are retired or taking a leave of absence to travel.

Contrary to popular belief, living out of an Airbnb full-time can work out cheaper than a traditional lease. Plus, there are lots of perks that come with it. For example, if you get into travel hacking through credit cards, you can earn thousands of points and miles from your “rent” each month, possibly getting you a flight to your next destination for free.

Debbie and Michael Campbell are full-time Airbnb residents. In 2013, after retiring from their jobs in Seattle, Debbie hoped they'd have “one more adventure.”²

¹ <https://www.businesswire.com/news/home/20201215005287/en/Upwork-Study-Finds-22-of-American-Workforce-Will-Be-Remote-by-2025>

² Erica Browne Grivas, “This Retired Couple Sold Their House and Have Traveled the World Living in Airbnbs,” *Seattle Times*, August 17, 2021, updated August 17, 2021, <https://www.seattletimes.com/life/travel/this-retired-seattle-couple-sold-their-house-and-have-traveled-the-world-living-in-airbnbs/>.

“The hypothesis was: Could we retire, live in other people’s houses, and spend the same amount of money we’d spend if we’d stayed in Seattle?” Debbie said.

The Campbells rented out their house and hit the road. Two years into the experiment, they decided to sell their home and have never looked back. As of 2021, the Campbells have lived in 270 Airbnbs in 85 countries. They only plan their lives about six months in advance. You can follow their adventures on their blog at www.seniornomads.com.

“What [Airbnb] learned during COVID-19 is they had a very significant uptick in people booking long-term stays. Instead of working in your basement in Ballard you can work on the beach in the Bahamas, so people were doing that,” Debbie said.

CASE STUDY

“The Nomadic Investor” by Michael Castaño

As a 27-year-old, first-generation college student and investor, I invest in real estate because it is a vehicle that indirectly provides the most scarce asset in the entire world: time. My parents, immigrants from Cuba, fled the grasp of communism, one in 1967 and the other in 1984, to establish a better life in the United States with only the clothes they had on when they arrived. My father left behind his wife at the time and three children in an effort to preemptively find work in Florida and ensure their well-being when they arrived. My mother had barely finished high school in Cuba when her mother and grandmother tore her away from the community she grew up in to go live in a different country. Tasked with the burden of working endlessly in Miami to make ends meet, neither of my parents knew what investing was or how investing could help them achieve what they wanted—a better life for the entire family. It was only years later, in 2010, when my entrepreneurial father began dabbling in real estate and purchased a rental property, that I learned how real estate could put money to work for you.

Today I own eight rental units across Florida, Michigan, and Arizona. I have lived in all these places for work, which has allowed me to purchase most of my rentals by way of owner-occupied, primary-residence bank loans. My main investing strategy revolves around “buy and hold.” I own several small multifamily homes, which I occupied for a minimum of one year and then rented out once I was eligible to purchase a new home. The

best part is, while I occupied one of the units, I was still able to rent out the others, which helped cover the monthly mortgage payment and allowed me to save much faster. A good example of this is a duplex I purchased in Michigan for \$349,000 in 2020. Since it was an FHA, owner-occupied loan, I was able to do a 3.5 percent down payment option. Combined with a 3 percent seller concession, I was able to close the deal with \$12,815 at the closing table and a monthly PITI of \$2,016. One month after closing, I found a tenant who rented out the unit nextdoor to the one I would be living in for \$2,300/month. I was living for free in my own home!

The Numbers

- Purchase price: \$349,000
- 3.5% FHA down payment: \$12,815
- Monthly PITI: \$2,016
- Rental income from one of the two units: \$2,300

Through investing in real estate over the last few years, I have managed to achieve a level of financial independence, which allows me to afford a lifestyle where I decide what I want to do with my time. I have decided to travel full-time to experience a nomadic lifestyle and see if it's the right fit for me. My real estate portfolio is able to sustain my current cost of living, which is minimal because I have yet to establish a family and can enjoy the benefits of having few responsibilities outside my real estate business.

At the time I am writing this, I am traveling across Mexico, meeting locals, investors, and other individuals who have also achieved financial independence. This is only cementing what I already believe—this lifestyle is attainable and brings with it so many new opportunities and a different perspective on life that is priceless. I will be traveling to Southeast Asia next, followed by Europe and eventually South America, growing my network and net worth along the way.

Achieving this feat has come with its share of adversity and roadblocks along the way: family health complications, job changes, maintenance repairs, and managing contractors and tenants from afar. But nothing deterred me from focusing on my goals. Each obstacle became a learning experience and another tool in my toolbox that I will apply in the future to avoid the same mistakes. For instance, being an out-of-state investor requires you to manage a team of individuals who are local to your properties

and can address any issues that may come up. I learned the hard way that having a good team is key to running a successful and profitable portfolio with little to no stress, and if I had to do things over again, I would place a lot more emphasis and time on building a strong, trustworthy team that will know how to operate the business even if I'm not present. Despite my setbacks, I look to apply my learning going forward and continue my real estate investing journey. I am actively exploring creative financing, syndications, and the short-term rental market—new ways of investing and building a robust, diverse portfolio that will help me be ready for new opportunities. I never shy away from challenges and use my newfound time to make the most of the life my parents sacrificed everything for me to have.

Find out more about Michael @firstgeninvestor on Instagram.

SEASONAL TRAVELERS

For the majority of the decade that Zeona has lived in Colorado, she has made a valiant effort to avoid the winter season. Instead, she hops around in warmer places like Spain, Hawaii, the U.S. Virgin Islands, Puerto Rico, and Florida. Now, many renters do the same. In 2021, Zeona picked up a Florida short-term rental, and she hopes to find some lovely Canadians who will want to “winter” there medium-term during the slow season. But, of course, this category doesn't have to be just snowbirds; in Boulder, Zeona has seen the opposite in folks who are excited to work somewhere they can quickly access the ski slopes for a half-day run.

RENOVATORS OR THOSE WAITING FOR A HOME

This is one of our favorite categories! Why? Because renovations and construction always take a little longer than people anticipate. Cha-ching! These guests are great. They often live locally and spend a lot of their time in the community, not in the home. They are grateful to have a quiet, construction-free zone to live in and will keep you up to date on their progress. The only con is that they may try to move a lot of their belongings in. Be sure to inquire if they are getting a storage unit and make sure they are not planning to carry over any furniture.

New construction has been on the rise, and many families need to sell before they can afford to buy their new home; this usually leaves a gap of a month (or a few months) when they need to rent furnished in between move-out and move-in. As a real estate agent, Zeona has even been able to get a few clients from her Airbnbs: people moving to the area from out of town and renting a furnished space while they start their search for a home to purchase.

CASE STUDY

Sarah's Renovation Refuge

In November 2021, Sarah had a one-bedroom unit in Omaha listed on Facebook Marketplace and in a handful of Omaha housing Facebook groups.

She received a message from a young couple who were native to Omaha. Their kitchen was being renovated, making working from home too tricky with the noise. Thus, they were looking to rent a furnished apartment with reliable Wi-Fi and, ideally, a functioning kitchen so both husband and wife could work remotely. Plus, they also had two dogs.

They rented Sarah's unit for \$1,375 and signed a one-month lease. But Sarah knew they would want to extend. In Sarah's experience, renovations never take as long as the contractors say they will; they almost always take twice as long! Thinking proactively, Sarah blocked off her unit for the month following the end of their stay. Sure enough, the guests called Sarah in a panic, explaining that their contractors were not finished with the kitchen renovations, and Sarah was able to put them at ease, telling them that she had already anticipated this scenario.

Not all medium-term tenants will be traveling nurses!

NATURAL DISASTER VICTIMS

During the height of the COVID-19 pandemic, Zeona had relief workers from medical practitioners to military personnel renting her homes. This demand also extends to hurricanes, fires, floods, and other natural disasters. For example, on December 30, 2021, a raging fire swept through towns surrounding Boulder, Colorado, engulfing 1,000 homes. This tragic event left many families needing long-term furnished rentals while waiting to rebuild or find a more permanent place to stay. Zeona has even seen requests come through from people needing to vacate their homes for restoration work from the smoke damage. A majority of homeowners have insurance that covers most of these costs, and these insurance companies pay higher rates for housing.

Another investor in Boulder was able to pack up her belongings so she could offer her house to those in need. She booked a last-minute flight to Mexico, where she usually spends half of the year, and was able to rent out her three-bedroom South Boulder home for \$9,000 per month, paid for by an insurance company. Only able to host one family at a time, she even had the difficult task of choosing between a few families. Her high-demand rates, only seen in the height of

summer, had never gone above \$7,000 in a given month (short-term). This influx of cash was a blessing for her. She was in the midst of a home-build project in Mexico that was tighter than expected with the increase of supply costs since the start of the COVID-19 pandemic.

One benefit of being a host is the ability to help those in need. If you feel generous, Airbnb allows you to offer your home for free to victims for disaster relief.

