

Airbnb Bliss: Top 10 Cities Where Vacation Rentals Rake in the Most Cash

By Lance Lambert | Apr 22, 2019



SCOTTSDALE ARIZONA RANKED #1:

Why are rentals here so popular? Just outside of Phoenix, Scottsdale is a hotbed for American corporate elites looking for a weekend getaway full of mountain biking, golf, and hiking. And while cities across the country are creating tighter rules and outlawing Airbnb rentals altogether, Arizona has gone in the other direction—it signed a law in 2016 that prevents cities in the state from banning short-term rentals. That legal protection combined with vacation rental demand makes Scottsdale the perfect place for investors. (Scottsdale does limit short-term rentals to no more than six adult guests.)

Another reason for the Scottsdale Airbnb boom: 15 Major League Baseball teams, including the **Chicago Cubs** and **Los Angeles Dodgers**, come to this town for spring training every year. These coaches, players, and their families often prefer renting an entire Scottsdale home on Airbnb versus being holed up in a hotel room for two months, says **Sue Flucke**, president of Phoenix Realtors®. And there are plenty of fans eager to rub shoulders with their favorite stars in a low-key setting.

Other well-off vacationers can stay in [sprawling, five-bedroom homes](#) with gyms and outdoor patios for \$999 per night. Meanwhile, snowbirds of more modest means can opt for [three-bedroom homes](#) with private pools. The budget-minded can score a relative bargain here when prices drop in the summer.

CRITERIA USED IN THE ARTICLE

To find the top places to own an Airbnb-type rental, we pulled data for those 100 largest cities. We used February data from [AirDNA](#), a real estate data company that collects data on more than 10 million Airbnb and HomeAway rentals. We looked at the following criteria* to create our ranking:

- Average short-term rental daily rate, monthly revenue, and occupancy rate
- Rental demand score for each market
- Average Airbnb host rating
- Three-year increase in short-term rentals
- Per capita number of short-term rentals
- Monthly average short-term rental income as a ratio of a monthly mortgage payment**
- Median list price (the lower, the better)
- One-year home appreciation

We had a few caveats: We filtered out markets like New York and Los Angeles, where monthly mortgage costs are higher than the typical short-term rental income earned—it has to be a good investment after all. Also, the daily rates are averages, which get skewed higher by luxury rentals.

OF SPECIAL NOTE REGARDING LAWS

The state of Arizona has a law on the books preventing cities from banning short-term rentals.

Full Article: <https://www.realtor.com/news/trends/10-best-cities-to-own-an-airbnb-rental-property/>

