



Property owners advised to go for short-term rentals

NATION

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KUALA LUMPUR: Amidst the sluggish rental market, property owners should get creative by letting out their units for short-term rental like Airbnb, said Ivan Chong, founder and CEO of Widebed Sdn Bhd.

He said short-term rental normally gives a higher yield than if the owner is to rent his unit out to long-term tenants.

Based on Airbnb Malaysia figures, a studio unit that is rented out for 15 days in a month – which is a 50% occupancy rate – earns a potential revenue that is 54% higher than the conventional monthly rent, he said.

For a one-bedroom unit, he said, the data showed a potential 36% increase; and 84% increase for a two-bedroom.

“Like it or not, the market is heading towards short-term rental.” He noted that one third of the tourists coming to Malaysia are 21 to 30-year-olds.

“If you make your place cosy and put a theme to it, young people will love it and rent from you,” said Chong who has been investing in properties for 15 years.

He estimated that only 10% of Malaysians use Airbnb while the rest were more familiar with other travel sites to book their accommodations “which means there is plenty of room for (Airbnb type of accommodation) to grow.”

“Renting a studio unit is more spacious and comfortable than a hotel room. You pay RM400 to RM450 for a room at a four or five-star hotel in the city centre but you can rent a unit in the same area for RM200 to RM300 a night,” he said.

Widebed manages 500 units for short term rentals.

He said units with a commercial title such as service apartments, SoHo and SoVo would be ideal for short-term rental.

Chong advised property owners wanting to venture into short-term rental is take quality photos of the home.

“The first thing people do is to click on the photos. If it is lousy, they’ll give it a miss.”

Amenny Chua, who is a co-founder of Widebed, said property owners in the suburbs could also go for short-term rentals.

“If there is a hospital or university there, the family coming to visit would need a place to stay,” she said.