

FREE GUIDE

THE SHORTLET STARTER GUIDE

Start a shortlet in Lagos that's actually profitable

The decisions to get right before you sign a lease, from choosing your guest and your area to running the numbers, setting your price and running it from abroad.

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WELCOME

Most shortlets that struggle were set up to struggle from day one

> A shortlet in Lagos can be a profitable business, but only if you make the right decisions before you sign a lease.

I'm Yinka Okunlade. I've run shortlet apartments in Lekki Phase 1 for over seven years, and I also own an online booking platform. This guide covers the decisions I wish every new operator made deliberately: who you are hosting, where you rent, what you rent, how you design and equip it, how you serve guests, and how you price it.

Work through it in order. Each step depends on the one before it. **If you use only one tool from this guide, make it the 10–15 night test:** it tells you whether an apartment can make money before you sign the lease.

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7+ years running shortlet apartments in Lekki Phase 1, Lagos, and owner of an online booking platform for Nigerian shortlets. I help shortlet operators build businesses that are booked *and* profitable.

START HERE

The 5 mistakes that sink new shortlets

These are the mistakes I see most often. Every step in this guide is built to help you avoid them.

01 **Renting anywhere in Lagos and assuming it will sell because it looks nice.** Beautiful interiors don't fix a location guests don't want to stay in.

02 **Overpaying for rent and utilities.** When your fixed costs are too high, there is little room left to make a profit, no matter how often you're booked.

03 **Overspending on design.** Interiors need a refresh roughly every three years. Spend so much upfront that you can't afford to update, and the unit starts to look dated.

04 **Focusing only on aesthetics, not service delivery.** Photos get the first booking. Service is what brings guests back and earns the reviews that bring the next ones.

05 **Not having a maintenance team with fast turnaround.** Things break every day in a shortlet. A slow fix means unhappy guests, bad reviews and lost nights.

STEP 01

Start with your guest, not the apartment

> Decide who you are hosting before you look at a single apartment. Your guest decides the area, the unit, the design, the amenities and the price.

GUEST TYPE	WHAT THEY NEED MOST	WHAT THEY'LL PAY EXTRA FOR
Business travellers	Reliable power and Wi-Fi, a workspace, quiet, easy access to offices	Fast internet, backup power, airport and office proximity
Visitors from abroad	Security, comfort, a home-like feel	Full kitchen, laundry, 24-hour power, a trusted host
Couples and getaways	Ambience and privacy	Standout design, a view, a cinema or pool
Groups and event guests	Space and multiple bedrooms	Extra bedrooms and bathrooms, a large living area
Long-stay and corporate guests	Practicality and value	Weekly cleaning, laundry, a workspace, monthly rates

Pick one main guest type to design around. Trying to please everyone usually produces an apartment that appeals strongly to no one.

FROM MY EXPERIENCE

Most of my apartments in Lekki Phase 1 are 1-bedrooms. They appeal mostly to **business travellers** and **couples on getaways**, and during peak seasons, to **visitors from abroad**, because of where they're located.

STEP 02

Rent in a sellable area

> Location decides your demand, and no amount of design fixes a location your guests don't want.

Before you commit, check the area against this list:

- [ ] **Demand:** your target guests already look for shortlets here, close to the offices, airport, venues or attractions they come for.

- [ ] **Access:** guests and staff can reach it easily, and getting in and out at night feels safe.
- [ ] **Security:** the estate or street has working security, gates and lighting.
- [ ] **Power and water:** you know how reliable public power is in the area and what backup you will need. Water supply is steady.
- [ ] **Competition:** you've looked at nearby shortlets, their quality and how often they appear booked.
- [ ] **Estate rules:** the estate allows shortlets. Many Lagos estates restrict or ban them.
- [ ] **Landlord permission:** your landlord has agreed in writing to the apartment being run as a shortlet.
- [ ] **Regulations:** you have checked current Lagos State requirements for operating shortlets.

Don't let the rent run away from you. If the area's rent leaves no room for your costs and profit, it isn't a sellable area for you, however popular it is.

STEP 03

Choose the right type of unit

> The right unit is the one your target guest wants, at a rent that leaves room for profit.

UNIT	BEST FOR	WATCH OUT FOR
Studio	Solo business travellers, short stays	Lower nightly rate; must feel spacious and well planned
1-bedroom	Couples, solo travellers, visitors from abroad	Competitive category; design and service must stand out
2-bedroom	Small families, friends, longer stays	Higher rent and running costs; needs strong occupancy
3-bedroom +	Groups, families, event guests	Highest costs and wear; party risk needs clear house rules

When you view a unit, also check:

- **Layout:** a bathroom for each bedroom where possible, a usable kitchen, and a living area that photographs well.
- **Natural light and ventilation:** bright rooms photograph better and feel better.
- **Condition:** plumbing, wiring and fittings in good order, so you're not fixing the building on day one.
- **Space for backup power:** room for an inverter or generator, and permission to install it.

Check the building, not just the unit. A good apartment in an old building can still be a bad deal. Older buildings often need more spent on setup, such as your own generator, power supply or

plumbing, and guests may not pay top rates there. Factor the building's age and condition into both your setup cost and your expected nightly rate.

★ THE MOST IMPORTANT TOOL IN THIS GUIDE

Before you sign: the 10–15 night test

> Can 10 to 15 booked nights a month cover all your costs and still leave your profit margin? If yes, it's a good investment. If it needs 25 nights a month just to break even, walk away, however beautiful the unit is.

Example: a 2-bedroom in Lekki Phase 1 at ₦15 million a year

Round numbers to keep the maths simple.

ITEM	CALCULATION	PER MONTH
Rent	₦15,000,000 ÷ 12	₦1,250,000
Costs that never stop	Security, staff, internet, TV, service charge	₦400,000
Power	Electricity and diesel	₦300,000
Turnover	5 stays × ₦20,000	₦100,000
Total monthly cost		**₦2,050,000**
With 30% profit margin	**₦2,050,000 × 1.3**	**₦2,665,000**

The nightly rate you'd need

₦178,000

a night at **15** booked nights
₦2,665,000 ÷ 15

₦267,000

a night at **10** booked nights
₦2,665,000 ÷ 10

Now compare with the market

Look at what similar 2-bedrooms nearby are actually booked at, not just listed at.

How to find what similar units book at

1. Search **ShortletRentals.com** and Airbnb for apartments like the one you plan to rent: same area, same number of bedrooms, similar quality.
2. Note their nightly prices, and check their calendars to see how often they're booked.

3. Most booking platforms add around 15% to the price guests see. To get what the host actually receives, **divide the listed price by 1.15**. A listing showing ₦200,000 a night pays the host about ₦174,000.
4. Use that host figure, not the listed price, when you compare against the rate you need.

IF SIMILAR UNITS BOOK AT…	WHAT IT MEANS
₦178,000 or more	The unit passes the test at 15 nights.
Closer to ₦267,000	It passes at just 10 nights, and every extra night is extra profit.
Around ₦120,000	This unit can't make money at that rent. Negotiate the rent down, choose a smaller unit, or look in another area.

Run this test on every unit you consider, and on different unit types in the same area. It tells you which apartment, at which rent, actually makes sense, before you've spent a naira on furnishing.

Don't forget your setup cost. Furnishing, a generator, power connection and repairs can cost as much as the rent itself. Divide your setup cost by the number of months in your lease and add it to your monthly costs. You need to earn it back before the lease ends, because you may not get to renew, or the rent may go up.

Watch out for costs you don't control. In many Lagos estates, especially in Lekki, Ikoyi and VI, the estate sets some of your biggest costs:

- **Service charge** is fixed by the estate and can run into millions of naira a year.
- **Diesel** is often billed through a community generator, so the estate decides how much you pay each month. It can swing by hundreds of thousands of naira from one month to the next, and you can't cut it yourself.
- **Electricity** rises with the nights you're booked, so budget for it at your expected occupancy, not an empty month.

Before you sign, ask the estate or landlord for the last 6–12 months of service charge, diesel and electricity bills. **Budget at the high end of the range, not the average.**

The market sets your ceiling. Every area and unit type has a price guests will pay. Charge above it and your bookings drop. Treat the market rate as your maximum, and check whether all your costs and your profit fit underneath it. If they only work at a rate above the market, the numbers don't work.

FROM MY OWN EXPERIENCE

A deal I walked away from

I once considered expanding with a new unit in Lekki Phase 1. The unit itself was good, and the rent was ₦7 million a year. But the building was old, so setting it up would have cost me about ₦15 million, including buying my own generator and providing my own electricity. Because the building was old, I could only price it at around ₦120,000 to ₦150,000 a night. The landlord also wanted a two-year lease, with a possible rent increase after that.

When I ran the numbers, rent plus setup recovery alone came to about ₦1.2 million a month over the two years:

ITEM	PER MONTH
Rent (₦7,000,000 ÷ 12)	₦583,000
Setup recovery (₦15,000,000 ÷ 24 months)	₦625,000
Rent + setup	**₦1,208,000**

At ₦120,000 to ₦150,000 a night, I'd need 8 to 10 booked nights a month just to cover those two items, before power, staff, turnover or any profit. I wasn't going to earn my money back within the two years, and a rent increase would have pushed recovery even further away.

> **I backed out of the deal, and I'm glad I did. A good-looking unit is not the same as a good investment.**

FROM MY OWN EXPERIENCE

A 4-bedroom I manage in VI

Even with no rent to pay, the estate can take a big share of your revenue. I manage a 4-bedroom in Victoria Island for its owner, so there's no rent. But the estate controls several of the biggest costs:

COST	PER MONTH
Service charge (₦4,000,000 a year ÷ 12)	≈ ₦333,000
Diesel, billed by the estate's community generator	₦500,000 – ₦800,000
Electricity, at about 15 booked nights	₦200,000 – ₦300,000
Total	**≈ ₦1.03m – ₦1.43m**

The market pays about ₦350,000 a night for this unit. When I price it higher, bookings drop. So:

- **3 to 4 booked nights a month** go just to service charge, diesel and electricity, before staff, cleaning, internet or any profit.
- The diesel bill alone can swing by ₦300,000 from one month to the next. That's nearly a full night's revenue I can't control.
- The apartment's rental value is about ₦20 million a year, roughly ₦1.67 million a month. That's what the owner could earn from a long-term tenant, so the shortlet has to beat it. Matching it takes about 5 more booked nights, bringing the total to **8 to 9 nights a month** before staff, cleaning, internet or profit. An operator renting a unit like this at ₦20 million a year would face exactly the same maths.

Then add the management fee. The owner pays me a 25% management fee, which covers staff, cleaning and marketing. Each ₦350,000 night is worth about ₦262,500 to the owner. After the fee, it takes about **10 to 12 booked nights a month** just to cover the estate costs, power and the ₦20 million rental value, and the owner still pays for toiletries, DStv and internet on top. Only the nights after that are where the shortlet actually beats a long-term tenant.

> **With the price capped by the market, the only levers left are filling more nights and controlling the costs you can control.**

BEFORE YOU SIGN

Negotiate the lease

> The lease terms can make or break the deal as much as the rent. Agree these in writing before you pay anything.

TERM	WHAT TO AGREE
Lease length	Long enough to earn back your setup cost and make a profit. Lagos landlords often raise the rent every year they can, so a longer lease also **locks in your rent for every year it covers**. On the minimum one-year lease, you risk an increase the very next year. A short lease on an expensive setup rarely works.
Rent increases	The maximum increase allowed at renewal, written into the lease.
Shortlet permission	A clause that explicitly allows the apartment to be run as a shortlet.
Renewal option	Your right to renew, so you don't lose your setup investment when the lease ends.
Repairs	Who pays for structural and major repairs, you or the landlord.
Installations	Permission to install a generator, inverter, smart locks or other equipment.

BEFORE YOU SIGN

Know your startup capital

> Many new operators spend everything on setup, then struggle through the slow first months. Make sure you can cover all of this.

- [ ] Rent paid upfront, often one or two years in Lagos
- [ ] Agency, legal and caution deposit fees
- [ ] Repairs and upgrades the apartment needs
- [ ] Furnishing, design and amenities
- [ ] Power setup: generator, inverter, connection
- [ ] Professional photos and listing setup
- [ ] **Two to three months of running costs, while bookings build**

STEP 04

Interior design that sells and lasts

> Design for your target guest and for your photos, then plan to refresh it roughly every three years. Good design gets the booking; overspending on it eats the profit.

SPEND ON WHAT GUESTS USE EVERY DAY	SAVE ON WHAT DATES OR GETS DAMAGED
A quality mattress and bedding	Trend-led decor and statement pieces
Comfortable seating	Delicate furniture and fabrics
Good lighting	Anything expensive that's hard to clean or replace
Durable kitchen and bathroom fittings	

Keep it easy to update

- Choose a neutral base for walls, floors and large furniture.
- Add personality through pieces you can swap cheaply: cushions, art, throws, plants.
- Set money aside from your profits for the three-year refresh, so it's planned rather than a surprise.

Think about turnover too. Fabrics that stain easily, white upholstery and fragile decor slow down cleaning and cost you in replacements.

STEP 05

Amenities guests expect

> Guests in Lagos treat some amenities as non-negotiable. Miss one and you'll hear about it in your reviews.

Must-haves

- [ ] 24-hour power: backup through an inverter, generator or both
- [ ] Fast, reliable Wi-Fi
- [ ] Air conditioning in every bedroom and the living area
- [ ] Hot water
- [ ] Security: secure doors, estate security, a clear key handover
- [ ] A TV with streaming or cable
- [ ] A working kitchen with basic cookware and utensils
- [ ] Fresh linens, towels and toiletries

Extras that justify a higher rate, matched to your guest

- A proper workspace for business travellers
- A washing machine for long stays
- Smart locks for self check-in
- A coffee machine, a games console, or a cinema setup for getaways

- Access to a pool or gym

Only add an extra if your target guest values it enough to pay for it.

STEP 06

Service delivery that brings guests back

> Aesthetics get you the first booking. Service gets you the repeat booking, the referral and the five-star review.

1. **Before arrival:** confirm the booking, verify the guest's ID, and send clear directions, check-in time and house rules.
2. **Check-in:** make it smooth and on time, in person or self check-in. Have the apartment spotless, cool and fully stocked.
3. **During the stay:** give one contact number that is always answered. Respond within minutes, not hours.
4. **Problems:** acknowledge them immediately and say when they'll be fixed. How you handle a problem matters more than the problem itself.
5. **Check-out:** keep it simple, thank them, and ask for a review.
6. **After the stay:** save their details and offer returning guests a reason to book you directly next time.

Write each step down as a checklist your team follows every time, so the experience doesn't depend on who's on duty.

Protect your property

- **Caution fee:** collect a refundable deposit before check-in, and state clearly what it covers and when it's returned.
- **House rules:** in writing, covering parties, maximum guests, visitors, smoking and noise. Guests agree before they arrive.
- **Check-out inspection:** inspect after every stay, with photos, before refunding the caution fee.
- **Extra care for larger units:** 2-bedrooms and up attract parties. Be stricter with ID checks and guest numbers.

STEP 07

Maintenance with the fastest turnaround

> Something will break every week. What separates good shortlets is how fast it gets fixed, ideally while the guest is still there.

ROLE	WHAT THEY HANDLE
Electrician	Power, wiring, inverter and generator issues
Plumber	Leaks, water pressure, heaters, drainage
AC technician	Repairs and regular servicing
Handyman	Doors, locks, furniture, small fixes
Caretaker / property manager	First response on site; coordinates the others

Keep turnaround short

- Agree response times with each person upfront, and have a backup for each role.
- Keep spare parts on hand: bulbs, fuses, remote batteries, tap washers, a spare lock.
- Do preventive maintenance on a schedule, such as servicing ACs and the generator.
- Inspect the apartment between stays and log every issue, even small ones.

FOR OPERATORS IN THE DIASPORA

Running it from abroad

> I've run my businesses in Nigeria from the US since 2016, so this is possible. But it only works with the right people and systems in place, because you can't just drive over and fix things.

- **Hire a trusted property manager on the ground.** This is your most important hire. They handle check-ins, cleaning, maintenance and emergencies.
- **Inspect the area and unit before you sign,** in person or through someone you trust completely. Ask for a video walk-through, not just photos.
- **Write everything down as a process:** check-in, cleaning, inspections, maintenance requests, guest complaints. Your team follows the process, not your memory.
- **Separate your money:** a dedicated account for the business, with every payment and expense recorded.
- **Get regular reports:** bookings, income, expenses and issues, weekly or monthly, in the same format every time.
- **Use technology to stay in control:** a booking system or calendar you can see, smart locks for self check-in, and cameras on entrances only (never inside the apartment).
- **Set approval limits:** decide which expenses your manager can approve alone, and which need your sign-off.
- **Visit when you can,** or have someone you trust do surprise checks. What gets inspected gets done.
- **Plan for the time difference:** agree how urgent issues reach you, and who decides when you're asleep.

IF YOU CAN'T RUN IT YOURSELF

Using a property manager

> A property manager can run the shortlet for you. Most charge between 20% and 30% of revenue, and that fee has to be in your numbers before you sign the lease, not after.

Divide, don't just add. Because the fee is a share of revenue, adding 20–30% to your rate is not enough. Divide what you need by what's left after the fee. Using the 2-bedroom example from the 10–15 night test (₦2,665,000 a month needed, including your 30% profit):

WHO RUNS IT	REVENUE NEEDED PER MONTH	AT 15 NIGHTS	AT 10 NIGHTS
You run it yourself	₦2,665,000	≈ ₦178,000	≈ ₦267,000
Manager at 20%	₦2,665,000 ÷ 0.8 = ₦3,331,000	≈ ₦222,000	≈ ₦333,000
Manager at 30%	**₦2,665,000 ÷ 0.7 = ₦3,807,000**	**≈ ₦254,000**	**≈ ₦381,000**

If similar units in the area don't book at those rates, the unit can't support a manager. Choose a cheaper unit, or plan to run it yourself.

Before you sign with a manager, agree in writing

- **What the fee covers:** cleaning, staff, maintenance labour, marketing, guest communication. Anything not covered stays in your costs.
- **What the fee is calculated on:** total revenue, or revenue after platform fees.
- **Where the money goes:** the manager usually collects guest payments and remits to you at the end of each month, after their fee and agreed expenses. Agree the remittance date, exactly what can be deducted, and that every remittance comes with a statement.
- **Reporting:** a monthly statement of every booking, payment and expense, plus access to the booking calendar.
- **Approval limits:** which expenses they can approve without you.
- **Notice period:** how either side can end the agreement, and what happens to future bookings.

Check their track record: ask to see units they already manage, read their reviews, and speak to an owner they work for.

STEP 08

Price it properly

> Your nightly rate must cover every cost and leave a profit. Don't copy the apartment next door: their costs are not your costs.

When I started in Lekki Phase 1, I set my prices based on what the units around me were charging. This is the method I use now.

Worked example (round numbers)

STEP	CALCULATION	RESULT
1. Monthly costs	Rent ₦600,000 + fixed ₦300,000 + power ₦240,000	₦1,140,000
2. Add turnover	6 stays × ₦15,000 = ₦90,000	₦1,230,000
3. ÷ nights sold	**₦1,230,000 ÷ 18 nights (break-even)**	**≈ ₦68,000**
4. Add 30% profit	**₦68,000 + 30%**	**≈ ₦89,000**

Fixed costs include security, staff salaries, internet, TV subscription and service charge. **Divide by the nights you actually expect to sell, never by 30.**

Your worksheet

ITEM	YOUR FIGURE
Monthly rent (yearly rent ÷ 12)	₦
Setup cost ÷ months in lease	₦
Fixed costs per month	₦
Power per month	₦
Turnover cost per stay × stays per month	₦
Total monthly cost	**₦**
Nights you expect to sell per month	
Break-even rate (total ÷ nights)	₦
Profit margin you want	%
Your nightly rate	**₦**

If your rate comes out far above what guests in your area will pay, the problem is your costs or your location, not your pricing. Go back to Steps 2 and 3.

STEP 09

Marketing and getting bookings

> Don't rely on one channel. List widely at first, then put more effort into the channels that bring your target guest.

1. **Professional photos first.** They're the single biggest factor in whether a listing gets clicked. Shoot in daylight, with every room styled and spotless.
2. **A listing that sells your guest's needs.** Lead with what your target guest cares about, such as "24-hour power and fast Wi-Fi" for business travellers.
3. **Shortlet platforms.** List on **ShortletRentals.com**, a marketplace built for Nigerian shortlets, alongside international platforms such as Airbnb and Booking.com.
4. **Instagram.** Post the apartment, guest experiences and the area around it. Many Lagos guests find and book shortlets through Instagram.
5. **Agents.** Agents can fill gaps, especially early on. Agree terms clearly upfront.
6. **Direct and repeat bookings.** Your cheapest booking is a returning guest. Make it easy for past guests to book you directly.
7. **Reviews.** Ask every happy guest for one. Reviews drive future bookings on every platform.

YOUR LAUNCH PLAN

Your first 90 days

> Use this as your launch checklist, from signing the lease to your first reviews.

Before you sign · weeks 1–2

- [ ] Choose your target guest (Step 1)
- [ ] Shortlist areas and check each against Step 2
- [ ] Run the 10–15 night test on every unit you're considering
- [ ] Get written landlord permission and confirm the estate allows shortlets

Set up · weeks 3–6

- [ ] Negotiate the lease terms, then sign
- [ ] Design and furnish for your target guest (Step 4)
- [ ] Install every must-have amenity, including backup power (Step 5)
- [ ] Build your maintenance team and a backup for each role (Step 7)
- [ ] Write your house rules, check-in process and service checklist (Step 6)

Launch · weeks 7–8

- [ ] Book professional photos
- [ ] Set your nightly rate (Step 8)
- [ ] List on ShortletRentals.com and other platforms, and start posting on Instagram (Step 9)
- [ ] Do a trial night yourself to catch problems before a guest does

Run and improve · weeks 9–13

- [ ] Ask every guest for a review
- [ ] Track nights sold and costs each month against your worksheet
- [ ] Adjust your rate if you're consistently fully booked or consistently empty
- [ ] Fix every recurring issue guests mention

YOUR NEXT STEP

Booked is good. Profitable is the goal.

A shortlet becomes profitable through the decisions you make before your first guest, then the systems you run every day after.

WEEKLY TIPS

Follow me on Instagram for weekly shortlet profit tips.
@yinka.okunlade

ONE-ON-ONE HELP

Choosing an area, reviewing your numbers or setting your rate? Book a strategy call with me.
adeyinka.okunlade@gmail.com
or send me a DM on Instagram

I'd love to hear how your shortlet goes.

Send me a message when you get your first booking.