

Case study

From Projection to Reality: Validating SpotEstate Projections in Tenerife

A real short-term rental in Tenerife showing how conservative baseline projections compare to active management outcomes.

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The situation

- Investors need realistic deal baselines, not best-case projections that inflate returns.
- This Tenerife short-term rental is a high-performing outlier due to active revenue management.
- The key question was whether SpotEstate baseline assumptions are still reliable for decision making.

The property

SpotEstate analyzed a real short-term rental in Tenerife, Spain to validate how cash-flow projections compare to real operating performance.

The home is booked most of the year, with occupancy near 90% and around EUR 175 per night in May. The owners use dynamic pricing: rates dip when availability is higher and rise when demand is tight.

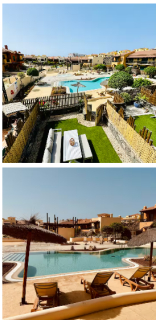
In practice the property nets roughly EUR 1,800–2,400 per month (per the owner)—supported by strong search ranking and disciplined revenue management.



Anywhere Any week Add guests 0

Become a host

Beautiful family house with pool near by the sea



Share Save

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Entire home in Santa Cruz de Tenerife, Spain

6 guests · 3 bedrooms · 4 beds · 2 baths

4.86 · 51 reviews

Hosted by Priscilla

Superhost · 8 years hosting

 Dive right in

This is one of the few places in the area with a pool.

 At-home coffee

Start your morning right with the drip coffee maker and pour-over coffee maker.

 Priscilla is a Superhost

Superhosts are experienced, highly rated Hosts.

Add dates for prices

CHECK-IN

Add date

CHECKOUT

Add date

GUESTS

1 guest

Check availability

Report this listing



The figures

EUR 513.92 — Baseline monthly cashflow projection (Occupancy rate: 70%)

EUR 2322.59 — Optimized monthly scenario projection (Occupancy rate: 90%)

- Area baseline from aggregated local data: ~EUR 101.62 nightly rate and 70% occupancy → EUR 513.92 projected monthly cashflow.
- High-performance scenario: EUR 175 nightly rate at 90% occupancy → EUR 2,322.59 projected monthly cashflow (aligned with observed net performance).
- Stress test: EUR 250 nightly at 90% occupancy → EUR 3,736.17 per month, illustrating how sensitive outcomes are to rate and occupancy.

The process

Build a conservative baseline

SpotEstate used local market averages: EUR 101.62 nightly rate and 70% occupancy, resulting in EUR 513.92 projected monthly cashflow.

Model an actively managed scenario

Using occupancy of 90% and a EUR 175 nightly rate, SpotEstate recalculated projected cashflow to EUR 2,322.59 per month.

Test sensitivity for upside boundaries

At EUR 250 nightly rate and 90% occupancy, projection increased to EUR 3,736.17 per month, showing how assumptions drive outcomes.

The result

- Baseline model provides a risk-aware foundation instead of overpromising returns.
- Scenario modeling clearly shows upside potential when properties are professionally managed.
- Investors can evaluate deals with confidence, then stress-test outcomes with transparent assumptions.

What we learned

- The largest risk for investors is often unrealistic expectations—not conservatively modeled returns.
- SpotEstate intentionally anchors on a conservative baseline; upside is explored through scenarios, not the default headline.
- Active revenue management and visibility in search can materially outperform area-average occupancy and nightly rates—as this property demonstrates.



- Transparent, adjustable assumptions let investors compare properties objectively and decide faster.