

Airbnb Pricing, Step by Step

A simple guide for homestay hosts. Learn how to set your price so the money you actually receive is the money you wanted.

What you will learn

1

What the fee really means

How much of your price stays with you

2

The mistake most hosts make

Why adding 15.5% is not enough

3

The right way — 5 easy steps

With a full example you can follow

4

Your own price, in 2 minutes

A ready chart and a blank worksheet

5

Check before you change anything

7 settings and 4 questions

6

Keep checking every month

The simple 5-step pricing loop

One formula. That's all you need.

New price = the amount you want to keep ÷ 0.845

1 What the fee really means

Airbnb takes a **host fee of 15.5%** from your price. The rest comes to you. Let's see it on ₹100.

You keep ₹84.50

Fee ₹15.50

On every ₹100 you charge, ₹84.50 reaches your bank and ₹15.50 goes to Airbnb.

So your share is 84.5%

Out of the full price (100%), the fee takes 15.5%.

$$100\% - 15.5\% = 84.5\%$$

In decimals: $1 - 0.155 = 0.845$. Remember this number — the whole guide uses it.

This is why the maths feels tricky

The fee is not taken from your old price. It is taken from the **new price you set**. So when you raise your price, the fee goes up too.

i The one thing to remember: you never keep the full price you set. You keep 84.5% of it. So always work backwards from the amount you want in your hand.

Check your own rate: 15.5% is Airbnb's standard host service fee under host-only pricing. A few accounts are charged between 14% and 16%. Open your payout details and use your own number. Under this model the guest does not pay a separate Airbnb service fee.

2 The mistake most hosts make

You want ₹5,000 in your hand every night. The fee is 15.5%. So most hosts add 15.5% to the price. Let's see what happens.

× THE WRONG WAY

Old price
₹5,000

+15.5%

New price
₹5,775

-fee

You receive
₹4,880

You are still short by

₹120 every night

Why did this happen?

Because the fee of 15.5% was taken from ₹5,775, not from ₹5,000.

Fee on ₹5,775 (15.5%)

₹895

₹5,775 - ₹895

₹4,880



In short: ₹120 short per night is about **₹3,600 lost in a month** of full bookings. Over a full year, that is around **₹43,000** lost on one room.

So what should you do instead? Turn the page.

3 The right way — 5 easy steps

Same example: you want to keep ₹5,000 every night.

1 Decide what you want to keep

Not what you want to charge. The amount you want in your bank.

I want to keep = ₹5,000

2 Find your share

Take away the fee from 100%. With a 15.5% fee, your share is 84.5%, which is 0.845.

$1 - 0.155 = 0.845$

3 Divide, don't add

Divide the amount you want to keep by your share.

$₹5,000 \div 0.845 = ₹5,917.16$

4 Round up, never down

Round to a neat number above the answer, so you never fall short.

$₹5,917.16 \rightarrow$ set your price at ₹5,920

5 Check it once

Take 15.5% off your new price and see what is left.

$₹5,920 - ₹918 \text{ (fee)} = ₹5,002 \checkmark$ you kept your ₹5,000

i Note: ₹5,000 $\rightarrow$ ₹5,920 is an increase of about **18.34%**, not 15.5%. That extra bit is the fee charged on the higher price.

4 Now do it for your price

Find the amount you want to keep in the left column. Charge the price on the right.

You want to keep	Set your price at	You receive (about)
₹2,000	₹2,370	₹2,002
₹3,000	₹3,560	₹3,008
₹5,000	₹5,920	₹5,002
₹8,000	₹9,470	₹8,002
₹10,000	₹11,840	₹10,004
₹15,000	₹17,760	₹15,007

All prices are rounded up to the next ₹10, so you always get a little more than your target, never less.

Your price is not in the table? Fill this in

A. Amount I want to keep per night

₹ _ _ _ _ _

B. My share (100% - fee)

0 . _ _ _ _ _

C. My new price = $A \div B$, rounded up

₹ _ _ _ _ _

D. Check: C minus the fee should equal A

₹ _ _ _ _ _

i **If your fee is different:** put your own fee in Step B. For 14%, divide by 0.86. For 16%, divide by 0.84. This guide covers the Airbnb fee only — GST and any tax deducted at source are separate.

5

Check before you change anything

Your base price is only one of the settings that decide the final price. Tick each one before you save a new rate.

☐ Base price☐ Custom prices for special dates☐ Extra fees (cleaning, guests)☐ Smart pricing minimum and maximum☐ Weekly and monthly discounts☐ Promotions you switched on☐ Any software connected to your listing (PMS or channel manager)

Then answer these four questions

1. What will the guest pay?

The full amount shown at checkout.

2. How much is the fee?

The amount cut before you are paid.

3. What will I receive?

The number that pays your bills.

4. Is a discount running?

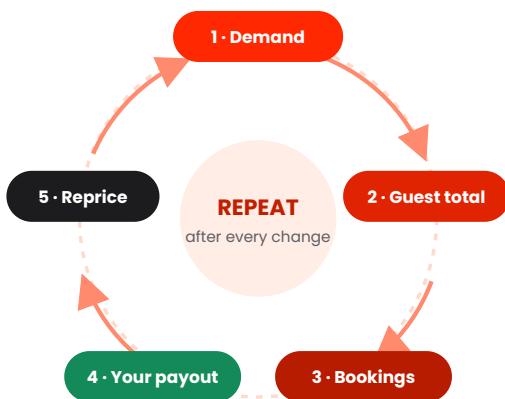
Offers can quietly cut your payout.



Change one thing at a time. If you change the price, the discount and the extra fee together, you will never know which change helped and which one hurt.

6 Keep checking every month

Pricing is not a one-time job. Go around this small loop after every price change.



1 Demand

Is your area busy on these dates?

2 Guest total

What the guest sees and pays.

3 Bookings

Are people still booking at this price?

4 Your payout

What reached your bank after the fee.

5 Reprice

Adjust, then start again.

Remember these three

Price for demand

Check your payout

Reprice when needed

Want help managing your pricing?

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