

### ***Calculating the Room Rate***

The monthly operational expense for those for one bedroom will be:

(R 276– 70 x30 days = R 33204)

As a rule of thumb it is advisable that you try to limit your operational expenses to about 40%of your income.

Booked ome to be generated per month = ( monthly expenses) x 100 % divide 40%

1. Start by calculating how much income you should generate when you are fully(100%)

Booked ome to be generated per month = ( monthly expenses) x 100 % divide  
40%

= R33204 x 100 divide by 40

= R 83010

2. Calculate the maximum number of rooms that can be sold.

(4 rooms) x (7 days) x (4 weeks) = 112 rooms

3. Calculate the single and double rate per room

The single room rate should be at least : R 83010 divide by 112 = R 741.16

The double room rate should be about : R 741.16 x 1.33 = R 985.74