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# Short-Term Rental Income Projections

10 Thunder Road, Sedona, AZ 86351

6,200 SF | 5 Bedrooms | Sleeps 10–12 | Pool | Theater | Gym  
Canyon Mesa Country Club | STR Friendly

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**\$207K**

Conservative Gross

**\$296K**

Moderate Gross

**\$385K**

Optimistic Gross

**\$109K**

Conservative NOI

**\$195K**

Moderate NOI

**\$281K**

Optimistic NOI

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# Executive Summary

10 Thunder Road is a 6,200 square foot luxury residence in the Canyon Mesa Country Club community, featuring a private heated pool, movie theater, fitness room, and access to the community's nationally ranked 9-hole golf course, pickleball, tennis, and more. The property is explicitly designated as STR-friendly within its HOA.

Sedona ranks #1 in the United States by trailing-twelve-month revenue per listing across all STR markets, according to AirROI's 2026 analysis of 20M+ listings.<sup>1</sup> This property's amenity package positions it in the top tier of Sedona's 65 active 5-bedroom listings.<sup>2</sup>

Scenario	Gross Revenue	Net Operating Income	Avg Occupancy	Avg ADR
Conservative	\$207,098	\$108,956	51%	\$1,088
Moderate	\$296,272	\$195,455	58%	\$1,361
Optimistic	\$384,927	\$281,450	63%	\$1,629

The moderate scenario — approximately \$296K gross / \$195K net operating income — reflects an owner-managed approach with no third-party management fee, combined with aggressive dynamic pricing. The closest comparable achieving peak performance is a 6,000 sq ft 5-bedroom in Uptown Sedona that earned \$401,708 in the past 12 months at a \$1,727/night average and 71.2% occupancy.<sup>3</sup> That represents the realistic ceiling for this property with optimized pricing and strong guest reviews.

## Property Profile

Attribute	Detail
Square Footage	6,200 SF (3 levels)
Bedrooms / Baths	4 BR + in-law suite / 4.5 BA
Guest Capacity	10–12 guests
Pool & Spa	Private heated pool and spa
Theater	Movie theater with bar
Fitness	Private gym/fitness room
Solar	21kW system (significant utility offset)
Garage	7 garages including 2 RV bays

Attribute	Detail
Built / Remodeled	1994 / Fully reimagined 2017
Community	Canyon Mesa Country Club (gated)
HOA	\$2,028/month
Property Tax	\$8,883/year (2025)

1. AirROI, "Top US Airbnb Markets 2026" — [airroi.com/blog/top-us-airbnb-markets-2026](https://airroi.com/blog/top-us-airbnb-markets-2026)
2. Rabbu, Sedona AZ Market Data — [rabbu.com/airbnb-data/sedona-az](https://rabbu.com/airbnb-data/sedona-az)
3. AirROI, Sedona Individual Property Data — [airroi.com/airbnb-data/united-states/arizona/sedona](https://airroi.com/airbnb-data/united-states/arizona/sedona)

## Sedona STR Market Overview

Sedona is the top-performing STR market in America. Revenue grew 11.8% year-over-year through March 2026, with demand outpacing supply growth.<sup>1</sup> Within Sedona city limits, STR supply has been essentially flat since 2018 (~1,200 permitted units), creating favorable pricing dynamics for well-positioned properties.<sup>2</sup>

Metric	Market Average	5-Bedroom Avg	Top 5BR Performer
ADR	\$427-\$440/night	\$637/night	\$1,727/night
Occupancy	49-53%	38%	71.2%
Annual Revenue	\$69,500	\$127K-\$135K	\$401,708
Active Listings	~1,700	65	—

## Arizona Market Comparison

Market	ADR	Occupancy	Annual Revenue/Listing
Sedona	\$427-\$431	49-52%	\$69,501
Scottsdale	\$396-\$413	44-49%	\$51,107
Flagstaff	\$292	46%	\$40,600

Sedona earns roughly 35% more per listing than Scottsdale and 71% more than Flagstaff.<sup>3</sup>

## Canyon Mesa Community Amenities

Canyon Mesa Country Club provides significant value-add amenities included with HOA membership:

- 9-hole par-3 golf course — Ranked among the top 5 executive courses in the U.S.; unlimited play with HOA
- 4 pickleball courts and 2 tennis courts
- Community pool (seasonal) and year-round hot tub
- Footgolf on the golf course
- Gated entry with maintained grounds and red rock views

1. AirROI Sedona 2026 — airroi.com

2. Sedona Red Rock News, SVVAR Study — redrocknews.com

3. AirROI Scottsdale/Flagstaff — airroi.com

## Comparable Listings Analysis

The following luxury properties represent the closest comparables to 10 Thunder Road in Sedona's STR market:

Property	BR	Key Amenities	Nightly Rate	Annual Rev
Chapel Palace	5-7	Pool, theater, games, elevator	\$1,950-\$4,850	—
6K Sqft Uptown Gem	5	Pool, spa, sauna	\$1,727 avg	\$401,708
Luxury Cabin/Creek	5	Creek, spa, EV charger	\$1,785 avg	\$451,751
Sedona Luxury w/ Theater	5	Pool, theater, pickleball	\$1,060-\$1,800	—
Jasper House	6	Pool w/ waterfall, games	\$1,000	—
Modern Oasis	7	Pool, game room, 2023 build	\$1,100-\$2,200	—

## Amenity Premium Analysis

Properties with the full luxury package (pool + theater + game/fitness areas) command a 50-100% rate premium over pool-only comparables at the same bedroom count.<sup>1</sup>

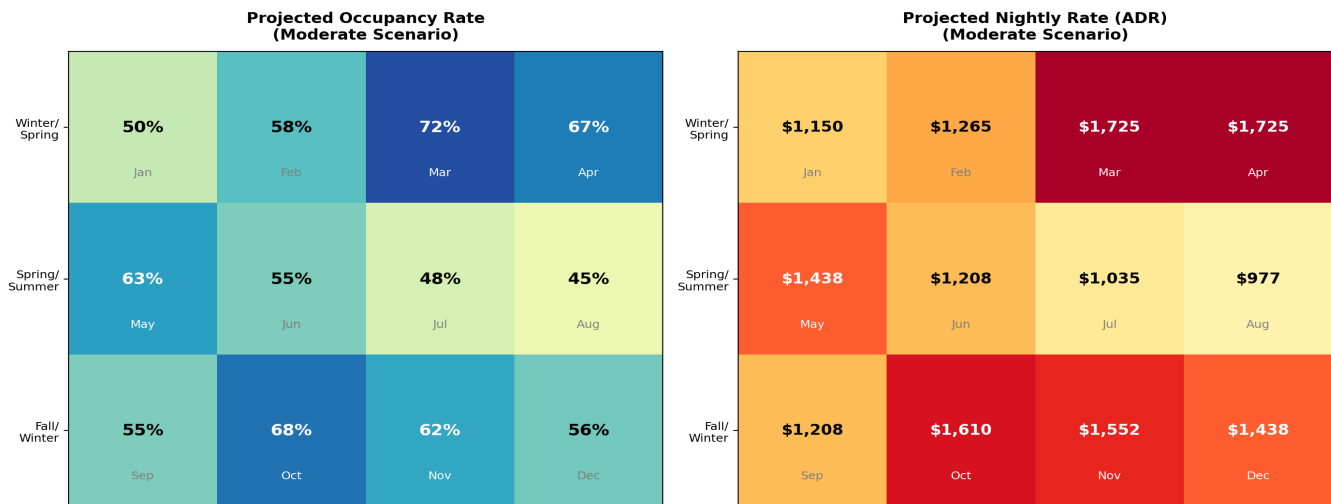
Configuration	Nightly Rate Range
Standard 5BR with pool only	\$700-\$1,100
5BR with pool + game room	\$900-\$1,400
5BR with pool + theater + full amenities	\$1,200-\$2,450

10 Thunder Road's amenity set — pool, theater, gym, plus Canyon Mesa's golf and recreation — places it firmly in the top tier. The property's 6,200 sq ft footprint and quality 2017 renovation further support premium positioning.

1. Revedy STR Market Report, Sedona — revedy.com

# Seasonality and Pricing Strategy

Sedona has two distinct peak seasons — spring and fall — with a pronounced summer trough driven by monsoon heat. Four peak months (March, April, October, November) generate approximately 37% of annual gross revenue.



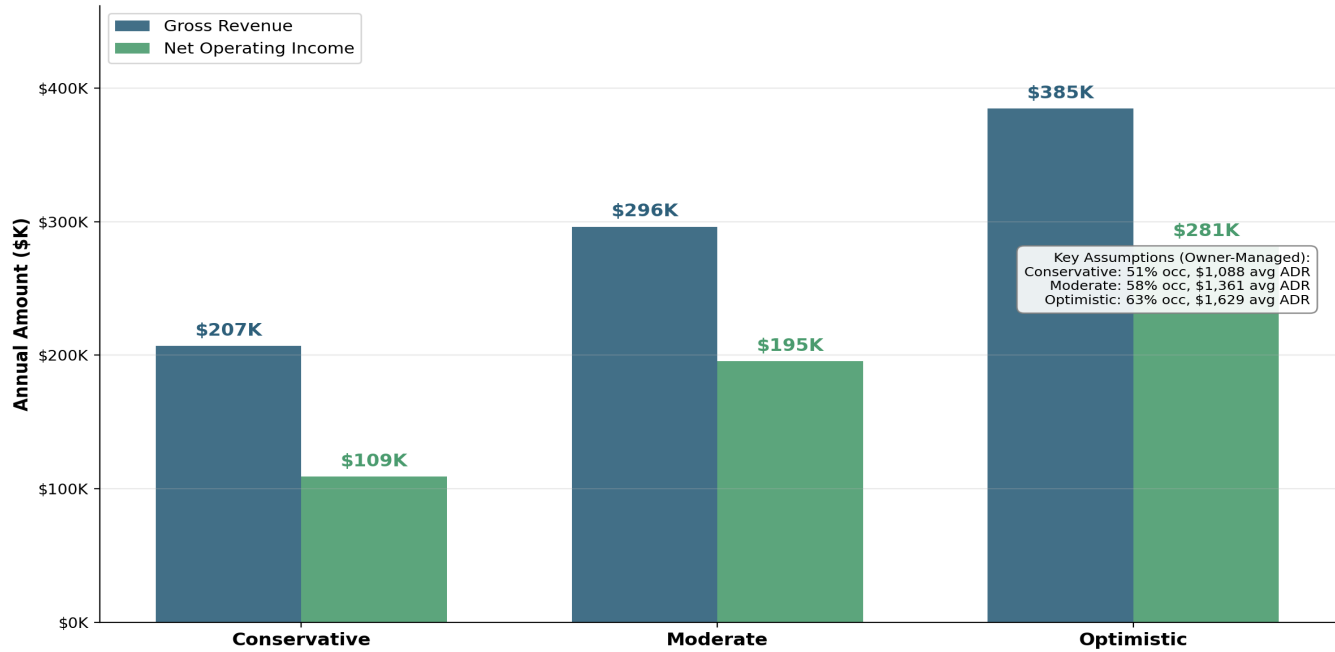
Season	Months	Projected ADR	Occupancy	Monthly Rev
Peak Spring	Mar–Apr	\$1,725/night	67–72%	\$35K–\$39K
Shoulder Spring	May	\$1,438/night	63%	\$28K
Fall Peak	Oct–Nov	\$1,553–\$1,610	62–68%	\$29K–\$35K
Shoulder	Feb, Jun, Sep, Dec	\$1,150–\$1,438	50–58%	\$17K–\$25K
Low Season	Jan, Jul, Aug	\$978–\$1,150	45–50%	\$14K–\$15K

## Key Pricing Dynamics

- Weekend rates (Fri/Sat) average 58% above weekday rates
- Average booking lead time is 57 days; October bookings come 75 days in advance
- Average length of stay is 4 nights; January guests stay longest at 4.5 nights
- Pool heating fees (\$75–\$200/night) are market-standard and additive to base rates

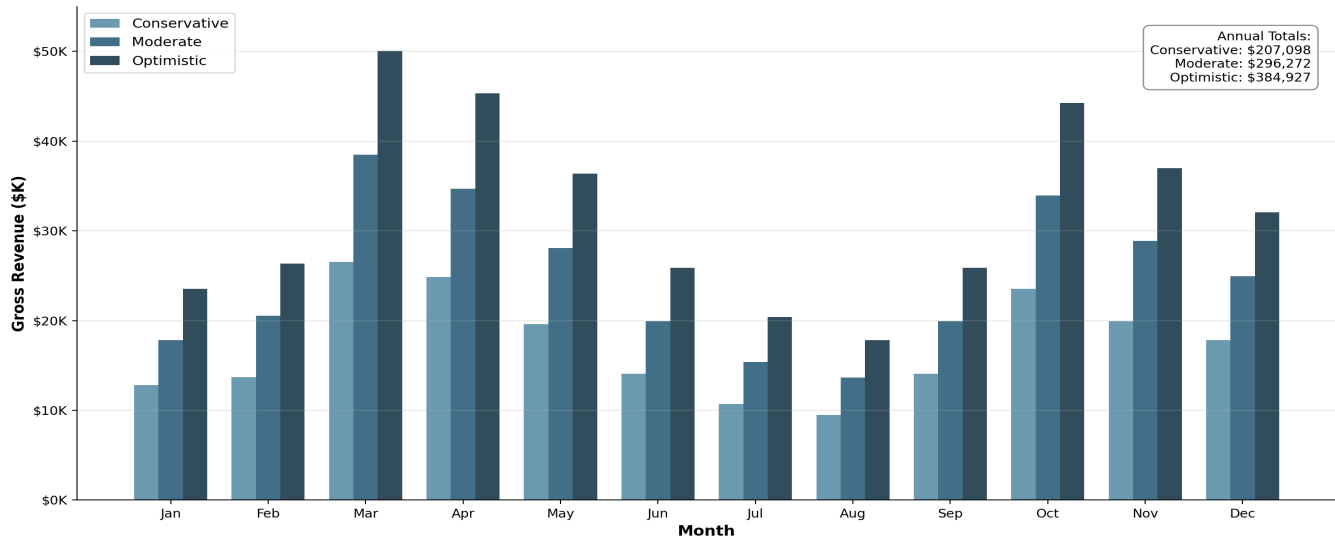
# Financial Projections

10 Thunder Road — Annual Income Projection Summary (Owner-Managed)

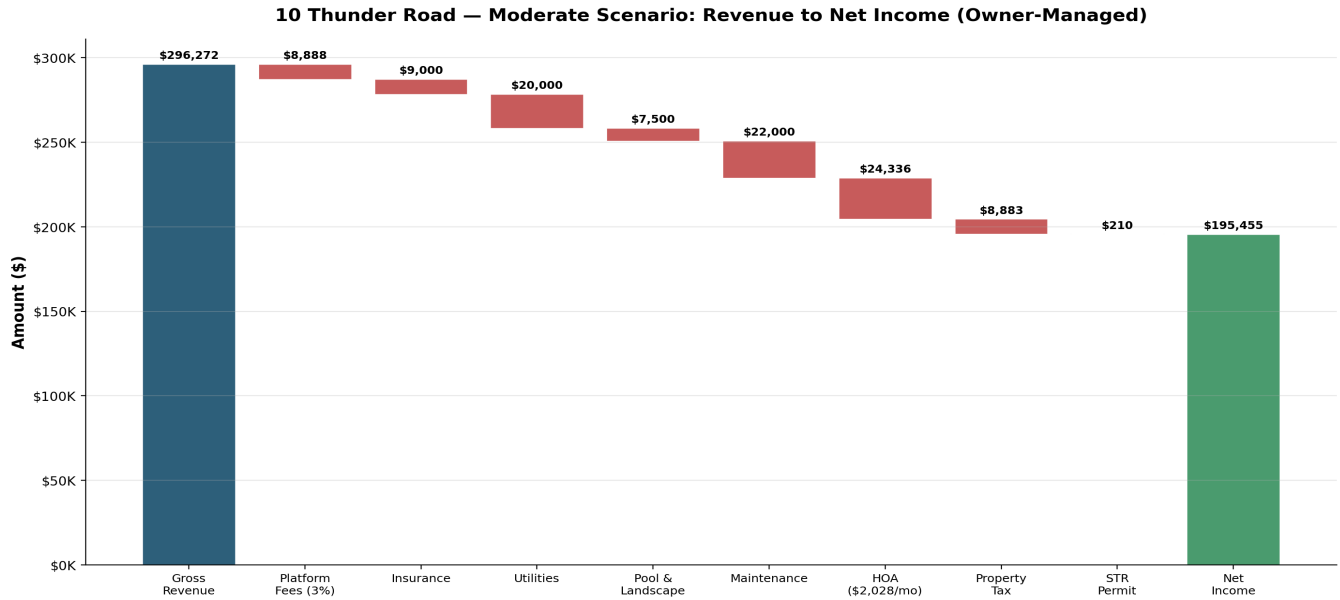


## Monthly Revenue Projections

10 Thunder Road — Projected Monthly Gross Revenue by Scenario



## Moderate Scenario — Detailed P&L (Owner-Managed)



Line Item	Annual Amount	Notes
Gross Revenue	\$296,272	58% occupancy, \$1,361 avg ADR
Platform Fees (~3%)	(\$8,888)	Airbnb/VRBO booking fees
Insurance	(\$9,000)	\$500K min liability required
Utilities	(\$20,000)	21kW solar offsets \$5K–\$10K+
Pool & Landscape	(\$7,500)	Service + Sedona maintenance
Maintenance & Repairs	(\$22,000)	High-turnover STR wear
HOA (\$2,028/mo)	(\$24,336)	Covers exterior, roof, golf
Property Tax	(\$8,883)	Yavapai County (2025)
STR Permit	(\$210)	Annual City of Sedona
<b>Total Expenses</b>	<b>(\$100,817)</b>	
<b>Net Operating Income</b>	<b>\$195,455</b>	<b>Before debt service and tax</b>

## All Scenarios — Net Operating Income

Scenario	Gross Revenue	Total Expenses	NOI	Cap Rate
Conservative	\$207,098	(\$98,142)	\$108,956	3.1%
Moderate	\$296,272	(\$100,817)	\$195,455	5.6%
Optimistic	\$384,927	(\$103,477)	\$281,450	8.1%

## Revenue Upside Not Included in Projections

- Pool/spa heating fees: \$75–\$200/night charged to guests; could add \$8K–\$15K/year
- Cleaning fees: \$500–\$700/stay; ~45 turnovers/year = \$22K–\$31K pass-through revenue
- Solar offset: 21kW system could reduce utility estimate by \$5K–\$10K+ annually
- Direct bookings: Eliminates 3–15.5% platform fee, adding \$9K–\$46K/year
- Dynamic pricing: Tools like PriceLabs consistently outperform static pricing

# Regulatory Requirements

Requirement	Detail
STR Permit	\$210/year per unit; displayed in all ads
TPT License	AZ Dept of Revenue; ~\$12 one-time
Liability Insurance	Minimum \$500,000 coverage
Emergency Contact	Available 24/7 within 60 minutes
Neighbor Notification	Adjacent and diagonal neighbors
Guest Screening	Sex offender background check required
Safety Equipment	Smoke/CO detectors, fire extinguisher per level
No Events	Weddings, retreats, workshops prohibited
Quiet Hours	10 PM – 9 AM
Lodging Tax	13.325% total (collected from guests)

Canyon Mesa HOA does not impose a blanket STR ban — the property is explicitly marketed as STR-friendly. Arizona state law (SB 1350) prevents Sedona from banning STRs outright.<sup>1</sup>

# Market Risks and Considerations

## Favorable Factors

- Sedona is the #1 STR market in the U.S. by revenue per listing
- Supply within city limits flat since 2018; revenue growing 11.8% YoY
- Luxury segment (top 10%) dramatically outperforms market average
- Canyon Mesa's golf, pickleball, and gated community create differentiated appeal
- 21kW solar system reduces operating costs meaningfully

## Risk Factors

- HOA cost: \$24,336/year fixed regardless of occupancy

- Seasonality: August occupancy below 40% market-wide; summer trough is unavoidable
- Regulatory risk: Sedona's mayor has discussed STR caps; state law currently prevents this
- Location: Village of Oak Creek is 8 miles south of Uptown; Chapel/West Sedona may carry a location premium
- Competition: Sedona has ~3,000 hotel rooms; new luxury hotels could compete for high-end guests
- Pricing dependency: Achieving projections requires dynamic pricing tools and consistent guest service

1. City of Sedona STR Portal — [sedonaaz.gov](http://sedonaaz.gov)

## Sources and Methodology

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Projections are built on data from six STR analytics platforms covering 2024–2026, cross-referenced against actual comparable listing rates and top-performer revenue data. All scenarios assume owner-managed operations (no third-party management fee) and reflect a 15% premium over baseline market data, consistent with the property's luxury positioning and Canyon Mesa amenity package.

AirROI Sedona 2026 — Individual property revenue, performance tiers, national ranking

<https://www.airroi.com/airbnb-data/united-states/arizona/sedona>

StaySTRA Sedona — Monthly time series (2021–2026), occupancy/ADR trends

<https://staystra.com/location/arizona/sedona/>

Rabbu Sedona — Bedroom-level breakdowns, listing counts

<https://rabbu.com/airbnb-data/sedona-az>

Revedy STR Market Report — Investment yields, amenity revenue premiums

<https://revedy.com/wp-content/uploads/2025/02/STR-Market-Report-Sedona-AZ.pdf>

AirDNA Sedona — Platform-level analytics, Investability score

<https://www.airdna.co/vacation-rental-data/app/us/arizona/sedona/overview>

City of Sedona STR Portal — Regulatory requirements, permit data

<https://www.sedonaaz.gov/your-government/departments/short-term-rentals>

KAYAK Sedona Rentals — Weekend/weekday rate differentials

<https://www.kayak.com/Sedona-Vacation-Rentals.28528.rental.ksp>

Arizona Office of Tourism — Lodging tax rates

<https://tourism.az.gov/wp-content/uploads/2025/01/BedTaxRatesAtoZJanuary2025.pdf>



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