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## Turn your home into a money-making rental property

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*8 steps to take before listing on sites like Airbnb.*

Looking to make some extra cash by renting out your home for a weekend, week, month or season?

Short-term listing sites like [Airbnb](#)<sup>®</sup>, [HomeAway](#)<sup>®</sup> and [VRBO](#)<sup>®</sup> — which provide pricing suggestions, promotion and online reservations — can help you turn your place into a money-making property. But whether you're renting for two nights to tourists or for six months to someone who's relocating for work, you need to first prepare for potential damage, extra costs and other considerations (like where to put your own belongings).

Greet guests with confidence by following these 8 steps:

1. **Select the right listing site:** The cost to connect with potential renters varies per listing site — and there are many [options](#) to choose from. A few of the most popular sites charge the following:

You can list for free on [Airbnb](#), and you'll pay three percent of each accepted reservation. (Guests pay six to 12 percent of the booking fee.)

[Home Away](#) and its sister site [VBRO](#) charge an [annual fee](#) or, alternatively, take 10 percent of each booking.

2. **Check local laws:** Cities, counties and other municipalities may have special short-term rental

restrictions — and, in some cases, renting your home out for brief periods may be illegal. If you're a renter yourself, check your lease, condo rules or bylaws, and your local municipal or administrative code before listing your place. (Search for your area's regulations on [State & Local Government on the Net](#) and [Municode](#).) Never try to rent your apartment without getting your landlord's approval in writing or you could risk getting evicted.

3. **Mitigate risk:** Having strangers in your house certainly can pose a risk. Short-term listing sites generally afford some level of protection and security measures — Airbnb, for example, provides a [four-stage screening process](#) that verifies potential renters' IDs and provides links to their profile, social media platforms and reviews of their stays.

However, [Nolo](#)<sup>®</sup> [cautions renters to pre-screen guests](#) themselves, as well as have guests sign a rental agreement and provide a security deposit. Consult with a legal professional to prepare your rental agreement. Also, be sure to include the terms of the agreement in your listing.

4. **Ensure you're insured:** Call your insurance agent to review your current coverage. If you're renting your place out regularly, it may be perceived as a business activity — which, according to the [Insurance Information Institute \(III\)](#), is not covered by most homeowner's policies. You may need to purchase a separate business policy or, if you're renting your home for six months to a year, get a landlord's policy, which III estimates will cost about 25 percent more than a homeowner's policy. If you're a renter and have your landlord's permission in writing to do short-term hosting consider obtaining renters' insurance with plenty of liability coverage.
5. **Cater to your guests:** A good host is expected to provide a host of comforts, such as clean towels and linens, a microwave, a TV and more. But you'll also want to think specifically about the kinds of guests you want to attract, and stage your place accordingly, says [Airdnacom](#). For example, if you want to rent to business people (who comprise 40 percent of Airbnb's bookings), think about their needs and how you could fulfill them (like investing in Wi-Fi, a printer and a desk). This extra step may get you repeat bookings and great reviews.
6. **Shoot to thrill:** Real estate site [Curbed](#) recommends getting professional photos taken to make your listing as appealing as possible. While photographer fees can vary, you can DIY with your own camera or smart phone with help from AOL Real Estate's <sup>®</sup>[Advice from America's 'Top Real Estate Photographer'](#). Also, note that [Airbnb will match hosts with a free photographer in many cities](#).
7. **Prepare, prepare, prepare:** You'll need to clean your place in between visitors, and if you can't do it yourself, expect to pay \$25 to \$35 an hour on average, according to [Angie's List](#)<sup>®</sup>. Stash your valuables, important papers and breakables in a room or a part of your basement that can be locked. Additionally, leave detailed instructions for operating any onsite systems, as well as a list of emergency contacts. You can rent storage space, if necessary, for artwork and other large items, as well as arrange for a P.O. Box for your mail.
8. **Plan to pay taxes:** If you rent your residence out for fewer than 15 days a year, the [IRS](#) doesn't require you to pay taxes on the rental income. If more, you'll need to report the rental income. You may be able to deduct some related expenses — such as cleaning and maintenance and listing site service fees. For deduction details, view the IRS' [Dividing Expenses](#)

Looking for more tips on safely (and profitably) renting your home on a listing site? Check out pointers from [Airbnb](#).

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