



Cash from your home



We rate four ways to make money from your home during the recession

Using your home to make more money sounds tempting at any time – especially so during a recession. But some ways of earning money from your home are easier than others, so we set out to investigate the pitfalls and the benefits.

We asked 1,563 members about making their home earn its keep. While only a small fraction of you (4%) have done this, the overwhelming majority of those who have (79%) would recommend it. Most comments were positive, with the most popular option being renting out a room, followed by running a bed and breakfast (B&B).

But members cautioned that you need to understand regulations, consider tax implications and lay contingency plans before taking the plunge.

For example, if you earn less than £4,250 per year through renting out a room in your home, that will be tax free under the Rent a Room scheme. But if you run your own B&B, you'll have to pay business rates. Check the website www.hmrc.gov.uk for advice.

House swapping

Graham and Joyce Young from Buckinghamshire, both 60, have been house swapping since the late 1980s, staying in desirable properties in the Americas and Australasia for weeks at a time. They have often had the use of the homeowners' car, too.

Not only have they avoided hotel bills, but they have saved 'a huge amount' on food by not eating out all the time.

They report the extra costs as minimal – extending their car insurance for £30-40 if visitors want to use their car, repairing a glass door in the US and the £60 annual membership of the home-exchange website they use. A visitor did smash a wing mirror off the Youngs' car, but left more than enough cash to cover the repair.

Graham stresses: 'You've got to be comfortable with the people who are coming. You need to build up a kind of



penfriendship with them beforehand – that takes a few months.' And although they have never had arrangements fall through, 'it's in the back of your mind'.

The greatest benefit, says Graham, is that you can 'become a bit of a local'.

INSIDERS' TIP House swapping may help with that common requirement of home insurance policies – to not leave your property unoccupied for more than 30 days – but you will not be covered for ordinary theft by your visitors, as you have invited them into your home.

IN BRIEF

Pros You can holiday in desirable locations for the cost of an airfare.

Cons You have no claim to compensation if things go wrong.

How much saved £6,600 (approximate cost of hiring a four-bedroom house in the Florida Keys for a month in January 2010 with car hire).

Suitable for Independently minded travellers who own a desirable property.

How do I do it? Thoroughly research house swapping websites and read our advice guide at www.which.co.uk/houseswap.

Running a B&B

Inspired by memories of helping her grandmother run a B&B in the 1950s, Yoland Brown and her husband Roger, both 68, turned their Shropshire home into a B&B in 1979.

Yoland says that one thing has remained the same: 'You have to offer something better than people's homes.'

You can typically earn £23 to £32 per person per night from guests. However, the payback period on your initial investment can be lengthy.

Costly alterations are now a major part of running a B&B: 'You could be talking about upwards of £20,000 before you've opened', says Yoland. The regulatory burden includes checking with your local planning office and complying with hotel-level fire regulations.

INSIDERS' TIP Online booking takes a lot of the fuss away, but be aware that some affiliate booking sites take much more commission than others.



IN BRIEF

Pros The interaction with guests, the freedom to take a holiday by putting up the 'no vacancies' sign.

Cons The start-up cost and regulations.

How much earned £23 to £32 per person per night.

Suitable for Sociable people with spare rooms and the ability to work from home.

How do I do it? Research tax and regulations. Get advice from your local tourism association and visit www.businesslink.gov.uk.

Rent a room to foreign students

Alison Hood, 41, and her husband Adrian, 40, started renting out their spare room in outer London to continental school students four years ago. The 17-18-year-olds stay for a week to attend an academy.

Alison has around six stays a year. The students 'get up, have breakfast and go', which suits Alison's lifestyle. She also provides an evening meal and has found ground rules helpful: 'I say when we have dinner and they either come or they don't.'

Although academy staff are on call at any hour, Alison says: 'You are responsible to some extent. One girl had tonsillitis; I had to find a late-night pharmacy.'

You can typically earn £140 a week per student for full board. There are no upfront costs, so you can earn from day one.

INSIDERS' TIP Language schools are a larger market, but classes tend to last for only half a day. Students may wish to return to your home during the other half.



IN BRIEF

Pros No adjustments to your home and few adjustments to your home life; bookings often made well in advance.

Cons Income is not huge, you may be *in loco parentis*.

How much earned £140 a week per student for full board; Alison's spare room can take two students.

Suitable for Those who want their home empty of guests during the day.

How do I do it? Get in touch with local educational institutions as a first step.

Using your home for photo shoots

Sarah King, 43, and Amit Lenon, 41, live with their four-year-old son Noah in a London warehouse flat. The flat is ideal as a photo shoot location. Sarah says: 'The other week they turned the living room into a bedroom with two false walls.'

The couple get bookings through an agency, which takes 20% of the fee but gets them a steady flow of bookings. They have about eight shoots per year.

You can earn £400 to £900 a day, but the property needs to

look a certain way, so you may need to redecorate.

Sarah says: 'It's well worth it: we've had no horror stories, only the odd scratch on the floor.'

INSIDERS' TIP If using an agency, remember that there can be a significant lag between the shoot and the agency passing payment on to you.



IN BRIEF

Pros Can be a lucrative and long-term option if you have the right kind of property.

Cons Need to vacate your property at short notice.

How much earned £400-550 per day for magazine shoots; £700-900 per day for adverts.

Suitable for Those with the right property and lifestyle.

How do I do it? Contact photo location agencies and choose one that seems to be most closely aligned with your needs and property.