



## **A BEGINNER'S GUIDE TO AIRBNB HOSTING**

A growing number of people are using their home or rental accommodation as a means to earn extra income. Websites such as Airbnb, Gumtree and HomeAway provide a forum for people to make space available for temporary accommodation. If you're thinking about renting your spare space you should consider the following:

### **1. Get permission**

Yes, you may need to get permission. For example, if you're planning on listing your spare bedroom in your rental apartment, you need to check your lease and get permission from your landlord.

If you're an owner, you should consider contacting your local council.

If you own or rent a Strata unit you should contact the body corporate to ensure you are not breaching any Strata by-laws and also to ensure you're not breaching any local government laws, rules or regulations.

It's easy to spot listings online and if you haven't got the proper permission you may have to face the consequences of being in breach of your lease, being liable for a fine or possibly even both.

### **2. Get proper insurance, security deposits and lock up your valuables**

If you own your home or you are renting, your insurance may not cover damage that results from short term renting – contact your insurer to discuss what protection might best suit your situation.

Obtaining a security deposit from your guests to cover damage or theft is strongly recommended and make sure any valuables are removed or securely stored.

### **3. Consider tax implications and keep records of expenses**

Extra income means extra tax liability but also extra tax deductions.

Any money received from guests must be declared as taxable rental income.

Expenses directly associated with the rental space (e.g. the host room) are tax deductible. For example, repairs carried out, cleaning products and professional photography for the listing are tax deductible. Further, a portion of operating expenses e.g. electricity, internet



and water usage will be tax deductible, depending on the floor space of the host room and the period in which the host room is rented.

Lastly, Capital Gains Tax (CGT) is payable when you sell an investment property but not when you sell your family home. However, if you rent out your family home (or part of it) the ATO will view your family home differently and when you sell it, you may face a tax bill for CGT.

Contact your accountant for tax advice specific to your situation.

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