



Thinking About Renting a Room to Travelers? Here's What You Need to Know, Money Magazine, ft. Tad A. Devlin

Tad A. Devlin, partner at Kaufman Dolowich & Voluck LLP in San Francisco, was quoted in an article written by Josh Garskof, in the Real Estate Rentals section in the July 21, 2015 issue of *Money Magazine*, on renting a room to out of state travelers and the possible consequences.

Of all the categories shaken up by the sharing economy, few are as transformed as lodging. For travelers, renting a room from a homeowner may be a more affordable way to go. On the flip side, offering your own home or apartment to vacationers can earn you cash. This could be easy money unless something goes wrong, in which case it can be a disaster. Homeowners need to protect themselves from legal and financial risks.

Depending on where you live, short-term rentals could violate municipal laws or homeowners association regulations. You might be required to pay an occupancy tax or get a special hotelier's license. (Consult a lawyer or visit town hall to check local rules.) If you rent for more than 14 days a year, you'll also need to report the income on your taxes.

But those aren't the big dangers. The worst-case scenario is that a guest burns down your home or gets injured there, in which case your standard homeowners policy may not cover the claim. "So that \$2,000 rental fee could turn into losing everything you've got," says San Francisco attorney Tad Devlin, himself an Airbnb host.