

Room for rent – the new money spinner?

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You know things are bad when talk with friends and family turns to renting out a spare room in order to help pay the mortgage. But with the mortgage market still slow and the cost of living continuing to rocket through the roof, this idea may become a necessary sacrifice for some of us.

Especially given today's figures from the Ministry of Justice warning that mortgage possession orders were 24 per cent higher in the second quarter compared to the same period last year.

Even if you're not warding off the debt collectors just yet, renting a room may not be a bad idea if you want to avoid such an eventuality by topping up your savings.

The rental market is booming – demand for rented accommodation has grown by a whopping 76 per cent year-on-year according to stats published today by estate agent Your Move.

Meanwhile, Abbey Mortgages calculates the average asking price at £289 a month, meaning homeowners with a spare room could raise £3,468 extra each year.

Added to the fact the government allows £4,250 in tax-free rental income a year, renting out a spare room begins to look like a nice little money spinner for not all that much effort.