



RENTING OUT A SPARE ROOM—often called "house hacking"—is a viable strategy in 2026 to offset mortgage costs, potentially covering a significant portion or even the entirety of your monthly payment.

## Key Benefits

**Reduced Housing Costs:** Renting a single room can generate between \$1,000 to \$2,500 per month for long-term stays, while short-term rentals via platforms like Airbnb can earn \$100 to \$300 per day depending on location.

**Tax Advantages:** You can often deduct a portion of your mortgage interest, property taxes, utilities, and repairs on your tax return. Consult IRS Publication 527 for specific rules on residential rental property.

**Equity Growth:** Rental income allows you to pay down your principal faster, building equity at a lower personal cost.

## Considerations and Risks

**Taxable Income:** Rental income is generally taxable. You must report it on IRS Schedule E if you rent for more than 14 days in a year.

**Lender Compliance:** Some mortgage terms require you to live in the home as your primary residence. While renting a room is usually allowed, breaching terms by renting out the entire property without permission could lead to loan acceleration.

**Loss of Privacy:** Renting a room means sharing common areas like the kitchen and laundry room.

**Maintenance & Liability:** Landlords are responsible for keeping the space habitable and fixing issues promptly.

## Steps to Start

**Check Local Laws:** Research municipal zoning laws and HOA rules to ensure room rentals are permitted in your area.

**Draft a Room Rental Agreement:** Create a legally binding contract that outlines rent, security deposits, and house rules.

**Vet Potential Tenants:** Conduct thorough background checks and verify references to ensure a safe and reliable living arrangement.

**Notify Your Insurance:** Inform your homeowners insurance provider, as you may need additional coverage for a "lodger" or tenant.

AI responses may include mistakes. For financial advice, consult a professional. Learn more

What qualifies as a deductible expense for a rented room?

Tell me more about the tax implications of renting out a room

I'd like to know more about legal issues with a room rental (ADU), or Accessory Dwelling Unit, is a secondary, smaller living space on the same property as a primary single-family home, often called a granny flat, in-law suite, or backyard cottage, offering independent living with a kitchen, bathroom, and separate entrance, used for family, guests, or rental income, and subject to local zoning laws. They can be attached, detached, or converted from existing structure.

By December 1, 2026, local governments in Florida, including Highlands County, [EVERY COUNTY, CITY] are expected to comply with new statewide mandates that require them to allow at least one ADU on any single-family residential lot. Once these updates are fully integrated: uses like garages, providing flexible housing and increasing property value.



**Accessory Dwelling Units (ADUs)** are independent, self-contained residential units (with kitchen, bath, and sleeping areas) located on the same property as a single-family home, often used to generate rental income, increase property value, or house family members. They can be detached (separate structure), attached, or converted spaces like garages or basements. Key benefits include creating affordable housing, adding property value, and flexibility in housing relatives or caregivers.

#### Key Considerations for ADU Rentals

**Types of ADUs:** Common types include detached "granny flats," converted garages, or attached units (e.g., above a garage or basement apartment).

**Regulations:** Zoning laws and local codes dictate size, style, and whether the owner must reside on the property.

**Rental Usage:** While ideal for long-term rental income, short-term rentals (e.g., Airbnb) may be restricted or illegal in certain areas (e.g., Orlando, FL, requires 180+ day leases in many areas).

**Cost and Value:** ADUs often have lower construction costs than new homes due to existing infrastructure. They are known to increase property value, often unnoticed until appraisal.

**Infrastructure:** ADUs typically share utilities with the main house.

**Florida Context:** Florida Statute 163.31771 encourages ADUs to increase affordable housing, with many cities (e.g., Tampa, Orlando) allowing them, though regulations vary by locality.

#### Benefits for Property Owners

**Rental Income:** Generates consistent income to help offset mortgages.

**Flexibility:** Can be used for on-site caregivers, adult children, or guests.

**Property Value:** Boosts overall property appraisal.

**Disclaimer:** Always consult local zoning, building departments, and tax professionals before constructing or renting an ADU to understand specific regulations, permit requirements, and tax impacts.

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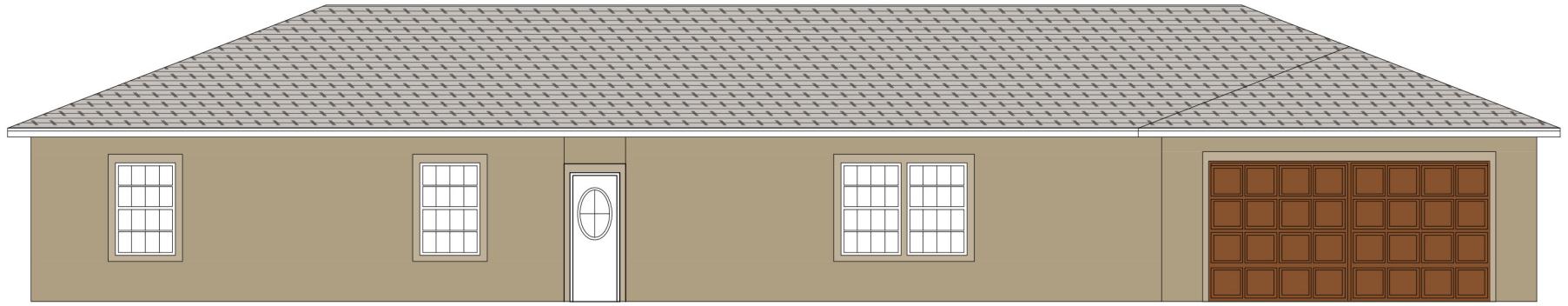


Front Elevation

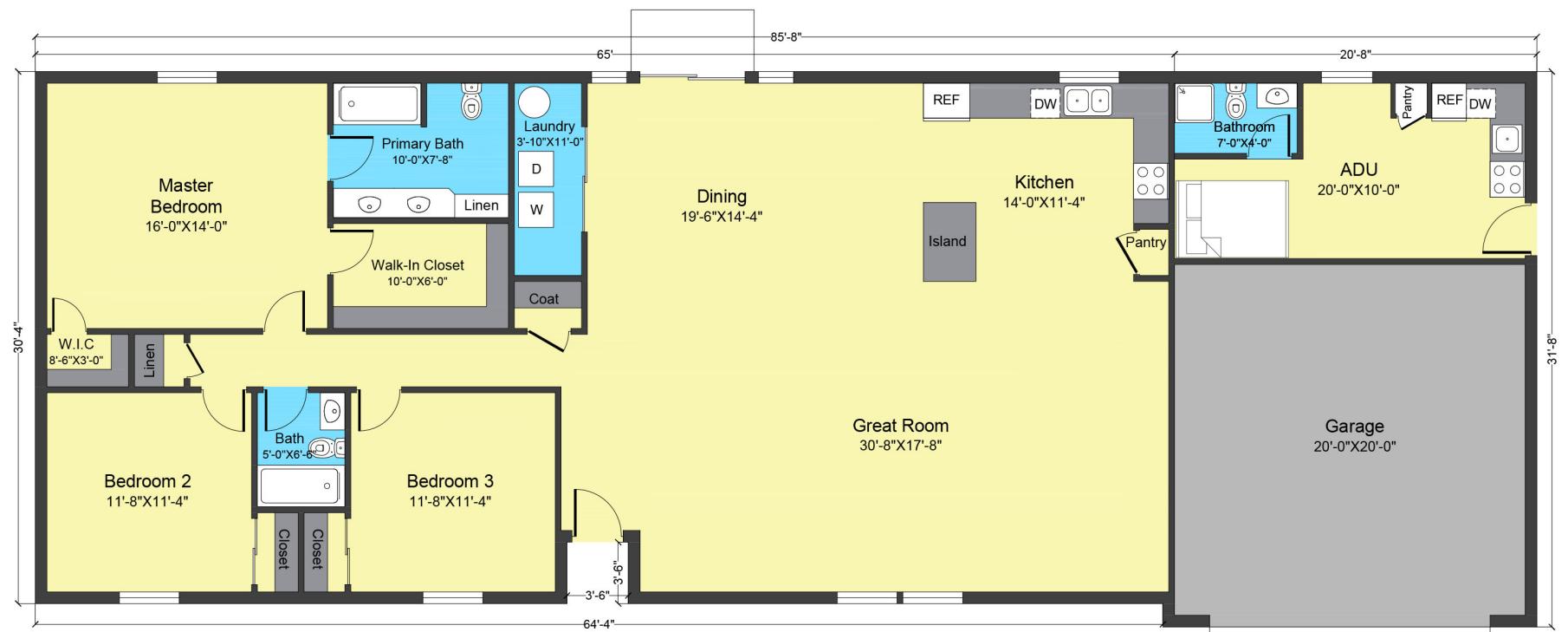


Floor Plan

Living Area	= 1213.0sqft
ADU	= 220.0sqft
Garage Area	= 436.5sqft
Total Area	= 1869.0sqft



Front Elevation



Floor Plan

Living Area	= 1971.0sqft
ADU	= 220.0sqft
Garage Area	= 436.5sqft
Total Area	= 2627.5sqft