

# INCOME BOOST BLUEPRINT

## RENTING OUT YOUR CAR

In the wake of the great recession, a new industry has popped up, an industry known as peer-to-peer sharing.

What is peer-to-peer sharing? If a person needs something, they can rent it from someone who already has it rather than going out and buying the item themselves. For example, people are renting out things like power tools, bicycles, storage space, and some are even renting out their backyards as campsites. Renting out your car is becoming especially lucrative.

Discover how you can make extra money in the peer-to-peer sharing industry by renting out your car.

### **GETTING STARTED**

To do something like this completely on your own would be quite difficult. You would have all of the challenges of starting a new business, such as filing a business name, getting the necessary

licensing in your area, setting up payment processing, getting the proper insurance, and more.

***The good news is that you don't have to do any of those things because there are a few companies that have already taken care of all of that.***

These companies put those who need to rent a car together with those who would like to rent out their vehicle. So you can make extra money without having to actually start a new business.

**These popular websites enable you to offer your car for rent:**

- ✓ RelayRides.com
- ✓ GetAround.com
- ✓ JustShareIt.com

**Use this process to get started:**

1. **Create an account at one or more of these car-sharing websites.** After you create your account, put in your car's details: the make, model, and year of the car along with its mileage.

- ✓ Upload a few photos of your vehicle.
  - ✓ Update your calendar to let potential renters know when your vehicle will be available.
2. **After you've set everything up, you'll start receiving requests.** The requests will be submitted to the website and the website will in turn pass the request along to you.
    - ✓ You'll also have the option to contact the renter if you have any questions.
  3. **Meet the renter.** When they come to pick up the keys, you can check their license and make a note about the current mileage and amount of fuel in the vehicle.
  4. **When your car is returned, inspect it to ensure everything is in good condition.**
    - ✓ *You can log onto the website and rate the renter so that other vehicle owners can have information about the people who may rent their vehicles.*

Then, your vehicle is ready to be rented to the next person.

## WHAT ARE THE RISKS?

You may have some concerns about renting your car to a total stranger. What if the person who rents your car gets into an accident? What if they smoke and the car smells like an ashtray? What if they leave food wrappers, greasy fingerprints, and potato chip crumbs all over the vehicle?

**Luckily, by going through one of the websites listed above, you are protected:**

1. **They prescreen the renters.** They must meet the eligibility criteria before they are allowed to rent vehicles.
  - ✓ All drivers must possess a current, valid driver's license.
  - ✓ They must be at least 21 years of age.
  - ✓ They must also have a driving history that doesn't show any major violations and no more than two minor violations in the last three years or one minor violation in the last year.
2. **These websites carry a \$1 million liability insurance policy.** You are protected against any claims from third

parties for injuries or property damage. ***Any physical damage to your car up to the cash value of your vehicle is also covered.***

- ✓ The insurance also includes comprehensive coverage that protects your vehicle from fire, theft, and vandalism.
- ✓ If someone leaves food and trash all over your car or stinks it up with cigarette smoke or pet hair, contact the company within 24 hours of receiving your vehicle back and the renter will be charged a fee to have your car cleaned and detailed.

## HOW MUCH MONEY CAN I MAKE?

The amount of money you can make by renting your vehicle out through these websites varies according to a number of different factors.

### Consider these points:

1. **You get to set the rates.** You can set them by the hour, day, or week. But if you want your vehicle to be rented, ***your rates will have to be in line with those of similar vehicles.***

- ✓ The amount you can expect to receive will depend on the age, make, and model of your vehicle. For example, a 2007 Toyota Tercel won't command as much money as a 2014 Tesla Roadster.
  - ✓ Generally speaking, you may be able to get anywhere from \$10 to \$50 per hour for your vehicle, depending on these factors.
2. **Rent out your car as often as you can.** Your income will also depend on how often you make your vehicle available to rent.
  3. **Your portion of the rental income varies with the website.** The amount of money you make will also depend on which website you sign up with.
    - ✓ For example, GetAround.com takes a 40% commission to cover their costs and provide them with a profit, leaving you 60% of the gross revenue.
    - ✓ RelayRides.com keeps just 25% and gives you 75% of the rental price.

## SCALING THINGS UP

**If you wanted to kick things up a notch and earn even more money, there are a couple of ways to do it:**

1. **Make your car available more often.** You may have to ride a bike or invest in some other mode of transportation so that you can get around when your personal vehicle is rented out.
2. **Acquire additional vehicles to make available for rent.** One RelayRides.com user expects to make about \$40,000 per year because he has three vehicles that he rents out.

It may seem a little odd to hand the keys of your car to a total stranger. But with the prescreening that these companies do and the \$1 million insurance policy protecting you and your vehicle, there's not much to worry about.

***This is a pretty easy way to put some extra money in your pocket.*** Even if you just make an extra \$400 or \$500 per month, you'll make that money without doing very much work because the peer-to-peer rental companies take care of most of the heavy lifting for you.

So if you have a vehicle sitting in your driveway, you might want to consider putting it to work, earning you some extra cash.