

A GENERAL GUIDE TO

USING YOUR RESIDENTIAL PROPERTY FOR PAYING GUESTS

IN THE QUEENSTOWN LAKES DISTRICT // AUGUST 2017

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See also the resource consent guide for visitor accommodation in high and low density residential zones [here](#)

WHY DOES QLDC REGULATE THE USE OF YOUR PROPERTY FOR PAYING GUESTS?

The Queenstown Lakes District is renowned for delivering a very high quality experience to those who visit here. Tourism is an integral part of our local economy and it is important that we have high accommodation standards to ensure we maintain our international reputation.

Short term guests have been shown to create more pressure on our district's infrastructure and as such owners of residential properties that are used by paying guests are required to pay additional rates. These are used as a means for QLDC to help fund maintenance and improvements to things like roads, waste disposal and recreational facilities.

To ensure people are paying their fair share we need to know when properties are being used as accommodation so any effects can be proactively managed in the right way.

We also need to make sure that public health and safety standards are met so that guests and residents alike are kept safe and well.

WHAT ARE THE OPTIONS FOR USING MY RESIDENTIAL PROPERTY FOR PAYING GUESTS?

You must obtain a resource consent **unless** one of these exclusions applies:

- a. You only intend to let your property for one or two nights in a rating year
- b. You have **Registered** as a Homestay
- c. You have **Registered** as a Holiday Home

Note: Renting your property on a long-term basis (each let of more than 3 months) is considered a residential activity under the District Plan. Please consult the Residential Tenancies Act through Tenancy Services or visit www.tenancy.govt.nz.

IS MY PROPERTY A HOMESTAY OR A HOLIDAY HOME?

REGISTERED HOMESTAY

A Homestay is a residential activity where you host up to a maximum of five paying guests in your home whilst you live there. A **Registered Homestay** will be subject to a rates increase of 25–35% (contact the Rates department for more information). There is no limit on the number of paid visitor nights for a Homestay.

Note: If you have more than five guests you will require resource consent for visitor accommodation. Properties are subject to accommodation rating, development contribution requirements, and require a review under the Building Act.

REGISTERED HOLIDAY HOME

Means a stand-alone or duplex residential unit registered with QLDC as a **Registered Holiday Home** (minimum stay of 3 nights; for up to 90 nights per year). A Registered Holiday Home is subject to a rates increase of 25–35% (contact the Rates department for more information).

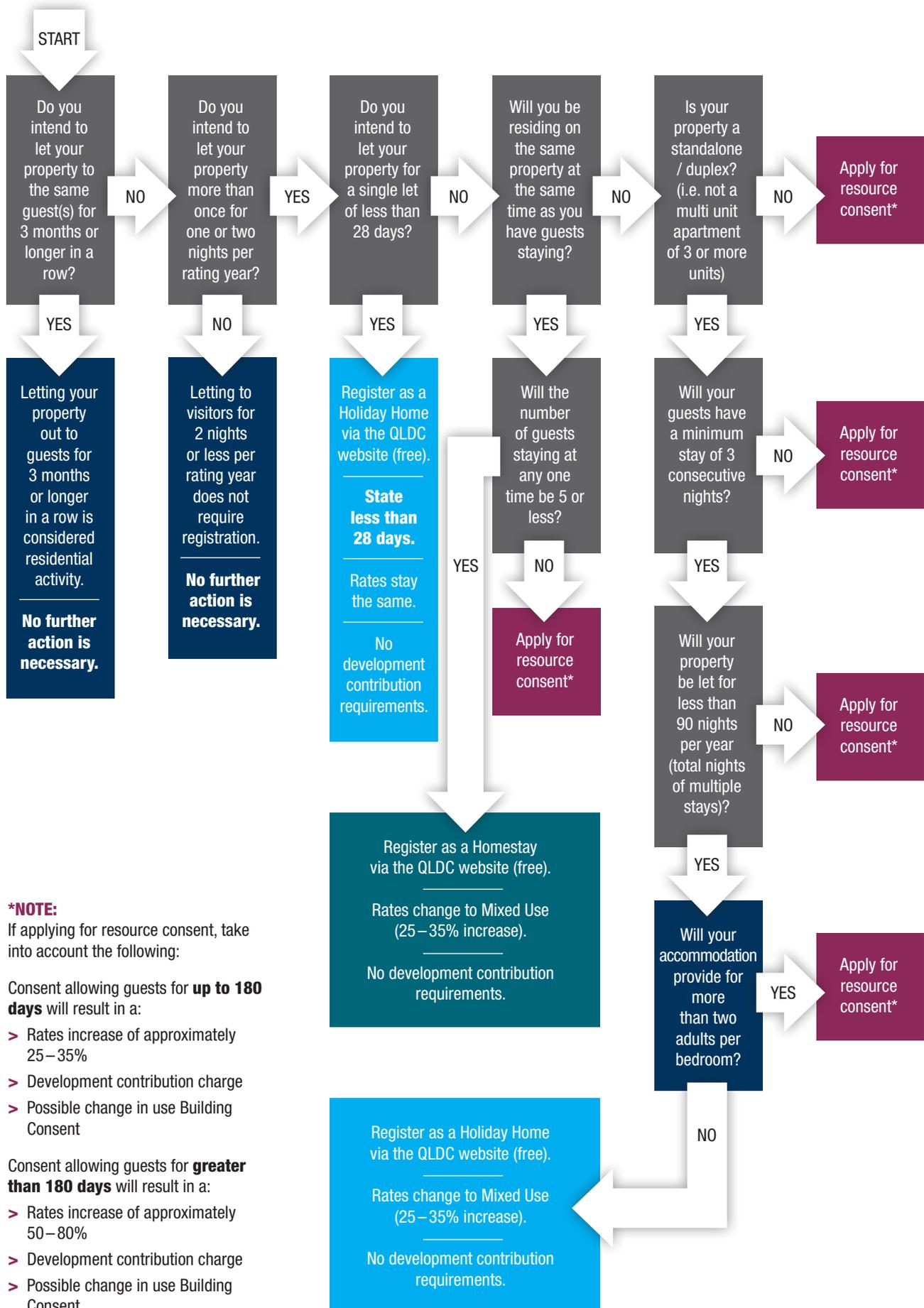
For the purpose of this definition (taken from the District Plan):

- 1) A stand-alone residential unit means a residential unit contained wholly within a site and not connected to any other building;
- 2) A duplex residential unit means a residential unit which is attached to another provided the total number of buildings connected does not exceed two.
- 3) Where the residential unit contains a residential flat, the registration as a Registered Holiday Home shall apply to either the letting of the residential unit or the residential flat, but **not** to both. If both are to be let to fee paying visitors, a resource consent for visitor accommodation is necessary.

Note: A resource consent is required if the minimum stay is less than 3 nights.

Registered: the registration process must be completed via the QLDC website [here](#) and is free of charge.

WHAT TYPE OF ACCOMMODATION AM I PROVIDING?



***NOTE:**

If applying for resource consent, take into account the following:

Consent allowing guests for **up to 180 days** will result in a:

- > Rates increase of approximately 25–35%
- > Development contribution charge
- > Possible change in use Building Consent

Consent allowing guests for **greater than 180 days** will result in a:

- > Rates increase of approximately 50–80%
- > Development contribution charge
- > Possible change in use Building Consent

THE FOUR ACCOMMODATION TYPES; ADVANTAGES / DISADVANTAGES AND ASSOCIATED COSTS

There are four options for letting your property out to short term paying guests. What you are required to do and what you are required to pay depends on your circumstances. These are detailed below: **(note that any associated costs appear in bold and colour)**

Four alternatives for your property:	Requirements	Advantages	Disadvantages
1. No Registration or Resource Consent			
One let of only one or two nights per rating year (1 Jul – 30 Jun)	No action; you are free to do this and the Council doesn't get involved.	<ul style="list-style-type: none"> No action required 	<ul style="list-style-type: none"> None
2. Registered Homestay			
Register as a Homestay	<ul style="list-style-type: none"> You (or your long term tenant) must live and be present at the residence while the residence is let. You may have no more than 5 guests at any one time. You will be monitored on your standards to ensure they meet the legal requirements. At least one on-site car park must be available for guest use at all times. 	<ul style="list-style-type: none"> No fees to register Easy form to complete via QLDC website There are no restrictions around the number of days you let for Free advertising on local tourism websites No development contribution payments 	<ul style="list-style-type: none"> Your rates will increase by 25–35% (contact the Rates Department for an estimate)
Register as Homestay but you limit your letting to one let of no more than 28 days	Same as above	<ul style="list-style-type: none"> Same as above but no rates increase No fees to pay to register 	<ul style="list-style-type: none"> None

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Four alternatives for your property:	Requirements	Advantages	Disadvantages
3. Registered Holiday Home			
Register as a Holiday Home	<ul style="list-style-type: none"> You are NOT present at the residence (or on the same land as the residence) Your house must be a stand-alone or duplex house only (multi-unit houses must apply for resource consent under item 4) Each let must have a minimum stay of 3 consecutive nights Your individual lets added together can't be over 90 days in the rating year (1 Jul – 30 Jun) You can register only one unit - i.e. if you have a self-contained flat on your property you cannot register this as well You cannot exceed more than two adults per room You will be monitored on your standards to ensure they meet the legal requirements At least one on-site car park must be available for guest use at all times. 	<ul style="list-style-type: none"> No fees to register Easy form to complete via QLDC website Free advertising on local tourism websites No development contribution payments 	<ul style="list-style-type: none"> Your rates will increase by 25–35% (contact the Rates Department for an estimate)
Register as Holiday Home but you limit your letting to one let of no more than 28 days	<ul style="list-style-type: none"> Same as above 	<ul style="list-style-type: none"> Same as above but no rates increase No fees to pay to register 	<ul style="list-style-type: none"> None
4. Resource Consent			
Apply for a Visitor Accommodation Resource Consent	<ul style="list-style-type: none"> Resource consent covers all other types of visitor accommodation, such as the size, scale, any number of people and any number of stays. Refer to the resource consent visitor accommodation guide here Notify the Building Department that you have changed the use of the property 	<ul style="list-style-type: none"> You can propose your own management terms and may not need to keep within the requirements for a registered holiday home or registered homestay mentioned above e.g. minimum stay of less than 3 nights, more than 5 guests etc. Free advertising on local tourism websites 	<ul style="list-style-type: none"> Rates increase of 25–35% for up to 180 days and 50–80% for more than 180 days. Contact the Rates department for an estimate. Development Contribution Charge. Contact the DCN team for an estimate. Resource Consent is required. Contact the Duty Planner for more information. Building Consent is likely to be required for a change in use. Contact the building department for more information.

HOW DO I REGISTER?

The registration process must be completed* via the QLDC website [here](#) and is free of charge.

Registration of a Registered Holiday Home or a Registered Homestay will lapse when:

- a) The landowner notifies QLDC in writing that they wish to surrender the registration; or
- b) There has been a failure to comply with the Standards.

Any registration which lapses may only be reinstated by submitting a new application.

**Another person or body may apply on a landowner's behalf for registration in which case that person or body is responsible for ensuring compliance with all requirements. However, the landowner also remains responsible at all times for ensuring compliance by the agent.*

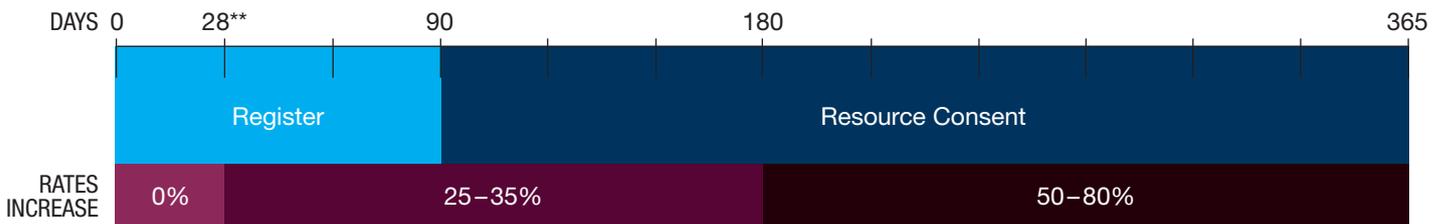
HOW ARE RATES AFFECTED?

Rates increases are impacted by various factors such as property location and type, the fixed

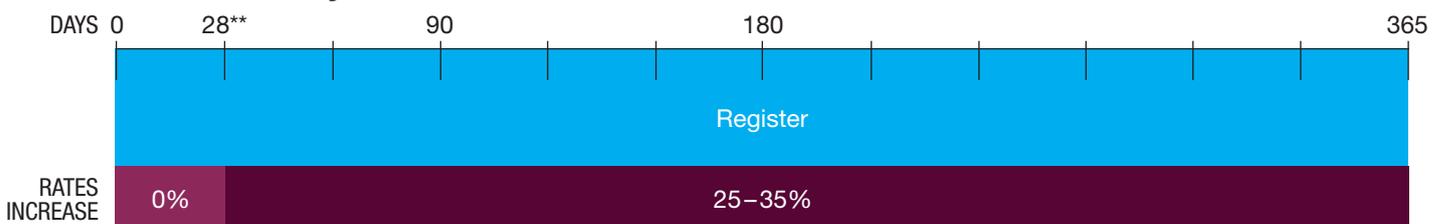
charges and capital value rates, as well as the inclusion of the tourism promotion rate. The tables below

illustrate the rates increases for a change from the Residential rating category.

Holiday Home



Homestay



* Note that the rating year runs from 1 July to 30 June

** A single let of up to 28 days per rating year does not result in an increase in rates

- Mixed Use rating category
- Accommodation rating category

WHAT HAPPENS IF I NEED RESOURCE CONSENT?

Resource consent is required when you exceed the requirements for registration. The resource consent covers matters such as the size, scale, number of people and any number of stays.

Contact our Duty Planner (034410499 Queenstown / 034430024 Wanaka) for more information and refer to the resource consent visitor accommodation guide [here](#).

HOW MUCH ARE THE DEVELOPMENT CONTRIBUTIONS?

Properties that require resource consent for Visitor Accommodation will be assessed for development contributions based on additional demand on QLDC infrastructure. The Development Contribution

Policy assumes that visitors typically have more free time to use recreation reserves and the roading network than working residents, so a development contribution may be required as part of the

resource consent process. The level of development contribution is impacted by the location and the size of the visitor accommodation unit. Please contact QLDC Development Officers for an estimate by completing this [form](#).

DO I NEED BUILDING CONSENT?

A change from either a single dwelling or single household to either a multi-unit household, or transient accommodation*, will likely result in a 'Change of Use' under the Building Regulations.

You will need to discuss a 'Change of Use' with the building department, as a Building Consent for the change will likely be required.

Contact the Duty Building Officer for more information.

* Transient Accommodation would be a homestay, boarding house or B&B, **when paying guests exceed 5 in number.**

ARE THERE PROPERTIES THAT CANNOT APPLY FOR REGISTRATION?

YES, the following properties do not qualify for registration and require a resource consent:

- 1** Multi-unit properties (i.e. an apartment-type building that contains three or more residential units) are not eligible for registration as a holiday home. If owners wish to use these types of properties as a holiday home, then a resource consent is required. You are likely to need written approval from adjoining neighbours as a minimum to accompany your resource consent application.
- 2** If both a residential unit and a residential flat are to be let to paying guests, a resource consent for visitor accommodation is necessary.
- 3** If outdoor space is to be let to paying guests, e.g. a campervan, caravan or tent, a resource consent for visitor accommodation is necessary.

WHAT ARE THE REQUIREMENTS IF I AM REGISTERED?

STANDARDS: THE OWNER AND/OR MANAGEMENT ENTITY MUST:

- (a)** Maintain records of all letting.
- (b)** Ensure compliance with all relevant laws and regulations.
- (c)** Install and maintain approved smoke alarms.

Smoke alarms to be located within the escape routes on all levels within the household unit. On levels containing sleeping spaces, the smoke alarm is to be located either:

- (a)** in every sleeping space; or
- (b)** Within three metres of every sleeping space door provided the smoke alarm is audible to sleeping occupants on the other side of the closed doors.

Smoke alarms shall be installed on or near the ceiling in accordance with the manufacturer's instructions.

- (d)** Ensure any wood burners or fire places comply with relevant Building Act requirements.
- (e)** No more than two adults per bedroom.
- (f)** That at least one on-site car park is available for guest use at all times.

The full version of the standards can be viewed [here](#).

WHAT DRIVES THE RULES ABOUT THIS ACTIVITY?

QLDC uses four tools to manage the use of residential property for paying guests. They are the District Plan, our Rating Policy, Development Contributions Policy, and the Building Act, and Building Regulations. Specifically:

THE DISTRICT PLAN

regulates the environmental effects of Visitor Accommodation (a defined term in the Definitions chapter - see also Homestay, Registered Homestay, and Registered Holiday Home), and Section 2.1.13 - Information and Interpretation, and Appendix 12 - Standards.

THE RATING POLICY

is used to determine the amount of rates due annually on the property, which is affected by the physical portion or the amount of time the property is used for paying guests. The Rating policy also makes use of the District Plan definitions. The Mixed Use Apportioned rates category may be applied, based on level of guest use, to all registered holiday homes and registered homestays, which includes an accommodation rating apportionment. This funds the cost of visitors across the district, including tourism promotion and increased pressure on infrastructure.

THE DEVELOPMENT CONTRIBUTIONS POLICY

is based on the use, location and size of the property and determines how much that property needs to contribute towards infrastructure costs such as water, wastewater, roading and reserves.

THE BUILDING ACT AND REGULATIONS

govern the construction requirements and use of buildings.

