

# VISITOR ACCOMMODATION USE IN A HOME OR DWELLING

Information Sheet – 1 July 2017

## NEW VISITOR ACCOMMODATION USE

If you plan to use your existing home, shack or investment property for visitor accommodation, you need to be aware of the Government's reforms to planning and building requirements, supported by simpler processes, which take effect Statewide from 1 July 2017.

Planning and building requirements will vary depending on how you plan to use your property.

A summary of the new arrangements is outlined in the table below. The new arrangements only relate to the use of an existing property where no development is involved.

Type of property	Homes used by their owner or occupier as their main place of residence	Investment properties, shacks, or other existing buildings up to 300m <sup>2</sup>	New buildings or existing buildings over 300m <sup>2</sup>
<b>Planning Requirements</b>	<p>Exempt from requiring a planning permit if:</p> <ul style="list-style-type: none"><li>the dwelling is only let while the owner or occupier is on vacation or temporarily absent; or</li><li>visitors are accommodated in not more than 4 bedrooms in the dwelling.</li></ul> <p>If it does not meet the exemption, a planning permit is required. The use will be 'Permitted' if:</p> <ul style="list-style-type: none"><li>it is located within a residential zone / activity area;</li><li>guests are accommodated within an existing building;</li><li>it occupies not more than 300m<sup>2</sup> gross floor area; and</li><li>all other requirements in the planning scheme are met that are necessary for a 'Permitted' use.</li></ul>	<p>Planning approval is required. Apply to your local council.</p> <p>Visitor accommodation use is 'Permitted' if:</p> <ul style="list-style-type: none"><li>located within a residential zone / activity area;</li><li>guests are accommodated within existing buildings; and</li><li>the building has not more than 300m<sup>2</sup> gross floor area set aside for visitor accommodation use; and</li><li>all other requirements in the planning scheme are met that are necessary for a 'Permitted' use.</li></ul>	<p>Planning approval is required if more than 300m<sup>2</sup> gross floor area is set aside for visitor accommodation use. Apply to your local council.</p>

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<b>Building Requirements</b>	<p>No building permit required, if the home has four or less bookable rooms.</p> <p>A Building Self-assessment Form must be completed if existing dwellings or residential premises are used or intended to be used as visitor accommodation with more than four bookable rooms.</p> <p>Note: if building work is proposed, then building approvals are required. Planning approval may also be required.</p>	<p>A Building Self-assessment form must be completed in the following situations where the property is used or intended to be used for visitor accommodation:</p> <ul style="list-style-type: none"> <li>owner occupiers of dwellings or residential premises of more than four bookable rooms; or</li> <li>investment properties or shacks less than 300m<sup>2</sup> (not occupied by the owner).</li> </ul> <p>Note: if building work is proposed, then building approvals are required. Planning approval may also be required.</p>	<p>Building approval is required for dwellings or residential premises with more than four bookable rooms, or investment properties or shacks with more than 300m<sup>2</sup> (not occupied by the owner).</p> <p>Apply to your local council.</p>
<b>What's next?</b>	<p>No further steps are required if exempt from requiring a planning permit.</p> <p>If a planning permit is required, there is a new standard application package, which combines the Planning Permit Application Form with the Building self-assessment Form, to streamline the process.</p> <p>Lodge the standard application package with your local council.</p>	<p>There is a new standard application package, which combines the Planning Permit Application Form with the Building Self-assessment form, to streamline the process.</p> <p>Lodge the standard application package with your local council.</p>	<p>Apply to your local council.</p>
<b>What is involved?</b>	<p>In all cases, check with your insurance company that you have adequate cover etc.</p> <p>If a planning permit is required, complete and sign the standard application package. An application fee of not more than \$250 will</p>	<p>Complete and sign the standard application package. An application fee of not more than \$250 will apply to the planning permit application.</p> <p>Your local council issues a planning permit.</p>	<p>Building and planning requirements will be necessary.</p>

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Type of property	Homes used by their owner or occupier as their main place of residence	Investment properties, shacks, or other existing buildings up to 300m <sup>2</sup>	New buildings or existing buildings over 300m <sup>2</sup>
	apply. Your local council issues a planning permit.		

## EXISTING VISITOR ACCOMMODATION USE

If you currently operate a lawful visitor accommodation use from your home or from another dwelling that you own (i.e. investment property or shack), where you have obtained all relevant planning and building approvals for the use, the Government's reforms to planning and building requirements will not impact you. No further action is necessary.

However, there may be other implications relating to land tax, council rates and electricity tariffs that could potentially affect existing visitor accommodation operators. Please see frequently asked questions below and answers, for further information.

## FREQUENTLY ASKED QUESTIONS

### Can I renovate or build for visitor accommodation?

Yes, but you must comply with normal planning and building requirements and procedures. Talk to your local council.

The above table applies with regard to the use, not development, of an existing dwelling or residential premises for visitor accommodation. Any proposed building or works will require planning and building approval (unless otherwise exempt).

There are no additional requirements under the *Building Act 2016* for owners or occupiers of a dwelling or residential premises used or intended to be used for short or medium term visitor accommodation, if the property is their main place of residence and has four or less bookable rooms.

However, if building work is required as part of converting the dwelling or residential premises to visitor accommodation then:

- the owner may need to take into account the Access to Premises Standard requirements; and
- if the property is in a bushfire prone area there may be a need to create/review the Bushfire Management Hazard Plan for the property.

Owners or occupiers of dwellings or residential premises used or intended to be used for visitor accommodation in a bushfire prone area should ensure they have a current Bushfire Management Hazard Plan and that the plan is reviewed regularly. The evacuation plan should be readily available to persons staying in the property.

## I have an apartment. Can I use it for visitor accommodation? Do I need planning or building approval?

Yes, provided you comply with any additional requirements from the body corporate.

The above table applies with regard to the use, not development, of your existing dwelling or building for visitor accommodation. Any proposed building or works will require planning and building approval (unless otherwise exempt).

## I have a granny flat. Do I need planning or building approval to use it for visitor accommodation?

Granny flats are considered part of the house (even though they may be under or out the back) of the existing dwelling, if they are connected to the same services as the house.

Therefore, your granny flat may be used for visitor accommodation, in accordance with the arrangements identified in the above table.

The above table applies with regard to the use, not development, of your existing dwelling or building for visitor accommodation. Any proposed building or works will require planning and building approval (unless otherwise exempt).

## Do I need insurance?

You should consult with your insurance provider to ensure appropriate coverage.

Owners or occupiers of dwellings or residential premises used or intended to be used for visitor accommodation, may need to review their insurance policies covering personal injury or loss caused to the visitors (commonly known as Public Liability insurance). Owners should seek their own independent advice on this issue as many domestic insurance policies may not cover the use of a building for visitor accommodation.

## What is Building Self-assessment? Do I need building approval?

The Building Self-assessment form can be used to demonstrate minimum building safety standards can be met, but only where the property is used or intended to be used for visitor accommodation:

- owner occupiers of dwellings or residential premises with more than four bookable rooms, or
- investment properties or shacks less than 300m<sup>2</sup> (not occupied by the owner).

If this is the case and the minimum building requirements can be met, building approval is not required. Otherwise, building approval may be required. Talk to your local council.

The Building Self-assessment form is part of the standard application package that covers both an application for a permitted planning permit and self-assessment declaration that your property meets the minimum building safety standards.

## VISITOR ACCOMMODATION USE IN A HOME OR DWELLING

The Building Self-assessment form sets out the minimum safety standards with respect to an occupancy permit, plumbing and essential building services.

### Will I have to pay land tax?

Land tax implications are separate from the new arrangements for planning and building requirements.

Properties are only exempt from land tax if they are classified as 'principal residence land' or as 'primary production land'.

Where 'principal residence land' is used for purposes other than as the owner's principal residence, land tax may apply.

For further information about land tax, please refer to the State Revenue Office's website at <http://www.sro.tas.gov.au>.

A fact sheet will be available on the website from 1 July 2017.

### Will my council rates increase?

The Office of the Valuer General (OVG) provides a Property Classification Code (PCC) to each property, which is applied having regard to the current usage of the property as at date of inspection. This code is divided further to identify different uses with each area.

Local councils utilise OVG data to assess the rates on individual properties based on their individual rating models and rating resolutions.

When local councils approve a change of use for a property to "Visitor Accommodation", they usually request the OVG to undertake a supplementary valuation to review the values and PCC. In the case of a residential property that was changed to Visitor Accommodation, the OVG would in most cases change the PCC from 'RI – House' to a commercial classification 'C52 – Holiday Apartment', if that was the predominant use of the property. The valuation would be reviewed also. These changes are dependent on advice from the local council, when a change of use is approved.

The implication of a change of use from Residential to Visitor Accommodation (entire property, through either the Permitted or Discretionary permit pathway) will trigger reconsideration of the PCC by the OVG. In its determinations, the OVG will reclassify the PCC to the predominant use of the property. A review of the existing value will be undertaken accordingly, which may result in an increase in council rates.

For further information, please contact your local council.

If you believe that your property has been incorrectly valued, please contact the Office of the Valuer General.

## Will I have to pay more or less for electricity?

Under the new arrangements, some existing small-scale visitor accommodation providers may find their 'businesses' fall into the exempt category from a planning/building perspective, where they are currently being charged a commercial rate for their electricity. An example may be a B&B that meets the exemption requirements, where the owner or occupier resides in the dwelling as their main place of residence and visitors are accommodated in not more than 4 bedrooms.

Such premises may request to have their residential tariff reinstated from 1 July 2017, by contacting Aurora Energy directly. However, this will be a decision by Aurora Energy, and their acceptance that the dwelling is principally used as a private dwelling.

Aurora Energy customers are assigned to tariff classes on the basis of their "usage and size" and deemed residential where the premises are "used wholly or principally as private residential dwelling(s)".

Aurora Energy will continue to apply the tariff existing at premises until a change is requested by the customer, or unless Aurora Energy is advised of a change by TasNetworks.

For visitor accommodation use in an existing building and not more than 300m<sup>2</sup>, the electricity tariff will still have a residential tariff apply.

If a change of use is reported to Aurora Energy and the electricity costs remain or are anticipated to be below 150 megawatt hours per year, the tariff will be classed as a small business tariff.

For further information, contact Aurora Energy directly on 1300 13 2007, or visit their website at [www.auroraenergy.com.au](http://www.auroraenergy.com.au) .