

ROTORUA LAKES COUNCIL

Short-term accommodation

Council needs to strike the right balance between support for commercial accommodation providers, short-term rental providers, housing (for rent and sale) and the reputation and promotion of Rotorua as a great place to visit.

Growth in short-term rental accommodation since 2018 has added to the available accommodation across Rotorua.

The short-term accommodation sector provides an effective and alternative option to motels and hotels. Council needs to make sure all accommodation options are rated fairly to ensure good outcomes for the district as a whole.

Council has agreed to introduce a rating policy this year that will see short-term accommodation providers running a business contributing their fair share towards promoting Rotorua as a destination. The policy will introduce the 'business and economic development targeted rate' on properties that:

- Are advertised (as available to rent) for 60 days or more each year.

The policy applies only to listing of whole dwellings and excludes single rooms/ spare bedrooms and granny flats.

- Please note that the general rate remains as residential.

Council has decided that the policy will be reviewed after 2 years but no later than within 3 years. During this time a focus group will be established with sector representatives to monitor the application of the policy and propose to council any changes to improve it.

Frequently asked questions

When will short term accommodation owners be advised if the new rate will apply to their property?

Owners of affected properties were notified of the proposed change to the rating of their property via correspondence from council on 18 April, during the Long-term Plan consultation period. If you received this initial letter, your property has been captured by the new rating policy.

Council made the decision to introduce the new rating policy – with some changes to what was initially proposed – on 6 June and submitters who had provided their email addresses were subsequently notified of this (13 June).

Following the council decision, all properties originally captured are being reviewed. Property owners will be informed about the outcome.

All ratepayers including short term accommodation providers will be sent new rates assessments and invoices in mid-July which will state the rates to be paid for the 2024/25 financial year.

What happens if I have stopped using my property for short-term accommodation?

You can complete a declaration to state that you no longer operate the property for short-term accommodation. Once the signed declaration is received, Council will apply a remission to your rates account to remove the Short-Term Accommodation charges.

Please contact the customer centre by emailing info@rotorualc.nz and request a declaration form.

I have lodged a request for my property to be assessed but have not heard back yet. Will someone get back to me?

Council is currently processing these requests and will be notifying property owners by no later than Thursday 27 June.

Can I speak to someone about the short-term accommodation policy directly?

Please ring the customer centre on 07 348 4199 to book a dial-back call with someone from our rates department.

How will Council determine and identify which properties are affected and will have their rates increased?

We have worked with 3rd parties to identify properties meeting the criteria using publically available information on booking sites.

Will you need to employ new staff to manage this new policy?

No, the policy will be managed by existing staff in Council's revenue team.

Will the new rate be retrospective and take into account past tax years and will it be imposed on properties for the current year even if they de-list a property from short-term accommodation?

Under legislation Council must use the land use from the last 12 months to set the rates for the upcoming year. Should ratepayers who qualify for the STA rates wish to cease operating as a STA provider they must sign a statutory declaration which will allow Council to apply a remission to their rates.

How have you defined short-term accommodation?

This is defined as the renting or availability to rent of entire houses or units on a rating unit (that could otherwise be used for residential purposes):

- a. For periods of less than one month (whether or not they are rented as part of one arrangement for more than one month); and
- b. Where that house or unit is or has been available to rent short-term for more than 60 days of the financial year.

Do I get charged the rate if I get bookings for less than 60 days a year?

The rate is based on availability to rent, not the number of days rented so if you advertise your property as being available for more than 60 days but get bookings for less than that you will still be charged the rate.

Will I attract the rate if I list my property for 59 days a year?

Eligibility for the rate is an annual test based on the land use for the preceding 12 months. If the property has been available for short-term accommodation for more than 60 days in the last financial year it will attract the new rate for the next year until the test occurs again the following year to calculate how many days it was available for rent. If the property was not available for more than 60 days, rates for the next year will not include the short-term accommodation rate.

What will be the make-up of the proposed working party, how will the group communicate with the wider sector and how will the voices and concerns of short-term accommodation owners be heard?

The make-up of the proposed working party is yet to be decided but will reflect a range of stakeholder views. Terms of reference are being developed to be shared and adopted by Council at a future date.