



New regulations for holiday rental properties.

The exponential growth of holiday rental properties in the last few years has confronted traditional residents of towns and cities with temporary occupants and forced administrators to react.

The Valencian Government is preparing a Community Law to rule and control this phenomenon, but many town councils already require different procedures to be followed, in order to legalize these tourist rental properties.

As a prior concept, the rules for holiday rental of private properties will be elevated to the same category as any other economical activity or business. This classification leads to the declaration of income and expenses to the tax authorities.

From the point of view of local administrators, who give out the licenses for holiday rental activities, the procedure begins by the application of an Urban Compatibility Certificate. This document is the same one required to open any kind of commercial activity on the ground level of residential buildings, in commercial centers and resorts, as well as in some cases in upper levels of commercial and residential buildings. The Urban Compatibility Certificate certifies that the requested activity is allowed or not, according to the local town urban planning rules relating to zones destined to businesses, residential, leisure or industrial activities.

The allowance of uses other than residential is also related, under other matters, to the production of noise or the number of people that the new activity can concentrate.

The application for urban compatibility, as is the case for any other kind of commercial or business activity, requires a technical report done by an external architect. This report must contain minimal information about the siting of the property in the town and the about the building itself. In the case of a flat, the main use of the area and the building must be provided. As is the case for residential purposes, the report must also confirm the living conditions of the property in accordance with the current regulations, such as minimum room dimensions, accessibility, natural ventilation and lightning conditions. Plans must be provided as well as a precise description of the activity - number of units of accommodation available, opening hours, reception if there is one or not, and any other additional information, in order to describe the activity.

Frequently flats and houses have no Habitation Certificate, or indeed it has expired as they are only valid for ten years from issue. In this case, prior to the application for urban compatibility, a new Habitation Certificate must be provided.

In detached houses and villas it is common to find under-builds refurbished into separated apartments, with their own kitchens. In the majority of cases this second accommodation is not allowed, not because of the business activity, but because of the use of the space defined under urban planning. It is therefore highly unlikely in these cases to be given any activity license.

All commercial and business activities related to tourism represent 14.6% of the Valencian Community's income and employs 15,1% of the population. It' regulation has to follow a normal coexistence with the local population, traditional businesses and collaborate for the good of everyone.

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