



Instructions for providing accommodation in a flat

The purpose of these instructions is to clarify when a permit is required for transferring the right of occupancy of a flat and when such provision of accommodation is considered professional and not occasional, short-term letting of a private home.

Recent examples of Airbnb operations and so-called apartment hotels and the public debate on the topic show that instructions that enable all operators to follow the same rules and have an equal status are needed.

The guidelines for providing accommodation are not intended to restrict individuals from renting out their homes on an irregular, short-term basis or professional, authorised accommodation services from operating, but to highlight the key requirements of accommodation provision and the related administrative procedures. Similarly to other such operators, accommodation providers operating on a professional basis must comply with the Land Use and Building Act's building permit regulations, the Accommodation and Restaurant Services Act, the Health Protection Act and applicable tax laws, among other things.

Furthermore, from the perspective of those accommodation providers who operate on a professional basis, it is appropriate for all operators in the field to be treated equally and for them to be aware of their rights and obligations in connection to these operations.

1. DEFINITION OF ACCOMMODATION

Legislation

Law defines accommodation premises as provision of furnished rooms or other accommodation on a professional basis for customers requiring short-term accommodation.

(See Act on Accommodation and Catering Services, Act on Residential Leases, Decree of the Ministry of the Environment on lived, accommodation and work premises, Decree of the Ministry of the Environment on the Fire safety of Buildings)

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Jurisdiction

Administrative Court of Helsinki

With its decision No 19/0793/5, made on 3 December 2019, the Administrative Court of Helsinki has rejected the appeals of an accommodation provider and two housing company shareholders regarding a decision made by the environment and permits sub-committee of the City of Helsinki's Urban Environment Committee. The environment and permits sub-committee had ordered the housing company's operator and the shareholders, with shares granting them the right to occupy the flats used in the operations, to cease the use of housing units as accommodation establishments on pain of a fine.

In its decision, the Administrative Court stated that assessing whether the premises were being used in accordance with the building permit was done solely based on the Land Use and Building Act's regulations. Based on a review received by the Administrative Court, it decided that the operations were considered short-term accommodation provision, atypical for a block of flats and, due to the nature and extent of the operations, not in accordance with the main intended land use purpose specified in the local detailed plan. Renting out furnished housing units repeatedly on short-term leases is considered accommodation provision.

The operations undertaken in the housing units in question do not comply with the local detailed plan and the currently effective building permit.

Supreme Administrative Court of Finland

The decision made by the City of Helsinki's Administrative Court corresponds with the <u>preliminary decision</u> issued by the Supreme Administrative Court.

Characteristics of accommodation provision

The higher the number of the following criteria operations meet, the more likely they are to be considered provision of accommodation:

- The operator has filed a notification on using a housing unit to provide accommodation, in accordance with the Health Protection Act, with the City of Helsinki's Environmental Services, which monitors such operations.
- No one is registered as living at the address.
- A contract for accommodation, including VAT, has been signed for the premises.
- · The premises are furnished.



Illegal accommodation rentals are mostly located in city centers. Photo: Mika Lappalainen

- The accommodation offered is mainly short-term in nature.
- The price of accommodation is given for a day or a week and includes the internet, electricity and water, for example.
- In addition to the accommodation, the operator provides services typical of hotels, such as breakfast, bed linen, hygiene products and cleaning services.
- The apartment is advertised through an agency.
- The operator is advertising the apartment as accommodation premises.
- In comparison to a normal lease, the occupant has limited rights, for example when it comes to using other building facilities, such as storage space in the loft or basement.

2. THE REGULATORY CONTROL OF ACCOMMODATION PROVISION

The role of building control services and their monitoring

The City of Helsinki's building control services grant building permits, based on applications by property owners or occupants. A building permit is required to substantially alter a building or part of it, such as a flat. Transforming a housing unit into accommodation premises is considered a substantial alteration of use (Section 125(4) of the Land Use and Building Act).

Granting a building permit requires that the local detailed plan allows for housing units to be transformed into accommodation premises and the permit application complies with the building code. User safety or health-related conditions must not be compromised during the alteration work.

Building control services monitor housing units to ensure that their use does not violate the building permit. Under Section 182 of the Land Use and Building Act, building control services have the power to prohibit any use of a housing unit that violates the building permit on pain of a fine.

The role of Environmental Services and their monitoring

The City of Helsinki's Environmental Services monitor operations that are governed by the Health Protection Act and for which notifications are required, including accommodation premises and their health effects on the occupants. Most of Environmental Services' inspections of accommodation premises are planned and conducted based on a risk analysis and notifications filed in accordance with the Health Protection Act. The inspection includes sensory observations, an examination of

Transforming a housing unit into accommodation premises is considered a substantial alteration of use.

the ventilation system and its functionality, and an assessment of the structures' and surfaces' condition. Other inspected elements include the efficiency of cleaning and laundry, pest control and the operator's self-monitoring.

According to the Health Protection Act, an accommodation provider must submit a notification if the aim is to make a profit. Whether the operations produce any profit or not is irrelevant. However, accommodation premises that are rented based on the Act on Residential Leases, are exempt from the obligation to submit such notifications. Also exempt is any occasional provision of accommodation at the provider's home, housing services provided by a private social welfare operator and the provision of holiday homes or other accommodation by a community, foundation or agency to their own staff members.

The operator must file a notification when starting the operations or making any substantial changes (e.g. expanding the operations) with Environmental Services no later than 30 days before the start or change. Furthermore, a notification must be submitted when the operations end. In addition to information describing the operations, the notification must include a list of the premises, stating the exact address and floor area of each flat, their types of ventilation and the number of guests each facility can cater for. The notifications can be submitted via email or by post. The notification form can be found on the City of Helsinki's website.

The role of the Rescue Department and their monitoring

The Rescue Department does not monitor individual accommodation premises. Accommodation provided in individual housing units must be taken into account when performing a fire safety self-assessment in a residential building. The general provisions in the Rescue Act regarding careful and safe conduct and a building's fire and exit safety, fire alarms, emergency plan, exits and other independent preparations also apply to the provision of accommodation in the building's flats. (The Rescue Act 379/2011, Sections 3, 4, 9, 10, 14, 15 and 17)

The Rescue Department monitors accommodation buildings (e.g. hotels, holiday homes, retreats, guest houses, boarding houses or rental cabins) according to its monitoring plan.

Police

The police must be notified when the provision of accommodation begins. The police collect tourist registration cards from accommodation providers.

Any disturbances must be reported to the police and the building management.

3. FREQUENTLY ASKED QUESTIONS

I am going on a holiday to Thailand for three weeks. Can I rent my home out as an Airbnb service while I am away?

Yes, you can. Renting out a flat (whose occupant is registered there) during a temporary absence of the occupant is not considered an accommodation business.

Is it possible to transform a housing unit into accommodation premises with a building permit?

The local detailed plan governing the plot of land must allow the provision of accommodation in the flat in question. Altering the purpose of a flat, including turning it into accommodation premises, requires a building permit. The decisions on building permits are made by the City of Helsinki's building control services. The building permit must be applied for by the property owner or occupant (i.e. typically the housing company).

What are the biggest differences between a housing unit and an accommodation facility?

In terms of structural aspects, the biggest difference is ensuring sufficient exits and fire compartmentation, in accordance with the regulations. According to the building regulations, all accommodation premises must have two main exits. Residential buildings usually have only one main exit, in addition to which there is a secondary exit through a window or a balcony. This is not sufficient when it comes to providing accommodation.

Many of the technical aspects of accommodation premises match those of normal flat. However, if a flat is to be transformed into accommodation premises, its sufficient ventilation must be proved when applying for the building permit.

When granting building permits, the regulations that are currently in effect are applied, not the ones that were valid when the building was originally constructed.

What other permits and notifications are required?

A notification must be submitted to Environmental Services, in accordance with the Health Protection Act, no later that 30 days in advance when starting operations or making a substantial change. The police must also be notified of the start of accommodation provision.

What actions are the housing companies required to take?

Unauthorised provision of accommodation should mainly be handled by housing companies as an internal matter. Based on established case law, a housing company is obliged, as the owner or



Occasional, short-term letting of a private home is not considered an accommodation business.
Photo: Lotta Henriksson



occupant of a plot of land, to ensure that the flats are used in accordance with the building permit. If their use violates the building permit, the housing company must take action afforded by the Limited Liability Housing Companies Act.

What will be the penalty for unauthorised provision of accommodation?

The assessment of the building permit situation begins once an application for operations has been received. If necessary, all parties taking part in the operations are sent a request to cease any operations that are in violation of the Land Use and Building Act. The ultimate measure is the obligation imposed by the building control authorities (the Urban Environment Committee's environment and permits sub-committee) to cease the operations before a certain date on pain of a fine.

This <u>form</u> can be used to file an application for operations with building control services.

4. CONTACT INFORMATION

Environmental Services

Notifications required by the Health Protection Act (ymk@hel.fi), information and advice (kymp.ytyposti@hel.fi), tel. 09 310 1691

Building Control Services

Contact information by area

Rescue Department

Information and advice on fire safety is available from the on-call fire inspector on weekdays by phone (09 310 31203) or via email (palotar-kastaja@hel.fi)

Police

In non-urgent situations use email (ennaltaestava.helsinki@poliisi.fi), and in the event of an emergency call 112