

Private Lodging Businesses Approved from June 15, 2018

Private Lodging Business Act/Shinjuku City Ordinance to Ensure Appropriate Operation of Private Lodging Businesses

What Is a Private Lodging Business?

This term refers to the short-term rental of private housing to lodgers for a fee by someone other than an operator regulated by the Inns and Hotels Act. In Japanese, this system is known colloquially as *minpaku*, or “home sharing.”

The private lodging business has been defined for the first time under the new Private Lodging Business Act. By applying for certification under this act, a person can now legally rent out their home or rooms to lodgers.



Overview of the Private Lodging Business Act (to take effect June 15, 2018)

- (1) You must apply for and receive the mayor’s certification to engage in home sharing.
- (2) The business operator is required to take the following measures to ensure that the private lodging business in question will be run in an appropriate manner:
 - Maintain the hygiene of the lodger (provide a minimum of 3.3 m² of living space per guest, as well as regular cleaning and ventilation)
 - Maintain the lodger’s safety (install emergency lighting, post evacuation routes)
 - Maintain the comfort and convenience of foreign lodgers
 - Create, maintain and make available a register of lodgers
 - Explain to lodgers issues necessary to ensure that their stay does not have a detrimental effect on the local living environment (such as excessive noise, the inappropriate disposal of garbage)
 - Respond to complaints, etc.
- (3) If the operator of the private lodging business will not be at the site during the lodger’s stay, a private lodging business management entity must be engaged to carry out the measures stipulated in (2) above.

Attention!

You must be certified by the mayor or licensed under the Inns and Hotels Act to operate a private lodging business. If you are operating without a certification or license, you will be subject to penalties for violating the Inns and Hotels Act.

Shinjuku City Ordinance to Ensure Appropriate Operation of Private Lodging Businesses

(to take effect June 15, 2018)

Shinjuku City has enacted its own ordinance to ensure that private lodging businesses are run properly and to prevent any deterioration in the living environment of city residents.

Key Points of the Ordinance

● Public listing of certified private lodgings

The property's address, operator's contact information, date of notification to neighbors and other information will be posted on the Shinjuku City website and elsewhere so that lodgers and neighbors can easily identify certified private lodging business properties.

● Prior notification to surrounding residents

Anyone wishing to operate a private lodging business must submit a public notice in writing to surrounding residents and report to the city at least seven days prior to applying for certification as a private lodging business.

● Who must be notified:

- (1) Persons living in the same building where the certified private lodging business property is located (including owners/renters of shops in the building)
- (2) Persons living in buildings adjacent to the building in question, and persons living within the range specified by the ordinance (including owners/renters of shops)

● Details that must appear in the notice:

- (1) Trade name/business name or operator's name and contact information
- (2) Announcement of the intent to operate a private lodging business
- (3) The property's address
- (4) The date that the private lodging business is to commence
- (5) Issues to be explained to lodgers
 - a. Prevention of excessive noise
 - b. Garbage disposal
 - c. Fire prevention
 - d. Other Issues requiring attention
- (6) The trade name/business name or personal name and contact information of the private lodging business management entity, if such an entity will be managing the business

Note: Who must be notified and the details that must appear in the notice are stipulated by the ordinance and its enforcement regulations.

● Management of garbage

The private lodging business operator or management entity is responsible for disposing of garbage that lodgers produce.

Note: Please dispose of garbage properly by having businesses licensed to collect and transport general waste and industrial waste handle collection or by other measures the city has designates.

● The location and hours of private lodging business operations are restricted

Private lodging businesses cannot operate between noon Monday and noon Friday in exclusive residential districts*. In areas other than these exclusive residential districts, there is no such restriction on business for up to 180 days per year as stipulated by the law.

* Exclusive residential districts are defined as “districts established to preserve a favorable environment” based on the City Planning Act, and include Category 1 low-rise exclusive residential districts, Category 2 low-rise exclusive residential districts, Category 1 medium- to high-rise exclusive residential districts and Category 2 medium- to high-rise exclusive residential districts.

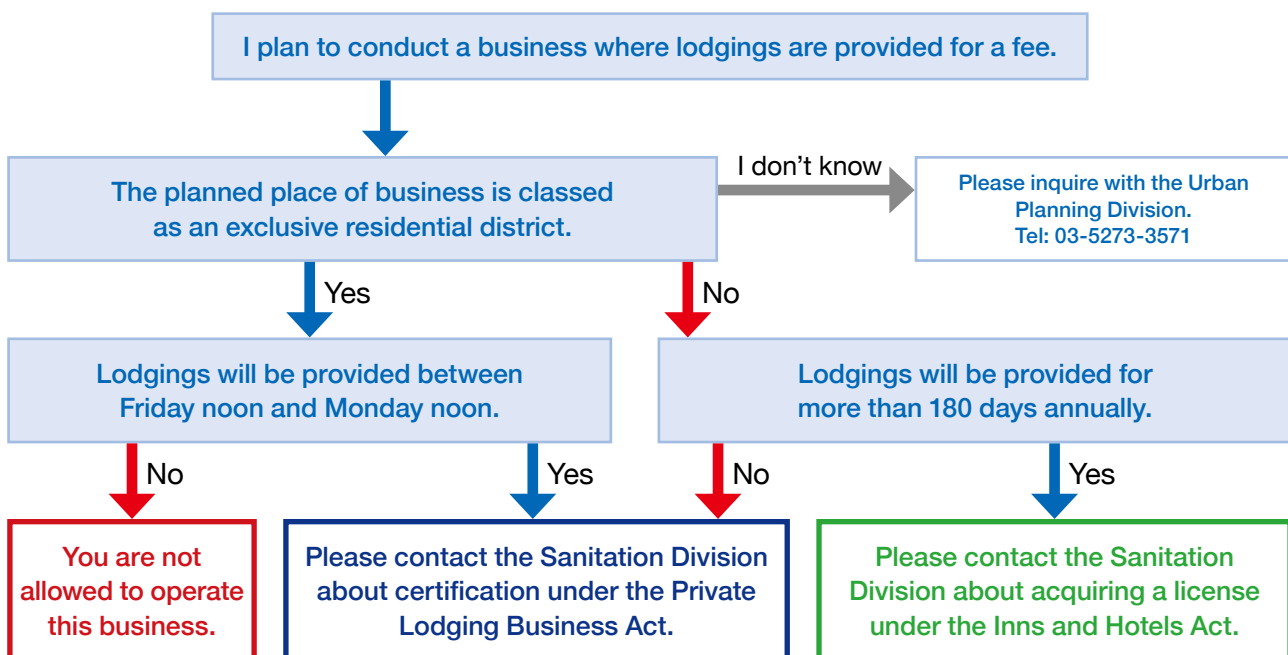
Other major details of the ordinance:

- The city will cooperate with the police, fire department and other related organizations to ensure the appropriate administration of the businesses.
- The private lodging business operator or management entity must prevent the business from harming the living environment around the certified property, and must maintain a record of all related complaints and inquiries for three years.
- Lodgers must not adversely affect the living environment surrounding the certified property.
- Building owners, etc. must make it clear in condominium management by-laws, etc. whether private lodging businesses are allowed.



How to Apply for a Private Lodging Business Certification

Operating a business in which lodgings are provided for a fee* requires either certification based on the Private Lodging Business Act or licensing under the Inns and Hotels Act.



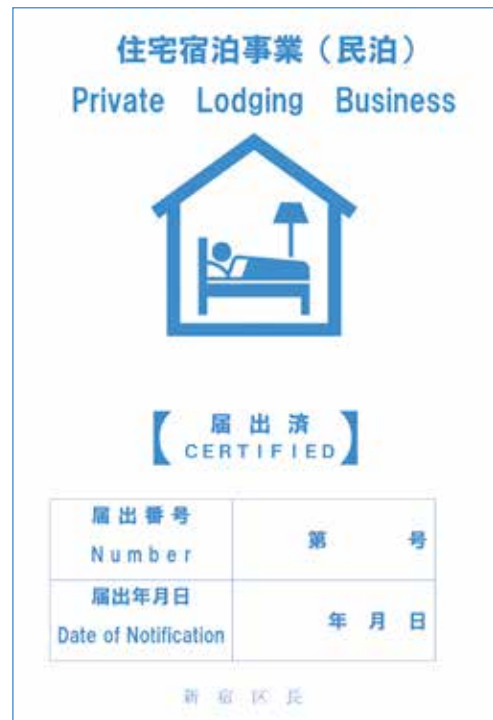
* Whether the fee is called by another name such as a usage fee, meal fee or contract fee, this applies if you are viewed objectively as being paid for providing lodging.

How to Identify a Certified Private Lodging

- A private lodging business displays a sign to that effect on the door at the lodging's entrance and in other places.
Note: If management is entrusted to a third party, that party's contact information is posted on the sign.
- The Shinjuku City website and Sanitation Division service counter provide contact information for certified private lodgings.

Consultation Window

- Sanitation Division, Shinjuku City Public Health Center (weekdays 8:30 a.m. to 5:15 p.m.)
 - Information about the private lodging business: Tel: 03-5273-3870
 - Other inquiries: Tel: 03-5273-3841
- Call Center for the Private Lodging System (Japan Tourism Agency) (9 a.m. to 10 p.m.)
 - Information about the system and notification methods: Tel: 0570-041-389



Sample sign



To owners of buildings, land, condominium units and other properties

- ◆ When drawing up a contract to lease buildings or land (lease contracts, etc.), make it clear whether the operation of private lodging businesses is allowed.
- ◆ Owners of condominium units and other properties should state in their condominium management bylaws whether the operation of private lodging businesses is allowed.
- ◆ If condominium management bylaws, etc. ban private lodging businesses, such business is not allowed.



Private lodging business operators must explain the following particulars to lodgers:

- ★ Approaching the wrong house can cause problems, so be sure to look for the private lodging business sign.
- ★ Do not disturb the people living in the area with loud voices or noise.
 - Keep your voices down when talking on the balcony, and be careful when smoking on the balcony (if that is permitted)
 - Be careful not to make noise with luggage, etc., particularly early in the morning and late at night
- ★ Be sure to dispose of garbage according to the manner and timing the business operator indicates.

Contact Information

Sanitation Division, Health Department, Shinjuku City Office
5-18-21 Shinjuku, Shinjuku-ku, Tel: 03-5273-3841