

BASIC REQUIREMENTS
OWNER OCCUPIED RENTAL HOMES



Our Mission is to facilitate world-class experiences for home rental stays, through the frequent monitoring of standards in this sector, ensuring that each facility is comfortable, clean, safe, of good quality, and in compliance with the Hotels Act and Hotels Regulations.

OWNER-OCCUPIED RENTAL HOME (OORH) SECTOR

Legislation

With amendments to the Hotels Act, CH.288, July & August 2009, a new definition of “owner-occupied rental homes” has been introduced, along with recent amendments to “owner-occupied property” in the Real Property Tax Act, CH.375 and the International Persons Landholding Act, CH. 140.

Under the Hotels Act, International Persons Landholding Act, and Real Property Tax Act, respectively; owner-occupied rental homes and owner-occupied property defined as “property occupied by a person who being the owner in fee simple, or a mortgagor in possession, occupies and resides in such property exclusively as a dwelling house on a permanent or seasonal basis.”

OWNER-OCCUPIED PROPERTY EXEMPTIONS:

- (i) Real property taxes on licensed owner-occupied property will be calculated as follows:
 - (a) The first \$250,000 of the market value of the property shall be exempt.
 - (b) Properties exceeding \$250,000 but not in excess of \$500,000 will be taxed at a rate of 3/4% per annum of the market value, as compared to the commercial rate of 1%
 - (c) Properties exceeding \$500,000 but not in excess of \$5 million will be taxed at a rate of 1% per annum of the market value, as compared to the commercial rate of 2%
 - (d) Properties exceeding \$5 million will be taxed at a rate of ¼ % per annum of the market value, as compared to the commercial rate of 2%

Effective January 2013, the maximum annual tax shall not exceed \$50,000 dollars.

Requirements

STEP 1

During the initial planning stage of the rental home operation, the owner/operator is advised to:

Liaise with the Hotel Licensing Department’s Owner Occupied Unit, Ministry of Tourism.

Note: All establishments seeking to become a licensed rental home in The Bahamas (except those in the City of Freeport under the Hawksbill Creek Agreement) are advised to make application for a Business Licence.

STEP II

The following documents must be completed:

- Form I – Application for License to Operate
- Form 1C – Owner-Occupied Rental Homes Licence
- Evidence of Real Property Tax status
- Bahamas Investment Certificate (BIA) (if applicable)
- Value Added Tax (VAT) No. (if applicable)
- Proof of Insurance Coverage
- Google Map with location of premises, or a location plan
- Brochure/Literature on the premises (if no website address is available)

All submissions must be sent to Hotel Licensing, Ministry of Tourism, Nassau, Bahamas. For Family Islanders, please ensure submissions are sent to the Local Administrator's office for vetting and forwarded to Hotel Licensing (Nassau) for processing.

Application forms may be obtained as follows:

- a) www.tourismtoday.com.
- b) The Hotel Licensing Department, Ministry of Tourism, Nassau or Grand Bahama Island.
- c) The Local Government Administrator in your District.

STEP III

Upon completion and submission of all documents and inspections, Hotel Licensing Board will review. An approved applicant will be granted a Certificate of Registration. Upon refusal or deferment, the homeowner will be notified in writing.

The Hotel Licensing Inspector from the Ministry of Tourism, Nassau, is responsible for conducting all inspections throughout The Bahamas, excluding Grand Bahama. The Inspector is responsible for the preparation of inspection reports and makes recommendations for the proper maintenance of homes, ensuring that homes meet all licensing requirements in accordance with the Environmental Health Services Act and Health Rules, The Royal Bahamas Police Fire Services and the Building Control requirements of the Ministry of Works & Urban Development.

For inspection of rental homes on Nassau & Paradise Island and Grand Bahama Island, contact the Hotel Licensing Department, Ministry of Tourism. Family Island residents, contact your Local Government Administrator.

Note: *There are two zoning designations for Owner Occupied Property: Residential and Commercial. Only commercial designations allow for music/dancing and/or restaurant/bar licences.*

Owner Occupied rentals do not qualify for concessions under the Hotels Encouragement Act.

VALUE ADDED TAX (VAT)

Effective 1st January, 2015, the Hotel Guest Tax of ten percent (10%) repealed under the Hotels Act (CH.288) and replaced with Value Added Tax (VAT) at a rate of seven and a half percent (7.5%), which is a government tax levied on the total room rate of rental homes/hotel stays and any related ancillary services.

For further information regarding Value Added Tax (VAT) contact: www.bahamas.gov.bs/vat.

BASIC REQUIREMENTS

OWNER OCCUPIED RENTAL HOMES (OORH)

BEDROOMS

Bedroom sizes should be constructed in accordance with the Bahamas Building Code. Guest bedrooms should be adequately furnished, well lit and adequately ventilated. The room may also have air conditioning unit/s and/or ceiling/floor fans. Windows and doors must be operable and secure. Furniture/appliances must be clean, in good condition, and should include the following:

- alarm clock
- bed (s)
- bureau/dresser
- chest of drawers
- 2 chairs
- 1-2 night stands with lamps or bed lights with shade
- mirror
- television
- doors
- room safe – optional
- flooring (carpeted or tiled) – should comply with the Bahamas Building Code
- area rug (s) - optional
- telephone – should be accessible on property with DDD service; recommended in each
- internet service – optional but recommended
- waste paper bin/s with trash bag or plastic lining
- windows
- draperies/blinds/shades
- wall painting (s)/picture (s)
- plants/flowers - optional
- drinking glass for each occupant
- water container
- adequate lighting
- air conditioning supply/fans – optional but recommended
- natural ventilation – all windows must have screens
- closet with doors and adequate wooden or plastic hangers
- hairdryer (optional)

Note: smoke detectors should be mounted on the ceiling (or wall 6” below ceiling) of each bedroom – not in the immediate vicinity of air conditioning vents or fans.

Beds

All bed mattresses, mattress pads, box springs, bedding, linen and pillows are to be clean and in good condition, including any pull-out couches/roll-a-ways.

Beds are to be made up as follows:

- box spring or frame for each mattress
- mattress pad on each mattress
- 2 sheets - 1 fitted, 1 flat
- 2 pillows with pillow cases
- blanket/bedspread/comforter

Bathrooms

Bathrooms must be clean and all fixtures, fittings, and linen in good condition, and should include the following:

- tub and/or shower (non-slip bath mats/strips and functioning plugs and drains)
- toilet with tank top
- hand basin
- soap (individually wrapped and changed daily or liquid soap dispenser)
- extraction fan if there is no exterior window
- toilet paper holder
- toilet paper
- window curtain and/or blind
- shower curtain with rod/hooks/door
- towel rack with bath, hand and face towels (adequate supply for each occupant)
- mirror
- floor mat/rug
- waste paper bin (with trash bag or plastic lining)
- wall picture(s) – optional
- hot and cold running water
- floor covering (tile or vinyl)

It is desirable to have a private bathroom for each bedroom; if not, the Bahamas Building Code regulations regarding bathrooms should be strictly adhered.

Kitchens/Kitchenettes in Units/Suites

coffeemaker (optional)

refrigerator

sink with counter space

dish drain

proper plug in sink

plates, cup and saucers (or mugs), bowls, two or more glasses, forks, knives, spoons, variety of pots, pans and cooking utensils, dish cloths/sponge, dish towels, paper towels, dish washing liquid, bottle opener, cork screw, ice bucket, electric or stove top kettle, toaster

stove/microwave – ensure that a fire extinguisher is affixed to wall adjacent to equipment, which should be serviced semi-annually by a company approved by the Ministry of Works.

waste paper bin/s (with trash bag or plastic lining)

floors – tiled with non-slip tiles or smooth finish

Laundry Areas

- Ensure that washing machines are kept in good working order.
- Ensure that an adequate and constant supply of hot/cold running water is available.
- Ensure that the area is kept clean and that there is no lint build up behind machines, in the ceiling, or in lint traps.
- Ensure there is at least one fire extinguisher and smoke detector available.
- Ensure that adequate shelving is provided for storage of towels, sheets, blankets etc., and that they are stored on shelves at a minimum distance of eighteen (18") from the ceiling.
- Ensure that laundry area is well ventilated and has adequate lighting.

Property Name/Number

House name and number should be clearly displayed at the entrance to premises.

Financial Records

Homeowners should maintain financial books/records, which are to be made available by Government auditors. Operators are strongly encouraged to set up computerized financial accounting systems.

Telephones/Internet

Telephone (s) should be made available on property; at a minimum, a telephone should be accessible with DDD service. Owners may wish to consider making available a cellular rental service.

Instruction for Guests

There should be clear instructions for check-in and check-out procedures in the absence of manned registration.

Telephone numbers and contacts should also be made available, in case of emergencies, in the absence of manned registration.

Security

Interior and exterior doors must be operable and have secure locking devices, i.e., deadlocks and security chains. Guests must be provided with keys. Windows and sliding glass/screen doors must be able to lock, and panes/glass should be free from cracks. Sliding doors must be properly secured on tracks. Entrance and exit doors should be well illuminated.

It is recommended that guests be provided a Safety Tips handout, encouraging them to ensure that their doors and window are securely closed and locked; secure valuables (use safe deposit boxes, if available); report any suspicious activity.

Grounds

The grounds must be properly cleared, landscaped, well lit at night and maintained such as to be aesthetically pleasing to the environment.

Driveways/Walkways/Footpaths/Alley-ways/Parking Areas

Driveways/Walkways/Footpaths/Alley-ways/Parking Areas should be kept in good order, have adequate lighting, be free from obstruction, and should be adequately drained.

Corridors/Hallways/Steps/Stairwells/Balconies

Should have adequate lighting and kept in good condition. All stairs shall be equipped with soundly constructed and adequate handrails, and adequately illuminated. Spacing of rails must be done in accordance with the Bahamas Building Code.

Septic Tank

Where there is a septic tank system at any property, it must be maintained in good working order.

Screens

All screens are not to be less than sixteen inches (16") to the mesh.

Housekeeping/Maintenance

Good maintenance and plumbing is essential. Housekeeping must be of a high standard and there should be an on-going maintenance programme. All bedding and towels must be properly stored on shelves at a minimum distance of eighteen (18") from the ceiling. All bedding and towels should be changed daily, unless otherwise arranged. It is to be noted that hotel complaints by visitors are usually regarding the cleanliness of the room.

Generators

Where there is a back-up generator, it should be regularly serviced and in good working order.

Insurance

Operators are encouraged to offer protection; insuring buildings and contents by providing liability insurance.

Garbage Disposal Area

Garbage disposal areas/containers should be well-secured, clean, not overflowing with garbage and free from vermin and unpleasant odors. Garbage should be placed in well-sealed garbage bags. Garbage must be stored in a properly-constructed booth; roll-off containers must be placed on a concrete base. Booth and/or base must be washed and sanitized between collections. Garbage containers that are kept in food preparation areas must be properly lined and kept covered when not directly in use.

Electrical Fittings

All electrical fittings should be fitted securely and it is recommended that they be tested on an annual basis by a qualified electrician.

Buildings

All buildings must meet the requirements of the Bahamas Building Code and qualify for an occupancy certificate. The building must also meet the zoning standards of the Department of Physical Planning.

Décor

The décor should comprise of colours that are well coordinated, preferably white or light colours.

Recreation

It is recommended that homeowners provide brochures on local activities for their guests.

Swimming Pools/Jacuzzis

The water of the pool must be kept clean, clear and free of debris. The pool must have depth markers in place at both sides of the pool at every change where depth is less than six feet (6') and visible from inside the pool. The pool must also have exit stairs/ladders on both ends with non-slip finish, and secure hand rails. It is recommended that that steps leading to the pool be a different colour than the bottom of the pool. The drains must be properly sealed and clear and there must be no electrical hazard in the vicinity of the pool. The pool deck and pool rails must be maintained in good condition. The pool must also have life safety equipment (an O-ring and first aid kit) readily accessible and adequate signs regarding pool usage and life safety i.e. warning/no diving signs. The pool must be maintained in a sanitary state at all times to prevent swimmers/bathers from becoming sick.

Pool water must be properly treated and the filtering systems in good working order. Pool log book/service records stating the results of all chemical disinfectant treatment and tests must be maintained and available for inspection. PH levels are required to be between 7.0 – 7.6 and chlorine residual must be present.

Environmental Guidelines

Homeowners are advised to implement environmentally friendly procedures from the Environmental Management Tool Kit for Caribbean Hotels located at:

<http://www.caribbeanhotelandtourism.com/CASTtoolkits.php>

Homeowners are encouraged to use fluorescent light bulbs. It is recommended that guests be provided an Energy-Saving Tips handout: turn off lights when not in use; take shorter showers or use less water in baths; use ceiling fans in conjunction with air conditioning; change sheets less frequently etc.

FREQUENTLY ASKED QUESTIONS

Q. How many bedroom are needed to qualify for the Owner Occupied Rental Homes sector?

A. Owner Occupied Rental Homes require one or more bedrooms for participation.

Q. If I own multiple rental homes in The Bahamas, do I need a Certificate of Registration for each.

A. Each property requires a Certificate of Registration.

Q. If a house, condo, apt., flat or room is regularly or systematically rented for a continuous period not exceeding 45 days, is this activity considered a business/commercial activity.

A. Yes, this now becomes a taxable activity that is subject to regulations.

Q. Am I required to have property inspections?

A. In the interest of public safety, annual inspections are required. In the event of a complaint, your property will be subject to immediate inspection.

For further information or assistance, contact: Mr. Scott Bowe or Ms. Quinta Dean - Owner Occupied Rental Homes Unit, Hotel Licensing Dept., Nassau, Bahamas. Tel: 242-302-2033 or 242-397-2727; Fax: 242-326-2014; E-mail: swbowe@bahamas.com or qdean@bahamas.com.