

# Important changes to the rules for holiday lets and self-catering accommodation

## More about the changes to the rules for assessing holiday lets for business rates which come into force on 1 April 2023

The government has introduced new conditions for self-catering accommodation to be included in the business rates list rather than the council tax list. Full details are available [here](#).

### The new rules

Under the new rules in England, self-catering accommodation will be assessed for business rates rather than council tax only if the owner can provide evidence that:

1. it will be available for letting commercially\*, as self-catering accommodation, for short periods totalling at least 140 days in the year after the day in question
2. during the previous year, it was available for letting commercially, as self-catering accommodation, for short periods totalling at least 140 days
3. during the previous year, it was actually let commercially, as self-catering accommodation, for short periods totalling at least 70 days

*\*“Commercially” is defined in the legislation as being “on a commercial basis, and with a view to the realisation of profits”. This will usually mean the property being let at market rates and actively advertised, for example through commercial marketing sites and publications. Lettings to friends or relatives at zero or nominal rents will not be covered.*

These rules apply from 1 April 2022, but as they require retrospective evidence over the previous 12 months they do not come into effect until 1 April 2023.

### Newly available holiday lets

A property that becomes newly available as a holiday let (or that is purpose built as a holiday let) will be liable for council tax for each day until it has been available for 140 days and let out for 70 days in the previous 12 months. On the day that these two criteria are met, assuming the property will continue to be available for 140 days in the coming 12 months, it will qualify for a business rates assessment.

For example, a property that is first advertised as a holiday let would be liable for council tax for the next 140 days. If it was actually let out for 70 of these days, on day 141, it would qualify for a business rates assessment (provided the owner intended to advertise it for 140 days in the coming 12 months).

## What you need to do

If you own a holiday let self-catering accommodation you should ensure you are now gathering the evidence required to meet the new rules.

The Valuation Office Agency is contacting customers from 24 October 2022 to let them know about the new eligibility rules and will be sending letters to owners of self-catering properties currently in the business rates list.

The Valuation Office Agency will be carrying out compliance checks to ensure properties meet the new requirements and moving properties back to the council tax list if they do not. If you feel your property will not meet the new requirements you should [contact the Valuation Office Agency](#) as soon as possible to avoid a large backdated council tax bill.