

# A Comprehensive Guide to Starting a Private Lodging (Minpaku) Business in Osaka

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## Introduction

Osaka, a major hub for tourism in Japan, has seen a significant increase in demand for diverse accommodation options, including private lodging, commonly known as "Minpaku." However, starting a Minpaku business involves navigating a complex legal landscape. Japan has three primary legal frameworks governing short-term accommodation, each with distinct requirements, operational rules, and procedures. Understanding these is crucial before starting your business in Osaka. This guide provides a detailed overview based on the Ryokan Business Act, the National Strategic Special Zones Act (for "Tokku Minpaku"), and the Housing Accommodation Business Act ("Minpaku New Law").

## Understanding the Legal Frameworks in Osaka

When considering opening a Minpaku in Osaka, you generally need to operate under one of these three frameworks:

1. **Ryokan Business (under the Ryokan Business Act):** The most traditional and often strictest category. While covering full hotels and ryokans, the "Simple Lodging Business" (Kan'i Shukusho) type is sometimes used for Minpaku-style operations.
2. **Special Zone Private Lodging (Tokku Minpaku - under the National Strategic Special Zones Act):** A special designation available only in specific areas, including parts of Osaka Prefecture and Osaka City. It offers unique rules compared to the other two.
3. **Housing Accommodation Business (under the Housing Accommodation Business Act / "Minpaku New Law"):** Specifically designed to allow the use of existing residential properties for short-term stays, but with significant operational limitations.

## Detailed Breakdown of Each Framework

### 1. Ryokan Business (Simple Lodging Focus)

- **Governing Law:** Ryokan Business Act.
- **Authorization:** Requires formal **Permission** (Kyoka) from the Prefectural Governor or the Mayor of designated cities like Osaka City. This involves

discretionary review by the authorities (usually the local Public Health Center - *hokenjo*).

- **Key Features:**

- **Facility Standards:** Strict requirements for structure, equipment, sanitation, and safety, often needing compliance equivalent to hotels. Minimum floor area per person (e.g., 3.3m<sup>2</sup>/person for facilities under 10 guests). Requires compliance with Fire Service Act and Building Standards Act, often necessitating significant renovations or specific building types. Use category change under Building Standards Act to "Hotel/Ryokan" is typically required.
- **Front Desk:** Generally required, but alternative measures using ICT (video verification, smart locks) may be possible if specific conditions are met (like staff being able to arrive within approx. 10 minutes). Osaka City has specific ordinance requirements for facilities using these alternatives (e.g., nearby management office, cameras, signage).
- **Operating Days:** No annual limit (can operate 365 days).
- **Location:** Generally not permitted in exclusively residential zones. Must be in areas where hotels/ryokans are allowed.
- **Waste:** Treated as business waste, requiring contracts with licensed collectors.

- **Suitability:** Best suited for full-scale, year-round commercial operations prepared for significant initial investment and stringent regulatory compliance.

## 2. Special Zone Private Lodging (Tokku Minpaku)

- **Governing Law:** National Strategic Special Zones Act.
- **Availability in Osaka:** Possible **only** in designated areas within Osaka Prefecture and Osaka City. You must verify if your specific property location falls within an approved zone. Availability and rules can differ between municipalities even within Osaka Prefecture.
- **Authorization:** Requires **Specific Certification** (Tokutei Nintei) from the Prefectural Governor or the relevant Municipal Mayor (e.g., Osaka City Mayor). Application windows are often the Public Health Center.
- **Key Features:**
  - **Minimum Stay:** Requires guests to stay for a minimum period. In both Osaka Prefecture and Osaka City, this is currently set at **2 nights and 3 days**.
  - **Facility Standards:** Requires a minimum room floor area (generally 25m<sup>2</sup>, wall core), though exceptions exist (e.g., in Osaka Prefecture). Each guest room must have its own kitchen, bathroom, toilet, and washing facilities. Furniture and appliances are also required. Building use category change is often *not* required, making it easier to use existing apartments compared to Ryokan

Business. No front desk needed.

- **Neighbor Explanation:** Mandatory requirement to explain the business operation to neighbors *before* applying for certification. Methods and scope are defined by local guidelines.
- **Foreign Language Support:** Must provide facility guidance in at least one foreign language and have a system to handle foreign guest inquiries.
- **Complaint Handling:** Must establish and publicize a system for prompt response to neighbor complaints. Osaka City requires a 24-hour system with staff able to arrive on-site within approximately 10 minutes.
- **Safety:** Requires compliance with the Fire Service Act (often hotel standards, requiring a Fire Safety Compliance Certificate) and Building Standards Act (though use change less common, safety additions like emergency lighting might be needed).
- **Operating Days:** No annual limit (can operate 365 days).
- **Location:** Can operate in some zones where Ryokan Business is prohibited, as defined by local zone plans or ordinances (e.g., Osaka City allows it in Type 1/2 Residential, Quasi-Residential, Commercial zones etc.).
- **Waste:** Treated as business waste. In Osaka City, reporting the waste disposal plan to the Environmental Bureau is required *before* applying for certification.
- **Suitability:** An option for properties in designated Osaka zones aiming for over 180 days of operation, targeting guests staying 2+ nights. Easier to utilize existing buildings than Ryokan Business, but requires proactive neighbor relations and meeting specific facility/operational standards.

### 3. Housing Accommodation Business (Minpaku New Law)

- **Governing Law:** Housing Accommodation Business Act.
- **Authorization:** Requires **Notification** (Todokede) to the Prefectural Governor or relevant Mayor (e.g., Osaka City Mayor via the Public Health Center). This is generally accepted if formal requirements are met, unlike permission/certification. Online submission is common.
- **Key Features:**
  - **Property Type:** Must be a "Residence" (Jūtaku) – meaning it has basic living facilities (kitchen, bathroom, toilet, washbasin) AND meets a residency requirement (e.g., currently lived in, up for rent/sale, used as a second home). Newly built properties solely for Minpaku generally don't qualify. Building use category remains "Residence."
  - **Operating Days:** Strictly limited to **180 days (nights) or less per year** (April 1st to April 1st). This limit applies per property. Local ordinances can impose further restrictions. **Osaka City, for example, restricts weekday operations**

**(Monday noon to Friday noon) in areas within 100m of schools.**

- **No Minimum Stay:** Guests can stay for just one night.
- **Sanitation & Safety:** Requires minimum room area per guest (3.3m<sup>2</sup>), regular cleaning, and safety measures like emergency lighting and evacuation route displays. Must comply with Fire Service Act standards, often treated as hotels (Item 5(i)), requiring equipment like automatic fire alarms not typical in homes. Submission of a Fire Safety Compliance Certificate is often required by local ordinance (e.g., in Osaka City and Osaka Prefecture).
- **Operational Obligations:** Foreign language support, maintaining a guest register (3-year storage), identity verification, explaining noise/waste rules to guests, responding promptly to neighbor complaints.
- **Management: Mandatory** to entrust management duties (sanitation, safety, guest support, complaint handling, etc.) to a registered "Housing Accommodation Business Manager" if the operator does not live on-site ("Owner-Absent Type") or if there are more than 5 guest rooms.
- **Reporting: Mandatory** regular reporting (usually every two months) of operating days, guest numbers, etc., to the authorities. Osaka City requires reports by the 15th of even-numbered months for the preceding two months.
- **Location:** Generally permitted even in exclusively residential zones where Ryokan Business is banned. However, local ordinances can restrict this. **Osaka City prohibits it in certain low-rise exclusive residential zones unless the property abuts a wide road.**
- **Waste:** Treated as business waste, requiring contracts with licensed collectors. Operators must explain sorting rules to guests.
- **Suitability:** Best for utilizing existing homes or vacant properties for supplemental income. Lower entry barrier (notification), but the 180-day limit restricts revenue potential. Significant ongoing compliance burden (reporting, management consignment for absent owners).

### Comparative Overview: Key Differences

Feature	Ryokan Business (Simple Lodging)	Special Zone (Tokku) Minpaku (Osaka)	Housing Accommodation (Minpaku New Law)
Authorization	Permission (High Difficulty)	Certification (Medium Difficulty)	Notification (Low Difficulty)
Annual Operating	No Limit	No Limit	Max 180 Days (Osaka)

<b>Days</b>			City weekday limits)
<b>Min. Length of Stay</b>	No Limit	2 nights / 3 days	No Limit
<b>Location Restrictions</b>	Strict (No Residential Zones)	Moderate (Allowed in some Res. Zones by Ord.)	Lenient (Generally Allowed in Res. Zones, but Ord. restrict)
<b>Facility Standards</b>	Very Strict (Hotel-like)	Moderate (Room size, per-room facilities)	Lenient (Basic Residence + Safety)
<b>Fire Safety Standards</b>	Strict (Hotel)	Strict (Often Hotel)	Strict (Often Hotel, despite Residence use)
<b>Neighbor Explanation</b>	Not Required	Required (Pre-application)	Not Required (but complaint response yes)
<b>Management Consignment</b>	Not Mandatory	Not Mandatory	Mandatory (Owner-Absent / >5 Rooms)
<b>Regular Reporting</b>	No (Unless requested)	No (Unless requested)	Yes (Every 2 months)
<b>Building Use Change</b>	Usually Required	Often Not Required	Not Required
<b>Front Desk</b>	Generally Required (or Alt.)	Not Required	Not Required

## Crucial Considerations Specifically for Osaka

1. **Local Ordinances (Uwanose Jōrei) are Paramount:** This is the most critical factor. National laws provide a base, but **Osaka Prefecture AND Osaka City** can (and do) impose stricter rules via local ordinances. These can affect:
  - **Operating Areas:** Prohibiting operations in certain zones (e.g., specific residential areas, near schools). Osaka City has specific rules for low-rise zones.

- **Operating Days/Times:** Further limiting the 180-day cap for Minpaku New Law or restricting operations on certain days/times (e.g., Osaka City's weekday restrictions near schools).
  - **Procedures & Standards:** Mandating specific neighbor explanation methods (Tokku), requiring Fire Safety Certificates for notification (Minpaku New Law), specific rules for front desk alternatives (Ryokan Business), waste reporting requirements (Tokku in Osaka City).
  - **ALWAYS check the latest ordinances for BOTH the prefecture AND the specific municipality (e.g., Osaka City) where your property is located.**
2. **Fire Safety Compliance:** Do not underestimate this. Even for the "easier" Minpaku New Law using an existing house, the Fire Service Act often applies hotel-level standards. This can mean installing automatic fire alarms, emergency lighting, etc., which can be costly. Early consultation with the fire department and obtaining the necessary Fire Safety Compliance Certificate (where required by ordinance or for application) is essential.
  3. **Building and Property Rights:**
    - Confirm your property's zoning allows your chosen business type according to both national law and local Osaka ordinances.
    - If renting, ensure your lease permits business use and obtain explicit owner consent.
    - If it's a condominium, check the building management association rules (*kanri kumiai kiyaku*). Many explicitly prohibit Minpaku operations or require association approval, which can be difficult to obtain.
  4. **Waste Disposal:** All Minpaku types generate "business waste," not household waste. You *must* contract with a licensed waste collection company for proper disposal according to Osaka's rules. You cannot use regular residential collection points. For Tokku Minpaku in Osaka City, remember the pre-application report to the Environmental Bureau.
  5. **Application Process:** The process complexity varies (Ryokan > Tokku > New Law). Ryokan and Tokku applications often benefit from hiring an administrative scrivener (*gyōsei shoshi*) due to the paperwork and coordination required with multiple authorities (Public Health Center, Fire Department, Building Department, potentially Environmental Bureau, neighbors). Factor in time for prior consultations, obtaining certificates, and potential inspections.

## Conclusion

Starting a Minpaku business in Osaka offers opportunities but requires careful planning and strict adherence to regulations. The best legal framework depends on

your goals, property type and location (within Osaka's designated zones or general areas), target guests (short vs. longer stays), investment capacity, and willingness to handle operational compliance (day limits, reporting, management).

The most critical step is thoroughly researching the **specific local ordinances** applicable to your property's address in Osaka Prefecture and/or Osaka City, as these often dictate feasibility. Given the complexity, especially regarding fire safety, building codes, and local rules, consulting with experts like administrative scriveners and architects familiar with Osaka regulations is highly recommended before committing significant resources.