

# Roadmap to Sustainable Homestay Tourism

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The NITI Aayog's report on "Rethinking Homestays: Navigating Policy Pathways" aims to advance framework that states can adopt to harmonise regulations and establish an inclusive homestay ecosystem, thus promoting sustainable tourism growth.

The best practices are available from this report for States/UTs to adopt. The specific measures proposed in the said Report is placed at **ANNEXURE**.

This information was given by Union Minister for Tourism and Culture Shri Gajendra Singh Shekhawat in a written reply in Lok Sabha today.

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## **ANNEXURE**

### **RECOMMENDATIONS PROPOSED FOR THE HOMESTAY SECTOR IN THE REPORT "RETHINKING HOMESTAYS: NAVIGATING POLICY PATHWAYS".**

#### **1. Adopt Best Practices from Across India on Various Components of Regulation:**

The current ecosystem for alternative accommodations, particularly homestays, in India operates within a diverse regulatory landscape where states have tailored frameworks to balance operational ease with governance. Many states have simplified registration processes and introduced policy incentives to drive homestay growth while ensuring compliance.

For instance, Goa has significantly reduced bureaucratic hurdles by requiring only three essential documents—proof of ownership, applicant identification, and GST registration (if applicable)—for homestay registration. The state also offers a seamless digital registration and renewal process through a single online portal, with a five-year validity period for registration and no additional documentation required for renewal.

Kerala follows a structured yet efficient verification process through a quorum-based assessment. A team of four out of six designated officials, including the District Tourism Officer, inspects the property and issues the necessary NOCs.

For classification of homestays, Chhattisgarh offers functional classification with various categories such as heritage, urban, village/forest, and tribal homestays with concomitant flexibility regarding amenities to be provided.

In Delhi, under the National Capital Territory (Incredible India) Bed and Breakfast Establishments (Registration and Regulation) Act of 2007, classifies B&Bs as residential units. This provision allows operators to benefit from lower power, water, and property tax rates, along with deemed registration under the Incredible India B&B guidelines.

Other states have also integrated the convergence of their respective homestay incentives into broader policy initiatives. Meghalaya offers operators the opportunity to combine subsidies for national and state policies whereas Gujarat allows operators to reap benefits from their state solar mission and other policies, thereby fostering growth in the sector. Maharashtra has introduced a zone-based classification system for tourism projects, linking incentives to the property's location to promote balanced regional development. Meanwhile, Uttarakhand follows a structured, phase-wise incentive program tailored to the needs of both hilly and plain regions, ensuring equitable growth across the state.

Further, to advance sustainable and responsible tourism, Kerala introduced the Responsible Tourism Mission in 2008 which aspires to foster better economic benefits and the well-being of local people and communities. Its key aspects are conserving natural and cultural heritage and preserving the world's diversity. Goa also prioritises regenerative tourism through the Tourism Master Plan as well as the Homestay and B&B Policy, to revive ecosystems, communities, and cultures, and build a sustainable ecosystem.

## 2. Take concrete steps towards creating a model policy framework for homestays:

Building on these successful practices, it is proposed to have a model policy framework that states may adopt to harmonize regulations and establish a more resilient and inclusive ecosystem for homestays. This framework incorporates key components designed to simplify processes, encourage wider participation, and promote sustainable tourism growth.

### 2.1 Ease of Doing Business:

- a. **Registration and Renewal:** The registration process may be streamlined, requiring only essential documents such as ownership proof, applicant identification, and GST registration (if applicable, depending on the threshold). For renewal, the concerned establishment's renewal application may be processed upon payment of the requisite fee, with no additional documentation required. The focus may be placed on reducing bureaucratic hurdles and eliminating unnecessary steps.
- b. **Establish a Single-window Clearance System for Homestay Registration:** A unified, digital platform may be established to integrate approvals across key departments, including tourism, panchayats, revenue, and utilities, to streamline processes and minimize delays. Provisional registration certificates may be issued before verification, allowing homestays to commence operations while necessary inspections are conducted. Further, interdepartmental coordination may be strengthened to facilitate a smooth and efficient registration process.
- c. **Proportionate Registration Fees:** Fees and compliance requirements may be reasonable and proportionate to the size and category of the homestay, ensuring the financial viability of smaller operators.
- d. **Facilitate Processing:** Application disposal timelines may be capped at 30 days, ensuring prompt registration and renewal processing, thereby improving service delivery and reducing delays. Additionally, if the concerned Tourism Department fails to communicate a decision within the stipulated time frame, the application may be automatically deemed approved to prevent unnecessary administrative bottlenecks.
- e. **Establish Central Nodal Agency:** Establish a central nodal agency to streamline communication across departments and facilitate coordination between various stakeholders to ensure a unified approach to policy implementation, marketing, and resource allocation.

### 2.2 Digitalisation for Streamlined Operations of Homestays:

- a. **Develop a Digital Portal for Registration and Compliance:** A centralised digital portal may be developed for homestay registration, renewals, and compliance management. The portal may allow operators to submit documents, track applications, and receive policy updates and renewal reminders.
- b. **Introduce-Declaration Mechanisms:** To reduce administrative burden and enhance ease of doing business, homestay operators may be permitted to self-declare compliance with essential guidelines through a

digital portal while obtaining necessary NOCs and undergoing inspection processes. Further, a randomised inspection mechanism may be introduced to ensure regulatory compliance and reduce administrative overheads.

### 2.3 Destination Management and Promotion through Homestays:

The policy may emphasise developing and promoting lesser-known destinations by integrating the homestay sector as a key component in diversifying tourism across the state. In addition, a key priority may be creating distinctive, immersive experiences that are inherently linked to each destination's unique character to attract visitors.

a. **Targeted Marketing Campaigns:** Collaborative marketing initiatives and promotional campaigns undertaken by the state government may highlight the unique offerings of underdeveloped regions, with a focus on how homestays can provide authentic, community-driven travel experiences that attract both domestic and international visitors.

The following marketing strategy could be considered:

- i. Collaborations with OTAs, and travel companies to increase visibility and drive bookings for the particular destination, attracting both domestic and international tourists.
- ii. Engagement with travel influencers and content creators to showcase local experiences, heritage, and immersive stays associated with the particular destination to ensure broader audience reach and engagement.
- iii. Integration of registered homestays into official marketing channels, including state tourism's website, app, social media platforms, establishments, outlets, printed promotional materials and brochures at travel marts and exhibitions etc.

b. **Experiential Tourism & Community Involvement:** State policies may prioritise the development of experiential tourism models, ensuring that visitors have engaging activities—such as guided cultural experiences, workshops, and adventure trails—to ensure homestays provide authentic and enriching tourism experiences in addition to facilitating accommodation.

c. **Anchor Hub and Thematic Circuit Development:** State governments may diversify tourism offerings by stimulating demand in key segments through a strategic Anchor Hub and Thematic Circuit development mode. This approach establishes:

- i. Anchor Hubs as key tourist destinations with the potential to offer diverse tourism experiences and serve as gateways to surrounding regions, with homestays playing a vital role in enhancing the visitor experience.
- ii. Thematic Circuits that connect multiple destinations through homestays based on shared themes such as spiritual, culture, adventure, wellness, ecotourism etc. These circuits should be built around unique experiences, ensuring travellers have a deeper connection to the region.

### 2.4 Incentives:

a. **Destination-Focused Financial Incentive:** Financial incentives may be based on promoting tourism at the destination level rather than focusing solely on individual homestay amenities or classifications. This will encourage operators to contribute to regional growth and attract tourists to underserved areas. A tiered incentive approach could be used.

- i. **Tier 1 Destinations:** Areas with immediate tourism potential should receive top priority for development and promotional support.
- ii. **Tier 2 Destinations:** Secondary areas with long-term potential should receive phased incentives and marketing support.

b. **Non-Financial Incentives:**

- i. **Project Support Organisations (PSOs):** PSOs may be introduced to support homestay operators, particularly in rural or remote regions. These organisations would provide technical assistance, project management expertise, and guidance on best practices to help new homestay operators successfully launch and maintain their businesses.
- ii. **Residential Utility Classification:** Homestays may be classified as residential units for utility purposes, ensuring access to residential rates for water, electricity, and property taxes. This will enhance the financial sustainability of homestays.
- iii. **Capacity Building:** State Tourism Departments may be encouraged to collaborate with private industry experts to organise capacity-building sessions and Homestay Business Summits. These initiatives may facilitate knowledge exchange, provide networking and collaboration opportunities, and impart best practices from top performing homestays.

## 2.5 Awareness Generation:

- i. **Information Education Communication (IEC) Campaign:** A national IEC strategy may be launched to raise awareness about homestay registration, compliance guidelines, and available policy benefits.
- ii. **Local Facilitation Centers:** Dedicated facilitation centres may be established, particularly in rural and remote areas, to assist homestay operators with registration, compliance procedures, and access to financial and technical support.

## 2.6 Creation of Homestay Clusters:

Promote the creation of homestay clusters within communities by leveraging local resources and existing infrastructure to create high-value experiential tourism products. This approach may also prioritise the sustainability of these clusters by promoting long-term viability through community involvement, environmental stewardship, and economic diversification to ensure that these clusters remain resilient and beneficial for both visitors and host communities.

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