



What are Home Occupations?

As defined in the Zoning Bylaw, Home Occupations means “a profession that is carried out in a residential dwelling unit or accessory building on a residential zoned parcel where such profession is secondary to the use of the parcel for residential purposes.” Home occupations are also frequently referred to as home-based businesses.

The City of Terrace has three (3) categories of home-based businesses: Level 1, Level 2, and Level 3.

Category	Level 1	Level 2	Level 3
Business Examples	Bookkeeping Accounting Artist Studio Web Programming	Teaching/Tutoring Personal Services (Hairdresser/Esthetics) Small Equipment Repair Bed & Breakfast	Group Lessons Group Counselling Trade Contractor Vehicle & Machinery Repair
Min. Parcel Size Required	n/a	550 m ² (0.14 ac)	2,700 m ² (0.67 ac)
Max. Floor Area Permitted	30% gross floor area of the dwelling unit	Lesser of 30% gross floor area of principal building or 90 m ²	200 m ² (incl. outdoor storage area)
Outside Storage Permitted	No	No	Yes Screening of area req.
Max. No. of Employees (Non-Resident)	0	1	2
On-Site Clients Permitted	No	Max. 20 visits/day Max. 2 clients at any given time	Max. 5 clients at any given time
Additional Off-Street Parking Space(s) Required	0	1	1

*Additional regulations may apply. The above chart is for reference purposes only. Please consult the Zoning Bylaw for regulations specific to your proposed home-based business.

Since commercial uses are not typically allowed in residential areas, it is important that a home occupation does not disturb the residential nature of an area. The ideal test of a home occupation is whether the neighbours would be aware of its existence.

What do I need in order to operate a home-based business?

- A City of Terrace Business License is required (valid for 1 calendar year); annual renewal required
- A home inspection may be required if clients are visiting the site or to verify the business activity complies with zoning regulations
- A sign advertising the business may be permitted, subject to the City of Terrace Sign Bylaw (permit may be required)
 - *Tip:* To learn more about signs, see [Fact Sheet #DS-06 – Sign Permits](#)

Who can apply to operate a business from a residence?

- An individual living in a residential dwelling where Home Occupations are permitted may apply for a business license.
- Tenants are able to obtain a business license to operate a business from a rental dwelling unit. Provided all Bylaw & City of Terrace regulations are met, both owners and renters are able to operate businesses from their residence.
- Depending on the zone, a dwelling unit may have a maximum of two (2) licensed home occupations, only one (1) of which may be a Level 2 or Level 3.

HOW TO LEARN MORE

Find the Zoning Bylaw and Sign Bylaw online at www.terrace.ca/city-hall/bylaws.