

November 2023

# Registration of Short-Term Tourist Letting Bill 2022: Submission on draft General Guiding Principles

## Introduction

The Simon Communities of Ireland welcome the opportunity to make a written submission on the draft General Guiding Principles for the General Scheme of the Registration of Short-Term Tourist Letting Bill 2022 to the Joint Committee on Tourism, Culture, Arts, Sport and Media.

Ireland is experiencing a housing crisis, characterised by unprecedented levels of homelessness. Homelessness at the scale seen in Ireland is driven by a lack of secure affordable homes. The increased regulation of short-term lets offers an opportunity to: (i) boost the supply of long-term rental properties, (ii) make efficient use of our existing housing stock and (iii) promote much needed transparency in the short-term letting sector.

The Bill grasps the potential of returning much needed properties to long-term residential use. As we set out in a previous submission to the committee, this is unlikely to have a direct impact on homelessness and housing exclusion unless provisions are put in place to ensure that significant proportion of the returned properties provide secure and affordable homes to those most in need.

Simon Communities of Ireland notes that this is not the responsibility of the Department of Tourism, Culture, Arts, Sport and Media, and a whole of government, multi-departmental approach is required.

## Context: Homelessness and Housing

The Simon Communities of Ireland's previous submission provided an overview of homelessness and the effect that a low supply of housing and accommodation options is having on the number of people in homelessness. This section will provide an update on some of these figures and give an overview of the current homelessness situation in Ireland. Latest figures show that there are currently around 12,827 people experiencing homelessness in Ireland.<sup>1</sup>

---

<sup>1</sup> Homeless Report, September 2023. Available at: [gov.ie - Homeless Report - September 2023 \(www.gov.ie\)](https://www.gov.ie/publications-and-statistics/publications/homeless-report-september-2023)

November 2023

## Total Number of People Living in Emergency Accommodation in Ireland, May 2016 - present



Created with Datawrapper

The Simon Communities of Ireland’s quarterly *Locked out of the Market* report is witnessing a notable reduction in the number of properties available across Ireland – particularly those within HAP rates. Our latest report found just 27 properties available within standard or discretionary HAP limits nationwide.<sup>2</sup> This is the lowest number recorded across the 31 Simon Communities’ *Locked Out of the Market* snapshot studies. Just 3% of all properties available to rent examined in this study are available through HAP. For comparison, in 2021, on average, 27% of all properties examined in the *Locked Out of the Market* series were available through HAP.

According to Daft.ie’s most recent rental price report, in Q2 of 2023, average rent nationally was €1,792, representing an increase of 10.7% in a year. Average rent prices in Dublin remain the highest in the country, ranging from €2,144 in North County to €2,601 in South County.<sup>3</sup>

According to the report, the number of properties available to rent nationwide on the 1<sup>st</sup> of August was just under 1,200. This is half the number of properties which were available on the same date in 2021. Of these 1,200 properties approximately 600 were in Dublin. At the end of 2022, Fáilte Ireland estimated that there were up to 30,000 short-term tourist-letting properties in Ireland advertised online, 20,000 of which are whole apartments or houses. They estimate 12,000 of these are likely to be without necessary planning permission and so will cease to be short-term lets and re-enter the

<sup>2</sup> Locked Out Report, September 2023. Available at: [28.-Locked-Out-of-the-Market\\_Sep-2023.pdf \(simon.ie\)](#)

<sup>3</sup> Daft.ie Irish Rental Report, Q2 2023. Available at: [Irish Rental Report Q2 2023 | Daft.ie](#)



November 2023

private market as long-term rental or residential options.<sup>4</sup> For comparison, this is equivalent to almost 22% of the number of homes managed by Approved Housing Bodies across Ireland.<sup>5</sup>

There is currently a large number of landlords leaving the long-term rental market in order to sell their properties. RTB data shows that in the first nine months of 2023 15,006 notices of termination were issued by landlords.<sup>6</sup> Of these 15,006, 9,127 (61%) were issued as the landlord intends to sell the property. As of Q2 2023, local authorities have been collecting data on reasons for new presentations to emergency accommodation. Data shows that of the 2,870 new household presentations in the first two quarters of this year, 745 (26%) households cited eviction notices as their reason for becoming homeless making it one of the leading causes of homelessness.<sup>7,8</sup> This highlights the urgent need to keep landlords in the market, while efforts are ongoing to boost the supply of affordable and social homes.

Given the trends of increasing homeless levels, with eviction notices as the primary driver, increasing rent prices and the large number of landlords leaving the market. The potential positive impact of 12,000 homes returned to the system is clear. Again, we would highlight for those increased supply of homes to provide relief to those in homelessness, systems and supports will have to be found to secure as many of those homes as possible for social and affordable housing.

## Analysis of Guidelines

Simon Communities of Ireland welcomes the draft General Guiding Principles for the Registration of Short-Term Tourism Letting Bill 2023 and the intention that these new guidelines will be aimed at influencing the return of non-principal private residences to the long-term rental market, particularly in areas with high housing need. A short analysis of the guidelines is provided below, outlining areas of support and concern from the perspective of Simon Communities of Ireland.

### Home Sharing

Simon Communities of Ireland notes the appropriate focus on the efficient use of non-principal private residences for the benefit of our housing system and the public good.

### Change of Use Planning Permission

As set out in the draft guidelines, the regulation of property use is essential to ensure that local authorities can facilitate sustainable development and meet the housing needs in their localities. It can also serve as a mechanism to avoid the problematic practice of properties that have traditionally been let on a long-term basis being taken out of this sector and transferred into the short-term rental

---

<sup>4</sup> Available at: <https://www.gov.ie/en/press-release/f5707-short-term-tourist-letting-register-to-be-established-through-new-legislation/>

<sup>5</sup> ICSH Annual Report 2022. Available at: <https://icsh.ie/wp-content/uploads/10970-ICSH-Annual-Report-2022.pdf>

<sup>6</sup> [Notices of Termination \(NoTs\) received by the RTB from Q3 2022 | Residential Tenancies Board](#)

<sup>7</sup> Homeless Quarterly Progress Report Q2 2023. Available at: [5fc0fd0d-d4a4-43fb-8a51-1ac7e6a996a2.pdf \(www.gov.ie\)](https://www.gov.ie/en/press-release/5fc0fd0d-d4a4-43fb-8a51-1ac7e6a996a2.pdf)

<sup>8</sup> Homeless Quarterly Progress Report Q3 2023. Available at: [5ec39432-f69e-4deb-9215-acf90a5c2380.pdf \(www.gov.ie\)](https://www.gov.ie/en/press-release/5ec39432-f69e-4deb-9215-acf90a5c2380.pdf)

November 2023

sector. The practice of moving from long-term letting to short-term letting has a potential negative social impact, driving up rents and reducing the available supply of long-term rentals. Although, it is important to highlight again that reducing short-term letting is far less likely to have a significant impact on those at the sharpest end of the housing crisis unless appropriate and effective measures are put in place to ensure affordability and security in properties who are refused change of use permissions.

### **Short-term Letting in Rural Locations**

Simon Communities of Ireland notes that final guidelines will allow planning authorities to assess change of use planning applications for NPPRs in rural areas outside of RPZs on a case-by-case basis, taking into account individual circumstances in addition to relevant policy objectives (national, regional and local). It is imperative that individual circumstances are weighted against the public good. While we recognise that the differing situations in urban and rural/coastal areas requires consideration, the housing crisis has reached every corner of the country. The latest edition of our 'Locked Out' series found that in 8 out of the 16 study areas, there were no properties available to rent through HAP in any household category within standard or discretionary HAP limits. These were Cork City, Cork City Suburbs, Galway City Suburbs, Co. Leitrim, Limerick City Suburbs, Limerick City Centre, Sligo Town and Portlaoise.<sup>9</sup>

The draft guidelines say that a similar approach will be taken in rural areas within RPZs. Simon Communities of Ireland would urge caution here. As highlighted above, the housing crisis is not restricted to urban areas. Hence, the approval of change of use applications for short term tourist rentals in rural regions has the potential to adversely affect both the cost and availability of long-term rentals, much like in urban areas. RPZ's are a response to very significant increases in the cost of renting in a given area and this breaking mechanism should not be undermined.

### **Assessment of Planning Applications in Urban Areas within RPZs**

Simon Communities of Ireland notes that planning authorities in designated RPZs will assess applications for change of use to short-term letting on a case-by-case basis considering wider factors such as development plan policy and zoning. However, we would like to highlight that housing need, as a primary public good should take priority over the need for tourist accommodation, given that we are currently experiencing such grave affordability and supply issues in these areas.

## **Foremost Issues/Concerns and Recommendations**

### **Differing Housing Situations in Urban and Rural Areas**

Simon Communities of Ireland recognises concerns about the unique housing situations in rural and urban areas and in turn how the effect of the draft guidelines may differ depending on the characteristics of areas. Although, as we have highlighted earlier, the housing crisis is an all of Ireland crisis, and is by no means restricted to urban centres. The public good must therefore take precedence over the individual circumstances change of use planning applications.

---

<sup>9</sup> Locked Out Report, September 2023. Available at: [28.-Locked-Out-of-the-Market\\_Sep-2023.pdf \(simon.ie\)](#)

<sup>9</sup> [5fc0fd0d-d4a4-43fb-8a51-1ac7e6a996a2.pdf \(www.gov.ie\)](#)

November 2023

Recommendation: Benchmark of affordability

Simon Communities of Ireland recommend that change of use planning applications be assessed alongside a benchmark of affordability. If it is found that housing is not affordable in an area, no properties should be granted change of use permissions to the short-term rental sector. This could be done using CSO regional income levels and average rental prices. Generally, if a significant number of households are spending in excess of 30% of their income on rent, then housing in the area is unaffordable and therefore further pressure should not be put on the system by allowing long-term rentals to change to short-term lets. This would offer planning authorities a useful mechanism for assessing applications.

**Guidance on Rejected Change of Use Planning Permission Applications**

The draft guidelines do not make any reference to rejected change of use planning permission applications. It is important that we do not just assume that these properties will be automatically reintroduced into the long-term rental sector.

Recommendation: Clear Pathways for those who cannot register their property for short-term letting:

In our previous submission, we recommended that clear pathways are introduced for those who are refused change of use planning permission. This is essential to the objective of influencing the return of NPPRs to the long-term rental market in areas with high housing need., especially at a time when large numbers of landlords are leaving the market. Therefore, Simon Communities of Ireland recommend that appropriate measures/incentives are put in place to encourage landlords who are not granted change of use permissions to let the accommodation for social housing. If the landlord does decide to sell, Local Authorities should be given the resources to purchase appropriate properties for affordable and social housing use. Such an initiative might follow the precedent set with the tenant in situ scheme. We recognise that while this is beyond the remit of the Department of Tourism and of these guidelines, we do note that an all of government response is required in order for regulations to have an impact on homelessness and housing exclusion.

## Conclusion

Simon Communities of Ireland welcome the draft Guiding General Principles for planning authorities and the Registration of Short-term Tourist Letting Bill 2022. Although the presence of short-term lets in the housing market is by no means the cause or the cure to the housing crisis we are currently experiencing, they can negatively impact local communities who are already in short supply of long-term rental properties. The enactment of this legislation along with the guiding principles has the potential to bring a cohort of properties back into the long-term rental market. However, it is important to reiterate that for the regulations to make meaningful impact on the housing market, Simon Communities of Ireland recommend that further consideration be given to rural areas within RPZs and how these regions will be defined. It is unclear why they would be assessed differently from urban areas within RPZs, given that the housing crisis is an all of Ireland issue, and not restricted to urban areas. We also suggest that change of use applications be evaluated in conjunction with an affordability benchmark. Additionally, we advocate for clear pathways to be established for properties changing



Communities of Ireland

*November 2023*

back from short-term rentals to long-term rentals markets. This transition should aim to provide secure and affordable housing options for those who are most in need.