



General Scheme of the Registration of Short-Term Tourist Letting Bill 2022

Introduction

The Simon Communities of Ireland would like to thank the Committee for the opportunity to make a submission on the General Scheme of the Registration of Short-Term Tourist Letting Bill 2022.

It is well documented that Ireland is in a deep housing crisis. The record number of people recorded in homelessness is a consequence of that housing crisis. A severe lack of affordable, secure housing options is driving up the number of people suffering the trauma of homelessness. 2022 saw an increase in the number of people recorded in homeless emergency accommodation each of the 12 months of the year; the first time this has been seen since the Department of Housing, Local Government and Heritage began correlating monthly records in 2014.

The rationale for the Bill under discussion is that a more regulated short-term letting sector is required to ensure that our limited housing stock is utilised to the greatest effect. The most recent example of the potential of this initiative was during the early stages of the pandemic when a combination of the moratorium on evictions and the increased capture of properties including previous short-term lets saw official homeless figures in May 2021 go below 8,000 for the first time since June 2017.

The Department has estimated that some 12,000 homes could be released from the short-term letting sector into the long-term rental with the implementation of the regulation.

This submission will provide an overview of the impact that a lack of supply of affordable homes is having on homelessness. Following this, we address scope and potential of the *General Scheme of the Registration of Short-Term Tourist Letting Bill 2022* to contribute to the efforts to reduce homelessness.

Context: Homelessness and Housing

AS set out above 2022 figures from the Department of Housing, Local Government and Heritage illustrate worrying trends in homelessness. The latest figures show 11,632 people living in emergency homeless accommodation; a 30.49% increase on the number of people in homelessness over 12 months and the highest on record.¹

¹ Available at: <https://www.gov.ie/en/collection/80ea8-homelessness-data/>

Total Number of People living in Emergency Homeless Accommodation in Ireland, May 2016 - present

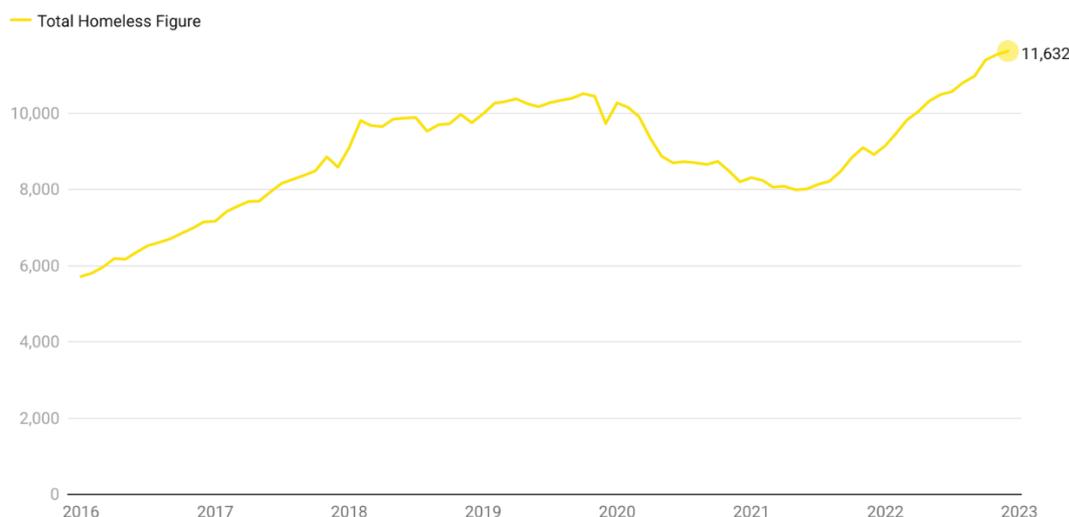


Chart: Simon Communities of Ireland • Source: Department of Housing, Local Government and Heritage • Created with Datawrapper

We are in the midst of a housing crisis that is driving increases in homelessness. A lack of properties – and a lack of affordability – is slowing people’s exit from homelessness. The rental market has been a central route for exiting homelessness thanks to housing supports such as Rent Supplement (RS), Rental Assistance Support (RAS) and Housing Assistance Payment (HAP); a form of social housing support. However, the number of people able to exit homelessness into the private rental sector is rapidly reducing. Only 221 people in Q3 2022 moved out of homelessness into rented accommodation: a 310% decrease from 905 people 12 months prior in Q3 2021.

Exits from Homelessness by Tenancy Type

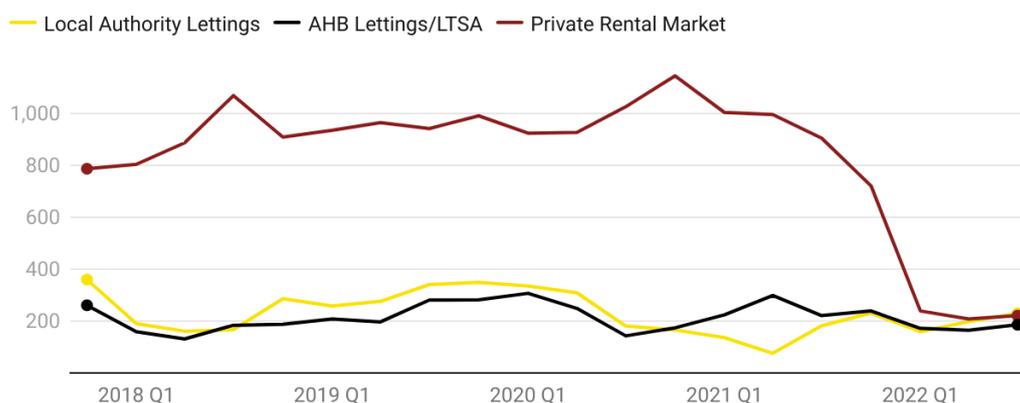


Chart: Simon Communities of Ireland • Source: Department of Housing, Local Government and Heritage • Created with Datawrapper

This rapid reduction is linked to a lack of availability and affordability in the rental market. Monthly homeless reports from the Dublin Region Homeless Executive (DRHE) that found that in October, only six families and nine single people exited homelessness into a HAP property; the lowest figure seen in five years.² The most recent report looking at November figures shows that monthly average number

² <https://www.homelessdublin.ie/content/files/DRHE-Monthly-Report-October-2022.pdf>

of families exiting emergency accommodation to tenancies in 2022 remains at 33, compared with 57 in 2021, 94 in 2020 and 95 in 2019.³

The Simon Communities of Ireland's quarterly *Locked out of the Market* report evidenced a notable reduction in the number of properties available across Ireland – particularly those within HAP rates. Our latest report⁴ found just 41 properties across 16 study areas available to rent within HAP limits: down 96.5% from 1,106 available two years prior in December 2020. Both the number and proportion of properties affordable under HAP rates is dropping.

Locked Out of the Market: Breakdown of properties available with a standard or discretionary HAP rate

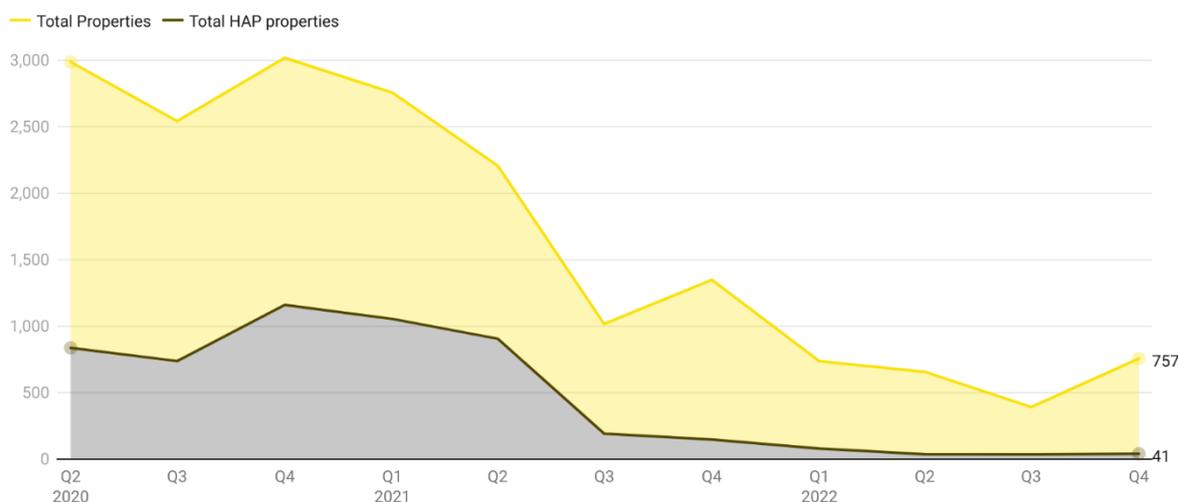


Chart: Simon Communities of Ireland • Source: Locked Out of the Market • Created with Datawrapper

Rental Price Reports from Daft.ie⁵ found that rent prices increased by 13.7% in the 12-month period between Q4 2021 and Q4 2022. The average national monthly rent now sits at €1,733. Increases in rents are underpinned by lack of supply. The total number of properties available to rent on February 1st was 1,096, down over 20% from the same date last year and less than one third of the 2015-2019 average for February.

The issues outlined – the shortage of accommodation and the absence of affordability in the private rental market – is driving homelessness in multiply ways. Most particularly, as outlined, there are fewer and fewer options for individuals and families to exit homelessness. The same is true for those who find themselves in a situation where they have to leave their current home. For example, where a landlord is selling up or requires the property for their own use. There are fewer and fewer options for people to find alternative accommodation and this is forcing too many of families and individuals into homelessness.

Impact of the Proposed Act

While the primary focus of the Simon Communities of Ireland is the provision of public housing to address homelessness, a functioning private rental market that provides secure affordable homes will

³ <https://www.homelessdublin.ie/content/files/Homeless-update-33-November-2022.pdf>

⁴ *Locked Out of the Market*, December 2022, Available at: <https://www.simon.ie/e-publication/locked-out-of-the-market-december-2022/>

⁵ Irish Rental Report Q4 2022, Daft.ie. Available at: https://ww1.daft.ie/report/2022-Q4-rentalprice-daftreport.pdf?d_rd=1

help ensure we have a private rental infrastructure that is not contributing to homelessness and may be utilised to help to turn the corner of the current homelessness crisis.

To this end, the Simon Communities of Ireland support the intention of the bill to move, as many of our European counterparts have, to ensure greater regulation of the short-term letting market to facilitate the most effective use of the stock of homes we have. Particularly those in urban areas.

However, we also have to acknowledge that for this to have a meaningful direct impact on homelessness – as we saw in 2021 – we would need to ensure that there is both an increase in supply and affordability; or that the homes could be secured for those experiencing – or at risk of homelessness.

Much of the work to achieve this is outside of the powers of the bill proposed but there is a value in setting out the scale of the challenge in the housing system to which the provisions in the bill have the potential to make a contribution. Also, in recognising that the bill is a part of body of work to set up a more strategic management of the housing infrastructure in Ireland into the medium and long-term.

An increase of 12,000 properties to the long-term rental market would constitute a significant increase in supply. To give an example of the context 12,000 homes would be some 24% of the total stock of Approved Housing homes in Ireland or 9% of the homes owned by local authorities.

However, there will be some owners that will not move from short-term letting to long-term. In these cases, Simon Communities of Ireland would like to see that incentives, information, and support are provided to owners of short-term lets to encourage engagement with the local authorities to avail of leasing or sale opportunities.

Head 43

We note that Head 43 of the legislation provides for data exchange with local authorities and the Department of Housing, Local Government and Heritage. This will be necessary for the successful functioning of the register. In addition, every effort should be made to ensure that the provision is broad enough to ensure that the relevant bodies have capacity to make use of the information to manage the broader housing system. This could be particularly useful in cases where registration is not allowed to proceed to ensure there are options to capture those homes for the public good.

[Other Considerations](#)

Head 4

We note, as the committee has, that there is a differentiation in definition between the planning regulations and the bill. Under Head 4, this is set at up to 21 days while the 2019 Residential Tenancies (Amendment) Act it is defined as 14 days. While the Bill would capture all of those under the definition set out in the act the question arises if there is a concern of a narrow group becoming unnecessarily caught between legal stools.

Head 4

Under Head 4 “proprietor” is defined as ‘any person with a legal or beneficial interest in the premises including but not limited to an owner, occupier or lessee of the premises. There is a reported phenomenon of some individuals securing long-term rental agreements from a number of landlords and then moving to rent out these properties on a short-term basis. In isolation, there is a concern that the definition of proprietor that includes ‘lessee’ is not sufficient to address this practice.

Conclusion

The Simon Communities of Ireland support the development of these regulations that promote sustainable planning and organisation of our housing market.

As briefly discussed above, the housing and homelessness crisis are deeply interlinked. Those living in emergency homeless accommodation are at the sharpest end of the crisis. However, it is important to reiterate that short-term tourist lets are not the cause of the housing crisis and regulating this sector is not a panacea.

It has, however, along with the opportunity to bring more homes into the private rental market. We need to see this have a positive effect on the public housing supply with allocations to those in homelessness with clear incentives and pathways for homeowners to achieve this.

This Simon Communities of Ireland would welcome the opportunity to continue the engagement with the Committee on this important legislation and other initiatives to ensure we have a sustainable housing system.