

## Submission to the Oireachtas Committee on Housing & Homelessness

### Impact of Short-Term Lettings on Ireland's Housing & Rental Market

Focus Ireland welcomes the opportunity to present before the Oireachtas Committee on Housing and Homelessness on the topic of short-term rentals and their impact on the Irish housing market. As we have stated in previous correspondence with the Committee, Focus Ireland has no specific expertise in this area. There is little information available on the impact of short-term lettings to date in Ireland. It should be noted at the outset that our ability to make informed recommendations on the topic is limited by this lack of data.

Focus Ireland is one of the largest housing and homelessness charities in the State. We are driven by a fundamental belief that homelessness is wrong. We are committed to tackling the systemic causes of homelessness, many of which have their origins in our housing and financial markets. We believe that real solutions lie in preventing people from becoming homeless and ensuring they are supported to sustain their new home once it is secured. However, we believe that the primary way to tackle Ireland's current homelessness crisis is a swift increase in the number of long-term housing solutions for those in emergency accommodation and those at risk in precarious tenancies.

The Rebuilding Ireland Action Plan introduced new legislative measures relating to the private rented sector. This followed increased regulation stemming from the Residential Tenancies (Amendment) Act 2015. Focus Ireland supports increased regulation of the market, in order to ensure adequate protection for tenants and create vibrant and sustainable communities. However, there is anecdotal evidence that landlords are unhappy with increased regulation of the sector. It is possible that some of the landlords exiting the market below are doing so in response to these additional legislative responsibilities. This increased regulation has not been replicated in the short-term letting market. This disparity has the potential to entice owners from a private rental market which is perceived as being burdened by regulation, to a short-term letting market which is basically free of it.

*Distinctions should be drawn between: owners who let their property short-term while they are away, owners who let a room in their property short-term, and owners who exclusively let their entire property on a short-term basis.*

### Demand

As the Committee is aware, Ireland is currently experiencing the highest rates of homelessness since our administrative records began. In April 2017, 7680 people were experiencing homelessness in the State, including 2708 children.<sup>1</sup> The increase in family homelessness has been the most acute, with 1302 families currently homeless in Ireland.

<sup>1</sup> DHPCLG data, available at: <http://www.housing.gov.ie/housing/homelessness/homelessness-report-april-2017>

Focus Ireland conducts regular telephone surveys with families becoming homeless in Dublin. This research has provided us with an insight into the reasons that families are entering emergency accommodation. Of the families who became homeless in September 2016, almost 40% cited that their reason for leaving their last stable accommodation was that the property was being withdrawn from the private rented market.<sup>2</sup> A similar statistical pattern can be identified in previous telephone surveys and in a recent evaluation of a pilot prevention project in Dublin 15.<sup>3</sup>

Focus Ireland also operates the Family Homeless Action Team in Dublin, supporting families to move on from emergency accommodation as quickly as possible. Given the severely limited number of social housing tenancies available, the majority of these families are being supported to re-enter the private rented sector through the HAP scheme. While the scheme allows flexibility in terms of rental payments, up to 50% of the legislative cap, families are still competing with other households to access limited resources.

The rental cap for a family with 2 children in Dublin city council is €1275. With the 50% uplift, this increases to €1912. Daft, the country's most popular property website, only lists 633 properties in Dublin which are available for less than €1950. It's worth noting that this is just the asking price, not the letting price. Families and individuals trying to access move-on accommodation are often competing with high-earning professionals.

The causes of homelessness are complex, but lack of access to affordable and long-term housing is fundamental. The Rebuilding Ireland action plan recognises the need to rapidly increase the number of homes available in the country. Of the five pillars of the action plan, three are directly related to this aim: accelerate social housing, build more homes, utilise existing housing. The short-term letting of dwellings which could provide long-term homes is something which must be examined.

## Data

The data on short-term lettings in Ireland is relatively scarce. In the Census 2016 housing profile, a large increase in holiday homes in Dublin city was recorded. Nationally, the number of holiday homes continued to rise, reaching 62,148 dwellings in 2016. This is an increase of 5% from 2011. In Dublin, 700 extra dwellings were recorded, increasing from 322 in 2011 to 1,022 in 2016.

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<sup>2</sup> See Focus Ireland insights into Family Homelessness, available at: <https://www.focusireland.ie/research/>

<sup>3</sup> Results of a Pilot Project to prevent family homelessness in Dublin 15, available at: <https://www.focusireland.ie/wp-content/uploads/2016/04/D15-Homeless-Prevention-Campaign-Report-Final-2017.pdf>

## *Airbnb*

There are 6,729 Airbnb listings in Dublin.<sup>4</sup> Of these, 47% are entire homes/apartments. It is difficult to ascertain whether these properties are only let out when owners/occupiers are absent, or whether they are permanently available. Fingal County Council recently began enforcement proceedings against an owner alleged to be using their property exclusively for short-term lettings on the platform.<sup>5</sup> This would be in breach of planning laws. However, the alleged behaviour only came to light after neighbours complained. It is not currently possible to track or monitor individual short-term lettings. However, we know that 43.8% of Airbnb hosts in Dublin have multiple listings. This runs contrary to the narrative that the majority of hosts are sharing their primary homes.

## *Daft*

The property website also lists short-term lettings. There are currently 344 dwellings available to short-term let in Dublin city. This is in addition to the numerous other online platforms dedicated to short-term letting. It is therefore difficult to know exactly how many dwellings are being used as short-term lettings in Dublin.

There is anecdotal evidence that the prevalence of short-term lettings is increasingly becoming an issue in rural areas. Even though rents are lower and vacancy rates are higher, there is speculation that the lack of available accommodation is the result of owners choosing to let short-term rather than take on tenants and the regulation that accompanies being a landlord.

## **Approach in other jurisdictions**

A number of European jurisdictions have introduced stricter regulation in an attempt to curtail the impact of short-term letting of the housing market. Berlin has introduced legislation which bans unregistered short-term rentals. The authorities inspect properties to ensure the law is being implemented and adhered to.<sup>6</sup>

Barcelona had a similar regulatory framework, issuing licences to those looking to let their property on a short-term basis. In 2015, in response to rapidly increasing rents, the city placed a moratorium on licences for short-term rentals. Thousands now operate illegally, without paying a licence fee or tax. Authorities have tasked inspectors with cross-checking licence information given on hosting sites with the council list of licensed properties.<sup>7</sup> Landlords face prosecution and substantial fines.

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<sup>4</sup> Unless stated, data in this section is from Inside Airbnb. The site sources publically available information and analyses, cleans and aggregates it to facilitate public discussion and debate.

<sup>5</sup> Action against Dublin landlord over Airbnb after neighbours complain, available at:

<https://www.irishtimes.com/news/ireland/irish-news/action-against-dublin-landlord-over-airbnb-after-neighbours-complain-1.3124316>

<sup>6</sup> European Parliament, The Sharing Economy and Tourism, 2015, available at:

[http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/568345/EPRS\\_BRI%282015%29568345\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/568345/EPRS_BRI%282015%29568345_EN.pdf)

<sup>7</sup> Housing affordability: Barcelona cracks down on short-term tourist rentals amid rising rents, available at:

<http://www.abc.net.au/news/2017-05-09/barcelona-cracks-down-on-tourist-rentals-as-rents-rise/8506708>

Other jurisdictions regulate the number of people the host can accept at a time or the rental period itself.<sup>8</sup>

## Conclusion

As stated in the introduction, Focus Ireland does not have the information necessary to make informed recommendations on the form of regulation of short-term lettings which is required. As such, our recommendations are concerned with developing a deeper understanding of the impact such lettings are having on the housing market more generally, and on access to the market for low-income and at-risk households in particular.

- As the most immediate concern, the Committee should recommend an exploration of the number of short-term lettings in the State, and their geographical spread.
- Research should be considered into the reasons owner chose to enter the short-term letting market, and whether they had previously rented in the private rental market.
- Research should be conducted into the regulatory approach taken by authorities in other jurisdictions, and the impact such regulation has had on the market.

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<sup>8</sup> The Sharing Economy and Tourism. 2015, above