

Opening statement by Mr Terry Sheridan, Principal Officer, Department of Housing, Local Government and Heritage before the Joint Committee on Tourism, Culture, Arts, Sport and Media. Pre-legislative Scrutiny of the General Scheme of the Registration of Short-Term Tourist Letting Bill 2022.

25 January 2023

I would like to thank the Chairperson and the Committee members for affording me the opportunity to speak on behalf of the Department of Housing, Local Government and Heritage in relation to this General Scheme on the regulation of the short-term letting sector.

As you are aware, large numbers of properties have been withdrawn from the long-term rental market in recent years for use as more lucrative short-term lettings, particularly in the larger urban centres where housing demand and need is most acute. This trend, which has been largely facilitated by online platforms, has had a negative impact on the supply and availability of long-term rental accommodation in the private rental sector and in driving up rents.

Against this background, new legislative provisions – enforced by planning authorities - were introduced in 2019 under the Planning and Development Act and supplementary regulations. The primary objective of the reforms was to influence the bringing back of houses and apartments in designated “rent pressure zones” which were being used for short term letting purposes to the traditional long-term rental market, thereby helping to ease the accommodation shortage pressures in the designated areas and to stabilise rents.

The enforcement of the 2019 provisions was beginning to have some, albeit limited, effect on reducing the numbers of short-term letting properties advertising on online platforms. However the Covid-19 pandemic, in early 2020, had a greater impact and resulted in large numbers of properties being temporarily withdrawn from the short-term letting sector and instead being offered as long-term rental accommodation (most frequently on contracts of 3-6 months) in order to generate rental income for property owners while the Covid-19 related travelling restrictions impacted on the tourism sector.

However, this trend has now been reversed again with most of those properties which temporarily operated as long-term rental accommodation during Covid-19 having returned to short-term letting as the tourism sector and visitor numbers have recovered, thereby impacting negatively once again on the availability of accommodation in the private rental sector.

It is conceded that those 2019 legislative provisions, as operated under the planning code, were not ideal primarily due to some practical difficulties in the enforcement of the provisions by the local authorities which, as I have indicated, were not helped by the onset of Covid-19.

The proposed new approach to regulate the sector - as outlined in the General Scheme being discussed here today – has been devised by the Department of Tourism in consultation with the Department of Housing, learning from the experience with the 2019 legislation as well as the systems operated in regulating short-term letting in other countries.

I would be confident that if properly applied and enforced, these proposed new arrangements - requiring property owners to be appropriately planning compliant in order to, in the first instance, register with Failte Ireland and secondly, to advertise on online platforms – will ensure that homes are used to best effect in areas of housing need, as mandated by Housing for All, while also providing an

appropriate balance between the needs of the long term rental sector and the need for tourism accommodation.

Thank you for your attention.