



June 2019

Restrictions on Short Term Letting coming into force

New measures coming into effect from 1 July 2019 (under the [Residential Tenancies \(Amendment\) Act 2019](#) (the “Act”) and Accompanying Regulations) will greatly reduce the ability of homeowners and landlords from letting their residential properties for short term let in designated rent pressure zones throughout Ireland.

With the housing crisis fully upon us, many argue that in times of severe housing shortage and increasing rents that short term letting platforms are exacerbating an already serious problem by removing large numbers of residential properties from the long term rental market.

According to a recent report, there were 4,896 entire homes available on Airbnb in Dublin in December just passed. In the same period, it was reported that there were only 1,496 residential properties available in Dublin to rent long term on daft.ie. It is this disparity that has paved the way for the regulation of short term lettings in Ireland.

The Act was signed into law on 24 May 2019 after a request for early signature was made to the President. In addition to the [Act](#), the main bulk of the policy reforms will be introduced through the recently published [Planning and Development \(Amendment\) Regulations 2019 \(S.I. No 235 of 2019\)](#).

Key aspects of the new rules

The new rules distinguish between residential property which is an owner’s principal private residence and property which is not. A distinction is also made between property which falls within a designated rent pressure zone and property which falls outside. Rent Pressure Zones are designated areas where residential rents cannot be increased by more than 4% per annum. Please see appendix below for the current rent pressure zones in Ireland. The

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new rules apply only to owners whose residential property falls within a rent pressure zone.

Short term letting is defined as *“the letting of a house or apartment, or part of a house or apartment, for any period not exceeding 14 days.”*

Property which is a principal private residence

In a rent pressure zone, where a house or apartment is a homeowner’s principal private residence (that being a place where a person ordinarily resides), they will be permitted to continue to **rent out a room/rooms** within their home for short-term letting without restriction.

However, if a homeowner wishes to rent out their **entire principal private residence** on the short term letting market, they will be permitted to do so subject to an annual 90 day cap and the property can only be let out for a period of 14 days or less at a time. Where a homeowner exceeds the 90 day annual cap, planning permission will be required for a formal change in use.

Homeowners who wish to avail of the above exemptions must register with their local authority in advance and comply with various reporting obligations at the start and end of each calendar year, for example providing details at the end of the year of the number of days of the 90 day annual allowance they used.

Property which is not a principal private residence

In a rent pressure zone, where a person or company owns a residential property which is not their principal private residence, they will no longer be permitted to let it on a short term basis unless the property is already permitted to be used for short term letting use or tourism.

The use of residential property for short term letting will now constitute a material change in the use of the property and planning permission will be required for a change of use to short term letting. However, the Minister for Housing has made it clear that in areas of high housing demand it is unlikely that such permission would be granted.

The Minister hopes that in order to avoid being affected by these new provisions, residential property owners will now rent the property in question on a long-term basis.

Key Takeaways

It is reported that the new regulations could bring between 1,000 to 3,000 residential properties back into the long term rental market in Ireland. As such, the Department for Housing, Planning and Local Government is advising owners of residential properties to regularise their affairs in preparation for the coming into effect of the above rules on 1 July 2019. The Department has issued a [Short Term Letting FAQs](#) to assist homeowners with the transition.

Owners of residential properties engaging in short-term letting activity in rent pressure zones should note that in addition to the new annual reporting obligations, they may have to get planning permission or restrict their lettings to long-term ones in order to comply with the new regime.

Failure to comply with the rules may lead to criminal prosecution for unauthorised development, resulting in a maximum fine of €5,000 and/or up to six months imprisonment.

Should you have any queries in relation to the issues raise in this bulletin, please contact the author or your usual Dillon Eustace contact for further information.

Appendix – Rent Pressure Zones

24 December 2016	27 January 2017	30 March 2017	20 Sept 2017	28 March 2019
Cork City Council	Ballincollig-Carrigaline, Cork	Cobh	Drogheda	Limerick City East
Dublin City Council	Galway City Central	Maynooth	Greystones	Navan
Dun Laoghaire / Rathdown	Galway City East			
Fingal County Council	Galway City West			
South Dublin County Council	Celbridge - Leixlip, Kildare			
	Naas, Kildare			
	Kildare - Newbridge			
	Ashbourne, Meath			
	Laytown-Bettystown, Meath			
	Ratoath, Meath			
	Bray, Wicklow			
	Wicklow			

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