



To: Director of Planning Services, City and County Councils

CC: Chief Executives, City and County Councils

Senior Planners, City and County Councils

An Bord Pleanála

Directors of Regional Assemblies

Office of the Planning Regulator

Circular Letter PL 4/ 2019

4 June 2019

New Regulation of Short Term Letting

Residential Tenancies (Amendment) Act 2019

Planning and Development Act 2000 (Exempted Development) (No. 2) Regulations 2019

I am directed by Mr Eoghan Murphy, T.D., Minister for Housing, Planning and Local Government to advise of new planning legislative reforms to regulate the short term letting sector – as provided for in the Residential Tenancies (Amendment) Act 2019 and supplementary regulations made by the Minister entitled the Planning and Development Act 2000 (Exempted Development) (No. 2) Regulations 2019 (S.I. 235 of 2019) – which are due to come into effect on **1 July 2019**.

A copy of the relevant extract from the Residential Tenancies (Amendment) Act 2019 (section 38) incorporating the primary legislative provisions relating to short term letting is attached at Appendix 1; the supplementary new exempted development planning regulations are attached at Appendix 2; while further detailed information on the new provisions in the form of a cover note and a “Frequently Asked Questions” document is attached at Appendix 3 (the last mentioned documents can also be viewed on the Department’s home webpage www.housing.gov.ie).

These new arrangements are part of the measures being taken to help address pressures in the private housing rental market. The Strategy for the Rental Sector published in December 2016 recognised the increasing phenomenon of large numbers of properties being withdrawn from the long term rental market for use for short-term lettings, particularly in the larger urban centres, and the negative impact this was having on the supply and availability of long-term rental accommodation in the private rental sector and in driving up rents.

Against this background, the primary objective of the new reforms is to influence the bringing back of houses and apartments in designated “**rent pressure zones**” which are currently being used for short term letting purposes to the traditional long-term rental market, thereby helping to ease the accommodation shortage pressures currently being experienced in this area.

Summary of the new legislative provisions

Section 38 of the Residential Tenancies (Amendment) Act 2019 inserts a new section 3A into the Planning and Development Act 2000, as amended, to provide that the short-term letting of a house (which term under the Planning Act also includes apartments) in a rent pressure zone is a material change of use of the property concerned, thereby requiring planning permission, unless otherwise specifically exempted from this requirement.

It further provides that the Minister may make regulations in relation to the detailed arrangements to be applied in relation to short-term letting and the planning exemptions to be available in this connection. Definitions of the terms “rent pressure zone” and “short term letting” are also provided for in section 38 of the Act.

The supplementary new Regulations amend the Planning and Development Regulations 2001, as amended. The following is a brief summary of the main combined provisions in the Act and the Regulations:

- 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.
- Homesharing (the letting of a room or rooms in a person’s principal private residence) will continue to be permissible on an unrestricted basis and be exempted from the new planning requirements.
- Homesharers will be allowed to sub-let their entire principle private residence (house or apartment) on a short term basis for a cumulative period of 90 days where they are temporarily absent from their home.
- Where the 90 day threshold is exceeded, change of use planning permission will be required.

If a person wishes to homeshare their principal private residence in a rent pressure zone and avail of the new planning exemptions, s/he will need to register this with their local planning authority and fulfil specified reporting obligations. Specific new forms for this purpose (entitled Forms 15-17) are provided for in the Schedule to the Regulations.

However, and this is the main change provided for in the new provisions, where a person owns a property in a rent pressure zone which is **not** their principal private residence and intends to let it for short-term letting purposes, s/he will be required to apply for a change of use planning permission unless the property already has a specific planning permission to be used for tourism or short-term letting purposes. It will be up to the local planning authority to make a determination on such planning applications with the likelihood being that planning permission would not be granted for such short-term lettings in rent pressure zones having regard to local demand for long-term rental accommodation, cumulative impacts etc, except in specified circumstances which will be outlined and elaborated on in advisory guidelines to be shortly issued to planning authorities.

The designation of rent pressure zones has been extended from end 2019 to end 2021 in the recent Residential Tenancies (Amendment) Act. Consequently, the new short term letting provisions will apply for as long as rent pressure zones are so designated. If, in 2021, there are still rental supply issues and the rent pressure zone designations are further extended, the new legislative provisions in relation to short-term letting will continue to apply.

Properties not affected

The new legislative changes will not affect houses or apartments availing of the new planning exemptions in the Regulations, or homes, apartments or housing developments, which already have a specific grant of planning permission for use as holiday accommodation or for short-term letting.

They will also not affect normal house or apartment lettings for periods in excess of 14 days, including executive type lettings or lettings under the rent-a-room scheme.

In addition, it is important to re-emphasise that the new legislative arrangements will only apply to short-term lettings in rent pressure zones as designated under section 24A of the Residential Tenancies Act 2004, as amended – which are the areas of highest housing demand and where the highest rent pressures apply – and will not impact in any way on short term lettings outside of rent pressure zones where housing pressures and demand are less acute.

Enforcement of the new arrangements

In order for the new provisions to have the desired affect and achieve their objective, it will be essential that the relevant planning authorities actively implement and enforce the new provisions utilising the powers available to them in tackling individuals engaged in unauthorised short term letting activity. In this regard, planning authorities are reminded of their statutory obligations and powers under Part VIII of the Planning and Development Act and the importance of taking a proactive approach to enforcement.

Planning authorities can avail of a range of measures to enforce against unauthorised short term letting activity such as reviewing available information from relevant online platforms, following up on complaints received from members of the public, targeted enforcement of particular areas, physical inspections of properties, collating and cross-checking information from a range of data sources, checking if properties already have relevant permissions etc.

As indicated, it is intended to issue specific advisory guidance to planning authorities to assist in the enforcement of the new provisions as soon as possible, including suggested step-by-step procedures for taking enforcement action based on the experience of local authorities which have already being adopting a proactive approach in this area. This will be supplemented by the convening of a Workshop/ Information Seminar to provide a detailed overview of the new provisions and practical guidance on their effective implementation. Details of the Workshop/ Information Seminar will be notified to planning authorities in due course.

While enforcement is a matter for each planning authority, a form of shared service arrangement – enabling more efficient use of resources and the sharing of practical enforcement activity - is also being explored which will be discussed further with planning authorities.

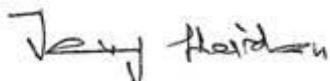
Additional resources

It is acknowledged that the enforcement and implementation of these new provisions will add to the work of the affected planning authorities, likely requiring dedicated additional staffing and IT resources. In order to ensure the successful implementation of the new provisions, the Minister has committed to the provision of necessary additional resources to the concerned planning authorities. In this connection, planning authorities are requested to submit their estimated resource funding requirements to the Department to facilitate the implementation of the new provisions, if possible by Friday 14 June 2019. Such resource funding proposals should cover the period until end 2021 and be addressed to Mr Conor O’Sullivan (email: conor.o'sullivan@housing.gov.ie).

Submissions should take account of the number of short-term letting properties currently operating and listed on online platforms in the local rent pressure zones, the numbers of staff required (including administrative/ executive support staff, planning enforcement officers etc) to facilitate effective enforcement and monitoring, any IT development works required, and all associated estimated costings. The Department will endeavour to assess and give determinations on the resourcing requests as speedily as possible.

Given the provision of dedicated funding to planning authorities to support the enforcement and implementation of these new provisions, the Minister would hope to see positive results from the enforcement of the new provisions. In this regard, planning authorities will be required to submit an initial progress report 6 months after the commencement of enforcement activity and further reports at subsequent appropriate intervals.

Any queries in relation to this Circular letter should be emailed to planning@housing.gov.ie or by contacting Planning Policy Section at 01 888 2000.



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