

Short-term Letting Report

March 2023



**Better
Regions
Initiative**



Executive Summary

This report is the first in the 'Better Regions Initiative', a series of research papers that follow the release of the [Future Limerick report](#), commissioned by Limerick Chamber in 2021. The 'Better Regions Initiative' takes the goals and recommendations outlined in the Future Limerick Report and produces evidence-based research to effectively influence and implement those goals.

The role of Short-term lets (STLs) in the Co. Limerick housing market is analysed in this report. There have been concerns over more homes being available to rent on platforms such as Airbnb versus those available for longer term residential living. This report seeks to provide clarity on the STL market in Co. Limerick.

205 'whole places' were identified on Airbnb between June 2022 and January 2023 in Co. Limerick. The average price per night (PPN) was €168. 55 of these homes were in Limerick City & Environs, while 150 of the listings were in Limerick County. The 205 listings were owned by 170 hosts, meaning that some hosts have more than one property listed on Airbnb within Co. Limerick. 23 hosts had two listings within Co. Limerick, while five hosts had three or more listings located within Co. Limerick on Airbnb. 142 were owned by hosts with a single listing in Co. Limerick.

Of the 205 listings, 150 were identified as suitable for residential living in the analysis. Listings not suited to long-term residential living such as castles and cabins / lodges were removed to identify the real availability of suitable homes. Of the 150 properties considered suitable, 52 are within the three Limerick City & Environs LEAs (Limerick City West, North and East). These three LEAs were classified as rent pressure zones (RPZs) in 2019.

The upcoming legislation on STLs will impact those with listings within RPZs, leaving 98 of the 150 unaffected. This means that the legislation will likely have a minimal impact on encouraging a large stock of suitable homes back to the residential housing market. If the 52 properties within the RPZs were in theory moved, the current scale of demand would render their impact short-lived and the current issues that exist around supply would persist.

A case study was also conducted to analyse the income generated from leasing STLs versus homes for long-term rent in Co. Limerick. The analysis showed that over the 90-day / three-month period used, STLs generate more income for landlords. Four scenarios for Airbnb income, 100% capacity, (i.e. 90 days), 75%, 50% and 25% were compared to the income generated from long-term rentals. Bar one scenario, 25% capacity versus the average rent via the Limerick Chamber Rental Monitor, STLs generated more of a financial return for landlords and thus are likely more financially attractive to owners.

The potential income generated over 90 days by Airbnb's listed in Co. Limerick is identified to generate c. €2.9 million for the local economy.



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1.0 Introduction

Limerick Chamber is the largest business representative body in the Mid-West, with over c. 400 member organisations who support over c. 50,000 jobs across the region. A central part of our function is representing our members on key policy areas / issues. Businesses across the Mid-West have performed admirably throughout continuous harsh economic conditions, many have dealt with disrupting operations, supply chain and skill shortages. The Mid-West has, and continues to, perform strongly in terms of attracting investment to the region. Multiple investments have been announced over the last several months. With these job announcements comes a further demand for housing, of which supply is limited currently. The availability of appropriate and affordable housing is a key contributor to attracting talent to the region and it is a priority issue for our members, especially those operating in the multi-national sectors.

This study seeks to assess the current condition of the short-term let (STL) market in Co. Limerick, i.e. both City & Environs and Limerick County. Airbnb, a popular website for STL activity, is the primary data source used in this study. The current availability on the Airbnb platform, the characteristics of the stock listed and any potential commercial aspects (i.e. hosts with multiple listings) are analysed as part of this report. The real availability, in other words, STL stock suitable for residential living, is analysed to identify whether it would have a meaningful impact on current supply levels of available residential homes if they were to theoretically be moved back into the long-term residential market.

STLs are properties which are leased for less than 14 days at a time, the maximum duration one can lease a property on a short-term basis under regulations introduced in 2019. The number of homes available to buy and rent long-term in Ireland has come under scrutiny in recent months, with it being highlighted that there are often more properties available for short-term letting on Airbnb than there are on popular Irish property websites for regular residential living.

The purpose of this report is to provide clarity on the current STL market in Co. Limerick, highlighting what is available, what isn't suited to residential living, whether the real housing stock availability would have an impactful influence on supply levels of market available homes and if there are any signs of commercial activity by owners or managers of the STL premises. The next section, section two, gives an overview of the policy context around STLs, both in Ireland and internationally. Section three outlines the methodology and data collection aspect of this study, while recognising the limitations of the report. An overview of Airbnb's in Co. Limerick is given in section four, while an analysis of the real availability of suitable housing is conducted in section five. A case study of the income earned from an Airbnb listing versus long-term residential rent is examined in section six. Section seven looks at Airbnb as a business and its potential contribution to the local economy. Section eight concludes the report.

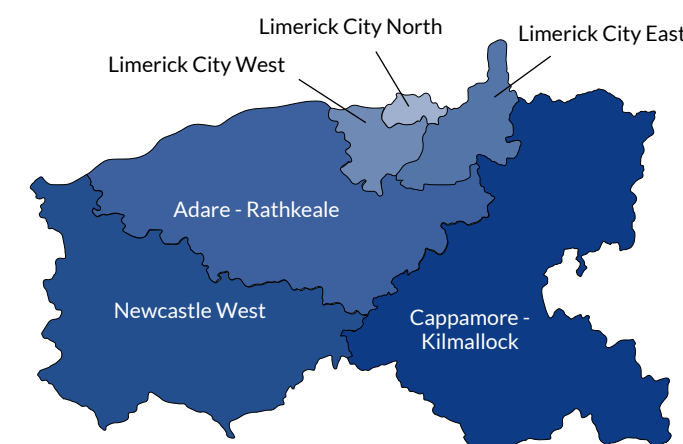
2.0 Policy Context & Existing Research

Airbnb began operating in Ireland in 2010 and is a common choice for tourists and transient workers as an accommodation option. Regulations introduced in 2019 for the STL market meant that Airbnb hosts operated under stricter limits. The regulations were brought in amid concerns of landlords withdrawing from the rental market in areas of high demand to list their properties as STLs instead. Much of the 2019 regulations focus on STLs in Rent Pressure Zones (RPZ). Further regulations were introduced in 2022, which are expected to be implemented in the first half of 2023.

2.1 Planning and Development (Housing) and Residential Tenancies Act 2016

The 2016 Act introduced RPZs and limited the annual increase in rent that may be charged to tenants. Initially, RPZs focused on areas where rental prices were rising rapidly, namely Cork City Council, Dublin City Council, Dún Laoghaire-Rathdown County Council, Fingal County Council and South Dublin County Council. The system for calculating rent increases within RPZ has changed a number of times since its introduction in 2016. As per the most recent calculation, since December 2011, annual rent increases in RPZs are capped in line with the rate of general inflation or 2% per year – whichever is lower. Three areas in Limerick were added to the RPZ list in 2019: Limerick City East (March 2019), Limerick City North (July 2019) and Limerick City West (July 2019). See fig. 2.1 for a breakdown of the LEAs in Co. Limerick

Fig 2.1: LEAs of Co. Limerick



Source: Authors calculations using Airbnb.com & Boundarycommittee.ie

Under Housing for All, the Government's plan for housing to 2030, the operation of Rent Pressure Zones has been extended until the end of 2024.

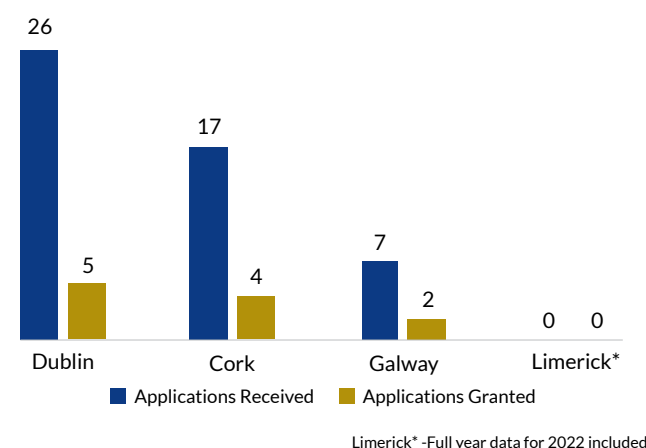
2.2 Planning and Development Act 2000 (Exempted Development) (No. 2) Regulations (2019)

For those listing STLs, the [2019 regulations](#) meant that:

- The act [only applied](#) to Rent Pressure Zones (RPZ)
- Renting out rooms in a principal private residence were exempt as long as lettings did not exceed 90-days aggregate per year and was in keeping with other regulatory aspects. Where the 90-day threshold is exceeded, a change of use planning permission is required.
- Short-term lettings for executive or corporate purposes were exempt.
- STLs are [stays of less than 14 days](#) at a time. The legislation [did not apply](#) to STLs longer than 14 days.
- Continuing to let a property for periods of 14 days or less without planning permission meant that owners would be [in breach](#) of the Planning and Development Acts 2000 – 2019. Planning permission [applied](#) to homeowners in RPZs who let out their entire principal private residence for more than 90 days per year while they were away and also property owners who let out a second property for short-term lets. There are several [exemptions](#) for the planning permission requirement.
- If a homeowner was offering a short-term letting in an RPZ, but are exempt from the planning permission requirement, they still need to [register with the relevant local authority](#) to avail of the exemption.

Since these regulations were introduced in 2019, [142 planning applications](#) for a 'change of use' to short-term letting have been submitted across Ireland. 50 of these have been granted permission by local authorities. In contrast, there are over 16,000 homes listed on Airbnb as of January 2023. For [Co. Limerick](#), there has been zero 'change of use' planning applications received from 2019 to the end of 2022.

Fig 2.2: Change of use planning permissions 2019 – 2022 Q3



Source: [Dáil Éireann Debate](#)

2.3 Amendment of Planning and Development Act 2000 (2022)

Under the [2022 regulations](#), Government prohibited the advertisement of short-term lettings unless they are within keeping of the legislation (e.g. having secured the relevant planning permission). The language in the act also put the onus on letting platforms to ensure that rentals advertised had the appropriate planning permission (if required).

2.4 Registration of Short-Term Tourist Letting Bill (2002)

Government has recently announced plans to bring forward a short-term let specific register through Fáilte Ireland as part of the [Short-Term Tourist Letting Bill](#). Similar to updated [EU regulations](#) which provide a unique registration number for STL listings, a Fáilte Ireland registration number will be provided upon completion of the registration process. Booking platforms, such as Airbnb will be obliged to only advertise properties with this unique registration number. The bill [outlines](#) that any party offering accommodation of up to and including 21 nights must be registered with Fáilte Ireland, the party will be issued with a unique registration number and there

is an obligation on booking and advertising platforms to ensure that these homes have valid registration numbers provided by Fáilte Ireland. Fáilte Ireland may levy a €300 fixed payment notice on property owners who advertise their property without a valid registration number. Fáilte Ireland also have the option to bring the case to the district court where the maximum fine is up to €5,000.

The goal of this initiative is to bring properties back to the long-term housing market. C. [12,000 properties](#) are expected to be returned to the housing market upon the roll out of this register platform, according to Minister Catherine Martin.

2.5 'InsideAirbnb' Analysis: Co. Limerick

In 2019, nationwide data for Irish Airbnb listings was made available on the platform Insideairbnb.com. [A study was conducted](#) to identify the number of homes listed on the site. Limerick ranked 8th out of 31 local authorities in terms of the number of Airbnb 'entire home' listings, with 65 listings. The 65 STLs were rented for an average of 179 days per year (20th). The average revenue per property was €13,824 (15th) and the estimated revenue for all commercial STLs in Co. Limerick was €899,722 (6th).

The website also provides regular updates for Airbnb listings in Ireland. As of September 2022, there were 182 'entire home' listings on Airbnb for Co. Limerick. The difference between the InsideAirbnb data and Limerick Chamber's data is the ability to filter down our own data into what is suited for residential living and what is not.

2.6 International Context

A number of cities have seen regulations introduced to try to combat the surging STL market. Some regulations have shown to be effective, some less effective, while some do not yet have the data or evidence to show their desired outcome.

Regarding regulations which sought to limit Airbnb activity, Barcelona introduced [a freeze on the number of licences allowed](#) in 2015, looking to identify illegal listings (i.e. unlicensed with local Government) while aiming to spread tourism activity over the entire city to ease the pressure on the sector.

In Berlin, regulations were introduced [in 2014](#) (with a two-year transition period where existing rentals [were not](#) affected) which banned un-hosted short-term lets, unless permits were received from the property owners' local council. In the case of hosted rentals, Berliners could only rent out space in their principal private residence if the rental surface area was [less than 50%](#) of the surface area of the home. The regulations were introduced in 2014 in a bid to ease the pressure on the Berlin housing market, which has seen [increasing rent prices](#) and a fall in affordable housing due to the presence of Airbnb's. In 2016, Berlin began enforcing the law by introducing a compulsory registration system. The attempt to require STL platforms into sharing data with the government failed when the courts ruled in Airbnb's favour [in 2018](#). That same year, Berlin [relaxed](#) regulations by allowing Berliners to rent out their principal primary residence if they obtained a permit from the local council. These permits were for a change of use of the existing property. The change of regulations also removed the duration cap for the number of days a principal private residence could be rented out while the owner was on vacation, second home rentals are limited to 90 days per year. By [March 2023](#) all listings on Airbnb for Berlin will require a registration number or contact details – registration numbers are only required for long-term residential stays (a minimum of three months), non-residential listings need to add a valid registration number or contact details.

In 2011, New York introduced the '[New York State multiple dwelling law](#)' which stated that a multiple residential dwelling could only be used for permanent residences, meaning that a dwelling would have to be occupied by the same person or family for

30+ consecutive days. Multiple dwelling in this [instance](#) means a dwelling which is either rented, leased, let or hired out as the residence for three or more families living independently of each other. In 2016, the then New York Governor, made it [illegal](#) to advertise these types of dwellings for short-term rental. In 2017, according to the Mayor's Office of New York, the city [doubled](#) its number of inspections of potentially illegal short-term rentals. To this day, regulations for short-term rentals in New York are [targeted](#) at multiple dwellings (rather than single homes) for 30 days or less. If it is less than 30 days, the host must be [present](#).

The outcome of the regulations brought in by local Government in these cities saw the removal of illegal listings in some instances, while regulations introduced were deemed less effective in others. Barcelona's licence freeze allowed 6,275 listings to be identified as illegal, with [1,300 of them being deactivated initially](#). In New York, a [report](#) published in 2022 stated that there were more homes available on Airbnb than homes available for long-term rent on the New York City Rental market. This suggests that the regulations implemented in years past were not as effective as intended. In San Francisco regulations which saw a clampdown on illegal Airbnb listings in 2018, resulted in 4,760 listings being removed from the site. The listings removed were deemed illegal as they were not registered with the City Government.

While New York introduced a minimum 30-day stay rule for accommodation in 2011, both [Paris](#) and [Berlin](#) introduced limits on the number of nights (non-consecutive) which a host can rent out its property for. In Paris, a limit of 120 nights per year was the threshold with hosts being required to register their property with the local authority to ensure they were keeping in line with this limit.

Both [Berlin](#) and [Barcelona](#) also introduced 'whistle-blower' style platforms, where people are given the opportunity to identify homes that may be operating illegally as tourist accommodation. In Barcelona,

a campaign was run to encourage tourists to report illegal or suspected illegal short-term lets. One can identify whether they are staying in unlicensed tourist accommodation by entering the address of the place into a portal.

2.7 Housing Market - Limerick

C. 787 homes were delivered in 2022 in Limerick, compared to 602 in 2021, an increase of 185. The owner occupier market was responsible for just c. 52% of new property transactions in Co. Limerick in 2022 whilst the remainder were bought by the State, investors and other buyers. [A 2020 study by the ESRI](#) noted that between 1,200 and 1,800 homes per year are needed in Limerick to meet both current and future demand levels. However, this projection did not consider the current built-up demand of adults living at home with their parents and therefore has likely underestimated the scale of supply required. Furthermore, Limerick's [Local Development Plan \(LDP\) 2022 - 2028](#) notes a requirement of c. 1,900 homes per annum to meet demand.

26 residential homes were available to rent in December in Limerick City and Environs, with 50 in the whole of Co. Limerick according to the [Limerick Chamber Rental Monitor](#). Rent levels are high in Co. Limerick, at c. €1,700 per month in December in Limerick City and Environs, and c. €1,600 for Limerick County.

In [January](#), 15 residential homes were available to rent at €1,910 per month in Limerick City and Environs, while 29 homes were available to rent in the whole of Co. Limerick at €1,819 per month.

The average purchasing price for a home in Limerick City for 2022 was €237,000 and €268,000 for Co. Limerick, according to [the latest CSO figures](#). The average price of a home in both Limerick City & Environs and Co. Limerick has been increasing annually since 2014. For more insight into the housing market in Limerick and the Mid-West, please read [Limerick Chamber's Mid-West Economic Insights for Winter 2022](#).

3.0 Methodology

3.1 Data Collection

The data for this study was collected manually over a eight-month period, between June 2022 and January 2023. Information about listings on Airbnb in Co. Limerick were collected, compiling information such as the number of guests a property can host, the number of bedrooms, beds and bathrooms, the broad location and the number of properties a host owns. Data collection and analysis solely focused on whole or entire places, rather than rooms in an occupied home.

205 'whole places' were listed on Airbnb in Co. Limerick over the time period the data was collected. Given that the specific address of a listing is only provided after completing a booking transaction, broad locations according to the map provided on the Airbnb website were used to identify where these listings were located. The 6 Co. Limerick Local Electoral Areas ([LEAs](#)) were used to group listings where possible, however some listings, both in city and county, did not have enough information to allocate them to a specific LEA, and were therefore placed in an 'Other City Centre' or 'Other County' category. Table 3.1 outlines the location of the 205 Airbnb listings in Co. Limerick across 8 area categories including average price per night (PPN).

Table 3.1: Airbnb Listings by LEA / Area

LEA / Area	Total Listings	Average PPN (€)
Adare-Rathkeale	66	€195
Cappamore-Kilmallock	45	€149
Other City Centre	19	€133
Other County	5	€110
Limerick City East	17	€130
Limerick City North	8	€178
Limerick City West	11	€158
Newcastle West	34	€190
All listings	205	€168

Source: Authors calculations using Airbnb.com & [Boundarycommittee.ie](#)



3.2 Limitations of Report

With this analysis of the STL market in Limerick, it is important to acknowledge the limitations of this research. Airbnb gives hosts the option to lease out their home for short periods (maximum 14 consecutive days) at any point throughout the year. While this research looks at the point in time availability, it is assumed for the purpose of this study that these homes are available all year round. However, this may not always be the case as some listings could only be available for certain months of the year. Hosts may opt to list their home for some months in the year when they know they will not use their home. For example, someone working abroad for a period of time may list their home on Airbnb while they are away to earn extra income.

Another limitation of this research was the accuracy of the location provided. As mentioned in section 3.1, when a host lists their property on Airbnb, a specific address is not given until the transaction has been completed. A host has the option of providing a general or more broad location on a map. This is usually a nearby town or suburban area and is not as accurate as a specific address. This makes defining the actual location of a listing less accurate.

The sole data source of the STL market in Limerick was Airbnb, of course, there are other platforms that host

STLs, however, Airbnb, being the primary platform in the market, was used. There is the potential that other platforms could yield a greater number of STLs in the market. However, the scale is unlikely to be significant.

This analysis seeks to identify the magnitude of STLs in the Co. Limerick market and also to what level is there commercial presence in the Airbnb market in Co. Limerick currently. However, this analysis and the information available cannot detect if one has a listing on Airbnb for a commercial purpose or if they are an ‘accidental landlord’. Accidental landlords, those who become landlords by circumstance rather than by choice may be a factor in the long term-rental market and a potential factor in the STL market.

However, the number of listings an operator has on Airbnb is used as a proxy for potential commercial activity, but this can be influenced by professional STL managers, rather than owners, hosting multiple listings in return for a fee.

This data was collected between June 2022 and January 2023. This includes the peak time for tourism activity in Ireland. While listings on Airbnb are for all times of the year, it is unclear whether the same number of listings would be present during quieter off-peak months.



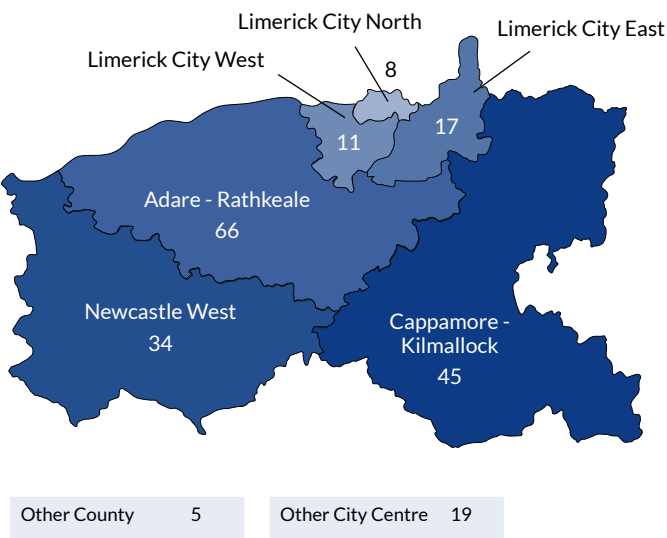
4.0 Airbnb in Limerick

4.1 County vs City

Of the 205 listings observed during data collection, 150 were in Limerick County (i.e. the area outside Limerick City & Environs), while 55 were in Limerick City and Environs.

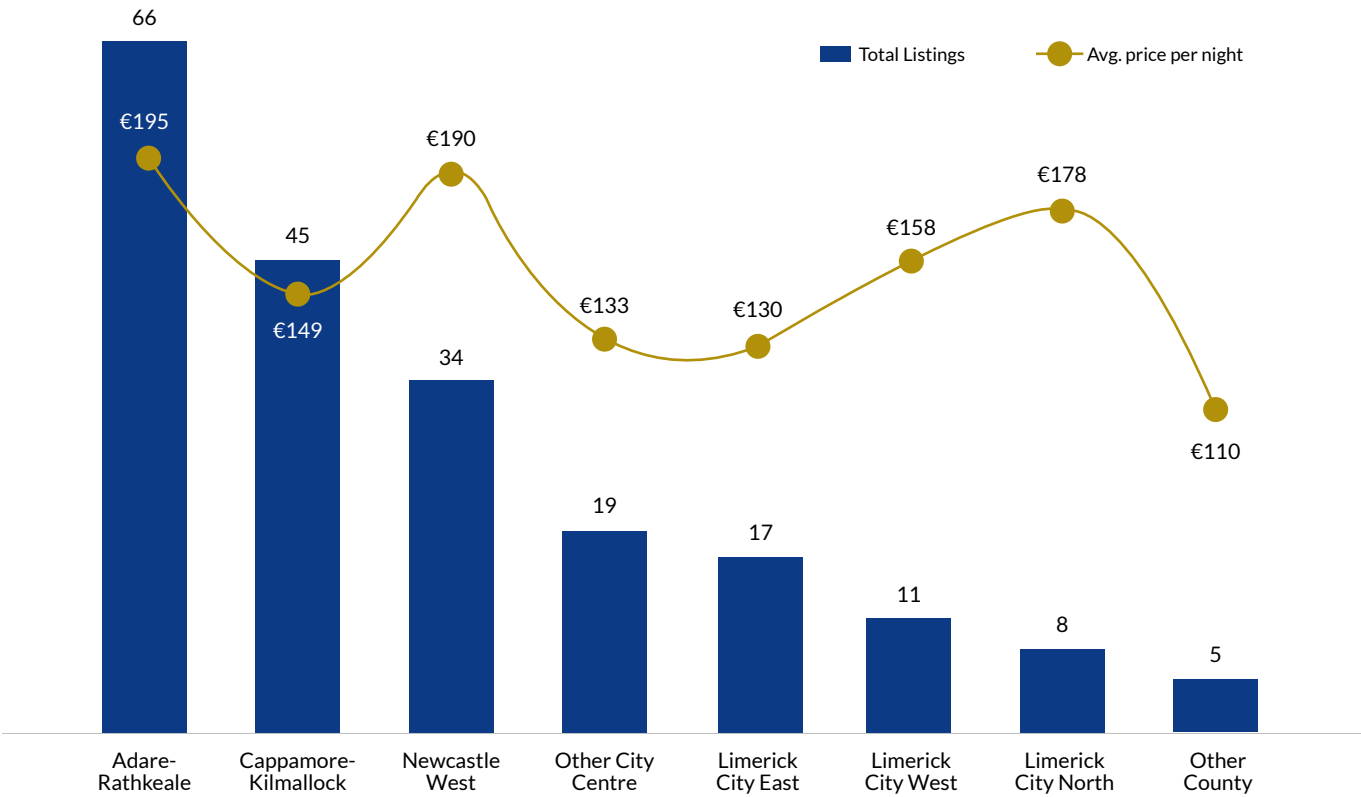
From the data collected for Co. Limerick, the Adare-Rathkeale area shows to have the strongest presence of STL listings (66 homes / 32% of total). The area has a strong tourism base, with many attractions in proximity. Cappamore-Kilmallock has the second most listings in Co. Limerick with 45 homes (22% of the total). Limerick City & Environs, made up of Limerick City East, North and West and the City Centre areas make up for 55 of the listings (27% of the total).

Fig. 4.1: Airbnb Listings by LEA



Source: Authors calculations using Airbnb.com & Boundarycommittee.ie

Fig 4.2: Airbnb Listings by LEA / Area in Co. Limerick



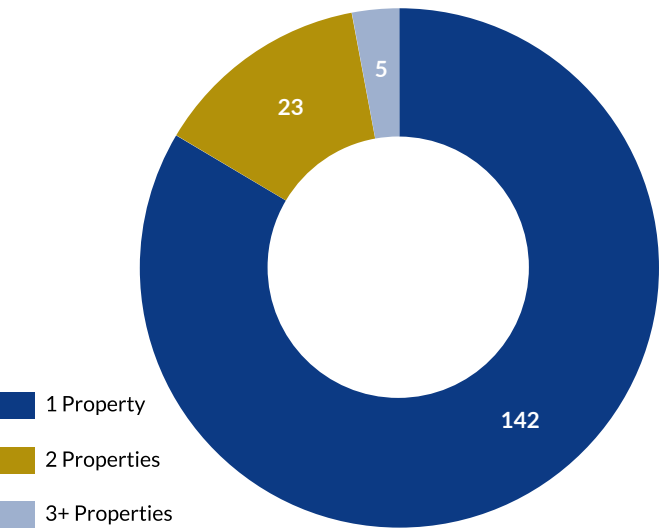
Source: Authors calculations using data from Airbnb.com

4.2 Multiple Property Owners

Given that the availability of STLs on Airbnb have received more attention in recent months, introducing regulations to reduce the number of short-term lettings is seen by some as a pathway to return some stock to the housing market. Fáilte Ireland’s upcoming short-term let register has identified potentially c. 12,000 homes that could be returned to the housing market.

At local level, for the whole of Co. Limerick, the 205 listings are owned by 170 owners, indicating that some hosts manage or own more than one property listed on Airbnb. Fig 4.3 shows how many hosts own a single property or more.

Fig 4.3: Airbnb Hosts by Total Listings / Properties in Co. Limerick



Source: Authors calculations using Airbnb.com

While fig. 4.3 shows the number of owners with one or more properties listed on Airbnb in Co. Limerick. 8 hosts that have a property listed in Co. Limerick also have an additional property / properties elsewhere in Ireland. Two hosts have an additional property listed in Co. Dublin, there are two hosts with properties listed in Co. Clare, along with hosts having an additional

property listed in Co. Kerry, Co. Galway, Co. Cork and Co. Tipperary.

Four hosts have an extra property in addition to their Co. Limerick listing on Airbnb abroad, with two hosts having an additional property in Portugal, while one host had a property listed in the UK and one has a property in Austria.

4.3 Airbnb Accommodation Attributes

It has been acknowledged as a concern in other cities that the availability of homes to rent on Airbnb outweighs the number of homes on the housing market. A similar issue has been raised in Limerick over recent months. It is important to analyse the type of housing available to get a true sense of what homes could be used for long-term residential purposes. From our analysis, in Co. Limerick’s case, some homes listed may not be suitable for housing an individual / couple / family given their size, condition or characteristics.

In this analysis, the type of housing was observed based on the information available. The number of guests, beds, bathrooms each property can host is provided in each listing was also collected. This is important when analysing what type of accommodation is available on Airbnb, and what is and isn’t suitable in the residential housing market.

Many of the listed homes available to rent for the short-term on Airbnb would likely be deemed either executive (high end) and require a price above the average rent in Co. Limerick currently, or be housing unsuitable for residential living. Identifying the suitable homes available for living to get a true sense of the real availability of residential accommodation is important, in order to assess whether these homes could have a significant impact on housing supply for residential use. Our analysis focuses on separating out what is and isn’t suitable for housing. The real availability of housing stock in the STL market will be discussed in more detail in the next section, while fig. 4.4 gives an overview of the properties currently available in Co. Limerick on Airbnb.

Fig. 4.4: Airbnb Listings in Co. Limerick Breakdown



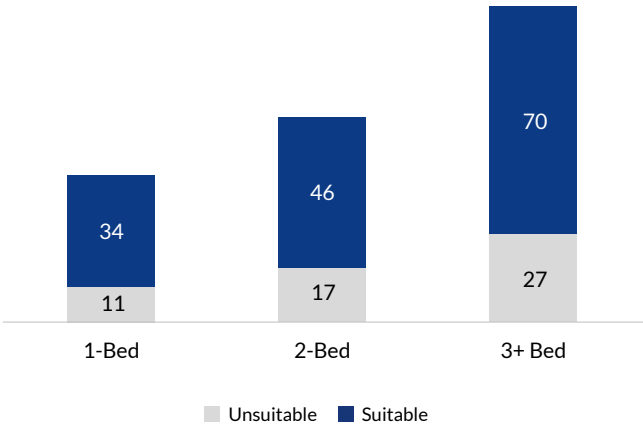
Source: Authors calculations using Airbnb.com

*in addition to having a property listed in Co. Limerick

Supply in the long-term rental market is currently low in Limerick, with average rents also increasing as per the [Limerick Chamber Rental Monitor](#). To ease the burden on the rental sector, the appropriate type of accommodation needs to be delivered. This means more smaller homes such as apartments or one / two-bed homes for people to rent. This is important when looking at what is listed on Airbnb’s platform, in terms of properties that may otherwise be suitable in the long-term residential rental market.

There were 108 one or two-bed homes listed on Airbnb in Co. Limerick between June and January according to Limerick Chamber’s research. When ‘entire home’ listings not suited for residential accommodation are removed, there are 80 one or two bed homes at an average price of €113 per night. Within Limerick City & Environs, 30 one or two-bed homes are considered suitable for residential living. These 30 homes cost an average of €139 per night. Fig. 4.5 gives an overview of the availability of one and two-bed homes available on Airbnb in Co. Limerick.

Fig. 4.5: Overview of ‘Suitable’ Airbnb Properties in Co. Limerick by Total Beds



Source: Authors calculations using Airbnb.com

For the long-term market, according to the Limerick Chamber Rental Monitor, there were 78 residential homes available to rent in total in Limerick City and Environs between June 2022 and January 2023 for an average of €1,506 per month. 90 one or two-bed homes in total were available for Co. Limerick between August 2022 and January 2023 for an average of €1,430 per month.

To put these figures into context, if a company was to make a jobs announcement, it would put significant pressure on the housing market as it stands unless all

these employees were recruited from within the Mid-West, which is unlikely to be the case. Based on the availability of long-term accommodation in Limerick currently, there is not enough supply to house these potential future employees. However, there would also not be enough homes from the stock of suitable accommodation currently available on the STL market either if they were theoretically made available. The scale of demand for housing versus the number of appropriate homes available on Airbnb would likely have a minimal impact on supply – which would only be a temporary increase.

5.0 Is Airbnb taking up Housing Stock?

Given the shortage of affordable homes in the private housing market, both in Limerick and at national level, it is important to look at any potential solutions which could contribute to improving supply and meeting the high demand levels that currently exist. This study seeks to identify if homes available on the STL market could have a meaningful impact on the residential housing market. That is not to say that any homes available on the STL market that are suitable for long-term housing should be moved over, but that these are the homes which could be suitable for residential living. To do this, the homes that would not be appropriate or affordable for the housing market have been removed from the analysis.

In this study, 'Suitable' homes were defined as traditional housing such as apartments, terraced homes, detached and semi-detached homes. These are homes that would regularly be seen available on the residential long-term housing market.

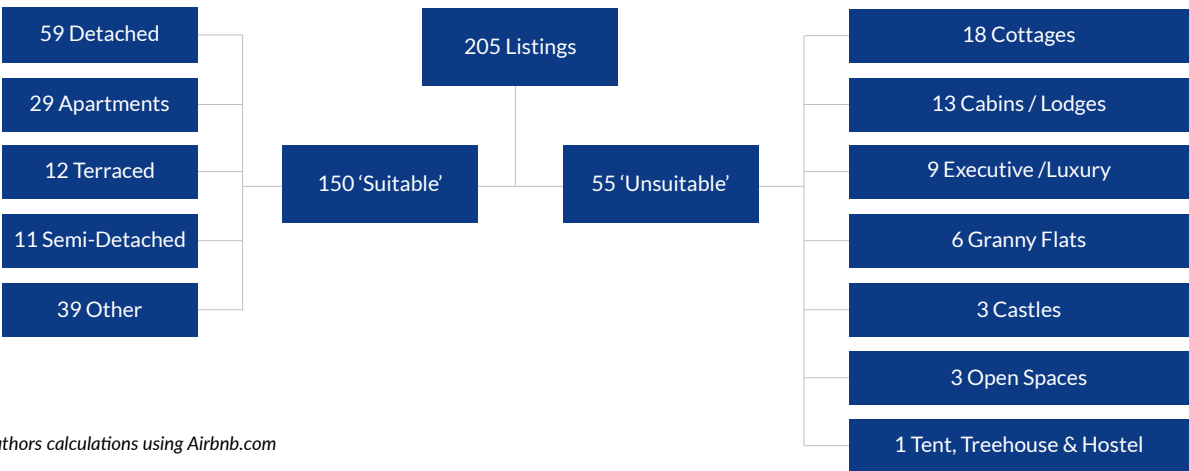
It could be argued that some accommodation types such as cottages and granny flats could be placed in the 'Suitable' category. During the data collection, it was apparent that many of the homes in these two categories would be considered impractical and therefore unsuitable for long-term residential living. For cottages, the location of these homes was frequently

on someone's private residence, and the traditional structure of the house was tailored more for tourist accommodation than long-term residential tenants. For granny flats, while potentially appropriate for accommodation, given they are frequently attached / in close proximity to a private home, they were considered unsuitable for long-term residential living in this study. Some of these homes also were much smaller than standard residential homes.

There were several other accommodation types deemed unsuitable for long-term housing. Executive / Luxury styled housing was regarded as unsuitable as it would likely be too expensive to buy or rent in the long-term market for the average person / household. Castles, renovated pubs and banks, cabins / lodges, treehouses and hostels were considered not suitable given the type of accommodation they are. Tents and open spaces were deemed not suitable as they are not appropriate for residential living.

For the purpose of this study, we only remove listings that have been identified as unsuitable for housing. Of the 205 listings, 55 listings are considered unsuitable for residential living and are removed for the analysis, with 150 homes identified as suitable for housing (see fig. 5.1). Of the 150 properties, 52 are located in Limerick City & Environs.

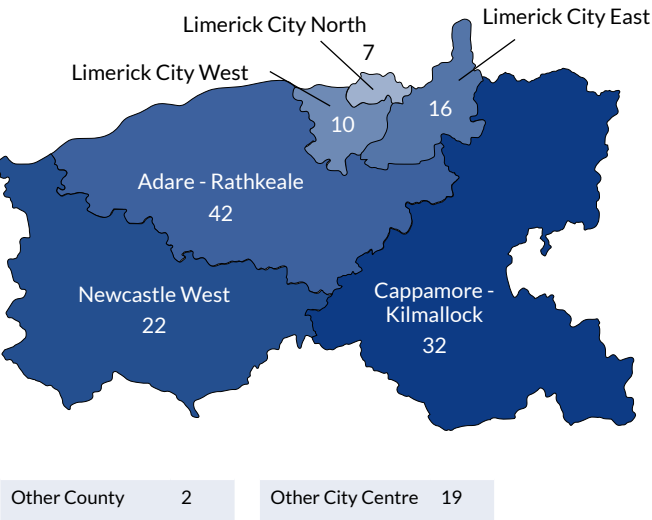
Fig. 5.1: Airbnb Availability by Type of Housing



Source: Authors calculations using Airbnb.com

Fig. 5.2 gives an overview of the locations of properties considered suitable for residential living.

Fig. 5.2: Breakdown of Airbnb Listings Suitable for Housing by LEA



Source: Authors calculations using Airbnb.com & Boundarycommittee.ie

ESRI delivery targets between 1,200 – 1,800 homes per annum for Co. Limerick to meet its current and future housing demand. Co. Limerick delivered c. 780 homes in 2022. The owner occupier market was responsible for just c. 52% of new property transactions in Co. Limerick in 2022 whilst the remainder were bought by the State, investors and other buyers. This remains a significant issue across the country, where owner occupiers are competing with the state and other buyers for purchasing of new homes and ultimately decreases the supply for new homes available to workers.

If the full 150 homes available on Airbnb suitable for residential living were returned to the residential housing market, they would likely have a minimal long-term effect. The demand for housing is high and relying on the stock of Airbnb's in Co. Limerick to fill the gap is not prudent. In fact, the existing supply of

suitable STLs in the Co. Limerick market represents just 8.3% of annual housing need for Limerick and once that stock is released to the market it will likely not become available again, i.e., it would be a once off measure. In other words, if these houses were to be returned to the housing market, the stock wouldn't replenish to supply more housing the following year and after that. To tackle the housing crisis, housing needs to be continuously delivered from sources which have the ability to deliver housing stock on a regular basis, from the public and private sector. Bringing these STLs to the housing market may slightly help supply, but the scale of demand would render its impact short lived and the current issues that exist around supply would persist.

5.1 Policy Impact

The updated legislation being introduced this year regarding STLs will impact those properties listed on Airbnb which are in areas designated RPZs. This means that of the 150 homes considered suitable for residential living, the 52 located in the three Limerick City districts would be impacted. Returning these 52 homes to the residential property market would have a minimal effect given the stock would not replenish next year, and the current demand greatly exceeds 52 homes as per the ESRI and LDP material amendments forecasting (c. 1,200 - 1,900 homes p.a.).

However, it would mean 52 additional families or individuals permanently living in the City all year round, which would have positive spill over effects for the community, vibrancy and local business but in terms of the regulations on the scale of the housing crisis in Limerick. There would be a minimal effect and could potentially negatively impact tourism.

In other Irish cities that have a higher prevalence of STLs the impact of the regulations is likely to be greater, however, it does point to the fact that, in this case, the STL regulations is not a one size fits all policy and could potentially be tweaked depending on the area.

6.0 Case Study: Airbnb vs Long-term Rent

Calculating the potential income earned from listing an STL versus renting long-term can help to showcase why it may be more attractive to choose to lease a home in the short-term on sites like Airbnb.

For this analysis, a [two-bed apartment](#) located in Limerick City, listed for short-term letting on Airbnb, will be used as a case study to examine the potential income brought in from listing an STL versus renting it in the residential sector.

It is important to also recognise that rates for Airbnb differ for weekdays and weekends. In this example, a rate of €145 is charged Monday to Friday, while €220 is charged on the weekend according to the advert. Taking the 90-days as consecutive for this study, 26 of the 90 days are weekend days and therefore charged at the higher €220 rate, while 64 days were considered weekdays and charged at €145. The total revenue earned over the 90-day period for this two-bed home is c. €15,000.

We compare this to the average rent of a two-bed home from various sources; Daft.ie, the RTB and the Limerick Chamber Rental Monitor. Given the difference in the availability of data for each resource, not all will align with the timeframe for the Airbnb data collection.

A six-month period used is for Daft.ie, with the average of Q3 & Q4 for 2022, while Q2 2022 is used for the RTB as it is the latest data available. The Limerick Chamber Rental Monitor uses data collected between June 2022 and January 2023. Table 6.1 breaks down the difference in the income earnings of this analysis.

Table 6.1 shows the difference in income earned for leasing a STL over 90 days versus the potential income obtained over a similar time period for a residential (three months). It is clear in this instance that STLs are a more financially attractive option given the extra revenue they provide in a short time period, with between an additional c. €10,800 to c. €11,700 gained over long-term renting in the 90-day period.

It is possible that a STL will not be at 100% capacity for the 90 days, they could operate at a lower capacity or number of days. In the below scenario we outline the comparison between income from renting on the market versus renting through STL at 75%, 50% and 25% capacity. To keep the analysis consistent, for STLs, the original 90-day split of 26 weekend days and 64 weekdays is analysed at the 75%, 50% and 25% occupancy rates.

Table 6.1: Case Study of Two-bedroom Apartment, Airbnb vs Residential Lease

Rent Source	Average rent (per month)	Three-month Total	Airbnb 90-day Income	Difference
Daft.ie	€1,275	€3,825	€15,000	+€11,175
RTB	€1,095	€3,285	€15,000	+€11,715
Limerick Chamber Rental Monitor	€1,396	€4,188	€15,000	+€10,812

Source: Authors calculations using Daft, RTB & Limerick Chamber data base

Table 6.2: Case Study of Two-bedroom Apartment, Airbnb (75% Capacity) vs Residential Lease

Rent Source	Average rent	Three-month Total	Airbnb 68-day Income (75% capacity)	Difference
Daft.ie	€1,275	€3,825	€11,360	+€7,535
RTB	€1,095	€3,285	€11,360	+€8,075
Limerick Chamber Rental Monitor	€1,396	€4,188	€11,360	+€7,172

Source: Authors calculations using Daft, RTB & Limerick Chamber data base

Table 6.3: Case Study of Two-bedroom Apartment, Airbnb (50% Capacity) vs Residential Lease

Rent Source	Average rent	Three-month Total	Airbnb 45-day Income (50% capacity)	Difference
Daft.ie	€1,275	€3,825	€7,500	+€3,675
RTB	€1,095	€3,285	€7,500	+€4,215
Limerick Chamber Rental Monitor	€1,396	€4,188	€7,500	+€3,312

Source: Authors calculations using Daft, RTB & Limerick Chamber data base

Table 6.4: Case Study of Two-bedroom Apartment, Airbnb (25% Capacity) vs Residential Lease

Rent Source	Average rent	Three-month Total	Airbnb 23-day Income (25% capacity)	Difference
Daft.ie	€1,275	€3,825	€3,860	+€35
RTB	€1,095	€3,285	€3,860	+€575
Limerick Chamber Rental Monitor	€1,396	€4,188	€3,860	-€328

Source: Authors calculations using Daft, RTB & Limerick Chamber data base

Tables 6.2, 6.3 and 6.4 show the difference in income for a STL versus residential renting a three-month / 90-day period. With the exception of the Limerick Chamber Rental Monitor average rent versus Airbnb at 25% capacity, more income is brought in by listing an STL on Airbnb across all scenarios and property websites even though the STL would only be rented out for 23 days vs a longer-term residential lease.

Both Airbnb hosts and landlords must pay local property tax, property insurance premiums as well as more frequent maintenance fees give the longer usage of said

property while landlords are liable to a RTB registration fee (€40 - €90 depending on when the tenancy was registered). Airbnb hosts are subject to a three per cent service charge per service. Airbnb comes with a cleaning fee (€50, depending on the host) and an additional service charge paid by the guest is also charged. Over 90 days, a minimum of €350 could be added to the €15,000 figure from the cleaning fee. This is likely to be higher, however.

These additional costs, for both a STL host and residential landlord, are excluded from our analysis, which purely focuses on income.

7.0 Airbnb as a Business

The current low supply levels of housing in Limerick is a concern. This section seeks to analyse any commercial aspects to the Airbnb market in Co. Limerick, and if many hosts have multiple listings. Fig. 4.3 outlined that of the 205 listings in the county, 63 are owned by hosts with multiple properties within Co. Limerick. There is potential that these hosts with multiple listings could be running their Airbnb listings on a commercial basis, although it is difficult to know based on the availability of information from Airbnb.

The total income per night across all listed Airbnb's in Co. Limerick (including unsuitable listings) is c. €32,240. On an income only basis (excluding additional costs for cleaning etc.), over a 90-day period this equates to c. €2.9 million to the local economy. As before it is not always likely that hosts will have bookings for the full 90 days. At 75% capacity, the Airbnb market is worth c. €2.18 million, at 50% capacity it is worth c. €1.46 million and at 25% capacity, it is worth c. €730,000 to the local economy.

Furthermore, there are additional economic benefits that come with tourists using Airbnb in Co. Limerick. Tourists, both domestic and foreign, will increase spending in local towns or the city, dining in restaurants, spending money in bars and supporting the hospitality sector overall. While this study analyses if there is suitable housing listed on Airbnb that could be of use for residential long-term living, it is important to acknowledge the economic benefits the presence that Airbnb's do bring to Co. Limericks tourism and hospitality sector.

Of course, it is also important to highlight that residential tenancies also add money to the local economy through rental payments and spending and working locally. Comparatively, if all these were released back to the residential rental market, even if unsuitable, it would yield between c. €673,000 and €858,500 to the local economy over the 90-days. However, it is worth noting that most tenancies would be 12-months in duration.

Table. 7.1: 90-Day Income Analysis for Airbnb Market in Co. Limerick

Airbnb Capacity	Price per Night: All Airbnb's	Income over 90 days
100%	€32,240	€2,901,600
75%	€24,180	€2,176,200
50%	€16,120	€1,450,800
25%	€8,060	€725,400

Source: Authors calculations using Airbnb.com



8.0 Conclusion

This report set out to provide clarity on the short-term letting market in Limerick by examining the availability of Airbnb's in the county. The type of housing, the size and location were observed to identify if the stock of homes on Airbnb could potentially be appropriate for the long-term housing market. The report also sought to see if there was any commercial element to the Airbnb market in Limerick, in terms of hosts with multiple listings and if there was any stock which could be deemed in excess, i.e., hosts with multiple listings.

The real availability of housing stock available on Airbnb was identified in this analysis. Of the listings on Airbnb in Limerick City & Environs, 95% were considered suitable for residential living. For Co. Limerick, 73% of listings for the county were considered suitable.

6 hosts owned multiple properties listed on Airbnb within Limerick City & Environs suitable for residential living, while for Co. Limerick there were 15 hosts with multiple listings considered suitable.

Given the shortage in supply that currently exists in the residential market, it was important to understand the real availability of housing available on the STL market to identify if there were many hosts that had more than one suitable property listed on Airbnb. Of the accommodation stock deemed suitable, the data suggests that c. one in every ten hosts owns an additional property / properties listed on Airbnb, located in Limerick City & Environs, that is suitable for residential living. Just over one in every ten hosts list multiple properties within Co. Limerick that are suitable for residential living.

The average price per night for the 205 listings on Airbnb in Co. Limerick was €168 per night meaning the average income per listing was €15,120 over a 90-day period reflecting a much higher return for landlords than the residential market, even when accounting for lower occupancy.

The STL market in Co. Limerick is varied, with both appropriate and unsuited homes for residential living.

The real availability of housing was analysed, with 150 homes identified as appropriate for residential living. These homes would likely have a minimal impact on the housing supply shortages seen in Limerick and at national level today if they were released into the residential rental market, however they would have a large impact on the individuals lucky enough to secure one. The demand for housing is high and must be tackled with consistent delivery of [c. 1,200 - 1,800 homes per year](#) to ease the pressure on the market. Placing these 150 homes listed on Airbnb in the private market would have a minimal effect in the long run, as the stock would not replenish to continue to contribute for the coming years.

Furthermore, the regulations for STLs primarily focuses on homes within RPZs. This decreases the policy impact of the regulations by decreasing the number of homes that could be potentially returned to the residential renting market even further. Of the 150 homes considered suitable for residential living listed on Airbnb in Co Limerick, 52 will be impacted by these regulations. While unlikely to have a large impact on the availability of residential accommodation we can't discount the potential significant benefits that releasing these homes to the rental market would bring. In the case of Limerick City, having an additional 52 families or individuals living and contributing to the city centre would be very beneficial to increasing the attractiveness and viability of the city centre.

In order to impact these areas outside of Limerick City which hold the majority of suitable properties listed on Airbnb, they would need to be designated RPZs or more bespoke regulations for STLs would have to be introduced focusing at more local areas.

To conclude, while Ireland is small, there are large differences between the regions and Dublin. While the STL policy may have a large impact on the likes of Dublin and releasing homes to the residential letting market, the impact it would have on cities like Limerick is more subdued.

About Limerick Chamber

Limerick Chamber is the largest business representative body in the Mid-West, with over 400 member organisations who support over 50,000 jobs across the region.

Championing business growth and investment, Limerick Chamber is dedicated to fostering a thriving Limerick and Mid-West. We are a catalyst in the promotion and progression of the city and region. We support the economic and social development of Limerick through our work with other stakeholders and businesses, our proactive approach to policy development, and our lobbying to impact decisions that benefit the region.

Specialising in SME, Retail and Hospitality and Corporate, Limerick Chamber has three separate business strands so we can better serve our members. We run a wide variety of innovative and inclusive business events and cutting-edge training courses, including a dynamic Regional Leaders programme.

We proactively develop policy and we effectively lobby to deliver decisions that support the economic and social development of the city and region. We support business and investment growth within the city and region, working with relevant stakeholders where appropriate. Limerick Chamber is one of few chambers with a dedicated full time policy team.

Limerick Chamber strives to be the “first port of call” and the leading source of knowledge and expertise in establishing business and investing in the city and region.



About Limerick Chamber

Seán Golden, Chief Economist / Director of Policy

Seán Golden joined Chamber team in 2022. Prior to taking up his position at the chamber, Seán worked as the Economist with the Land Development Agency (LDA), leading their policy and economic research function. He also previously held the position of Senior Economist with EY, where he provided economic consultancy services to a range of organisations across the public and private sector. Prior to joining EY, he worked with the Department of Public Expenditure and Reform / Irish Government Economic and Evaluation Service (IGEES) as an Economist and also spent a several years in retail banking with Bank of Ireland.

Seán holds an MSc in Economic Analysis from the University of Limerick where he graduated top of his class and received the Northern Trust Outstanding Scholar Award. He also holds a BBS in Economic and Finance from the University of Limerick.

Seán is also active in the voluntary sector in Limerick having worked with the European Expo 2020, Lean on Me and MyMind.



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Diarmuid O'Shea, Economist / Policy Analyst

Diarmuid O'Shea joined the Chamber team in 2021. Prior to this, Diarmuid worked in financial services. Diarmuid has a BA in Economics and Sociology from the University of Limerick and a MSc in Economics and Policy Analysis, also from the University of Limerick. He also has an Executive Diploma in Market Research from the Technological University Dublin.

Diarmuid has a keen interest in many key policy areas for Limerick Chamber. Regional development and sustainable transport modes, as well as green energy and how the Mid-West can leverage its rich natural resources to ensure a steady supply of clean energy are all areas of interest for Diarmuid. He is passionate in supporting positive policy developments for Limerick and the Mid-West region through research and analysis back evidence.



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