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The Impact of Short-term Lettings on Long-term Rent Prices in Dublin

Aline Moreira de Moraes

Author

Master of Science in International Business

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Submitted to the National College of Ireland, August 2025

Abstract

This paper investigates the impact of short-term letting on the price of long-term rental in Dublin City between 2015 to 2024. Therefore, addresses a critical gap in understanding how platform rentals can influence housing affordability. The rapid growth of Airbnb and similar applications has intensified debates on housing shortages, regulatory failures, and socio-economic disparities in urban markets. Using quantitative methods to assess rental price trends through hedonic regression, time-series data from RTB and Inside Airbnb and Kaggle enable to understand the STL-driven market distortions.

The key findings demonstrate that STLs have reduced LTR supply in 64%, which is one of the possible factors that increases the LTR prices, particularly in the City Centre and South areas. Regulatory measures such as Rent Pressure Zones (RPZs) have proven ineffective due to weak enforcement, with only 29 planning applications filed despite 3,786 illegal Airbnb listings in 2023. In addition, the study highlights geographic inequalities when compared to peripheral neighbourhoods.

This research contributes to housing policy debates, by providing empirical evidence on STLs impacts on LTR markets, identifying regulatory gaps in Ireland's approach compared to EU equivalents, and proposing actions to possibly reduce the housing crisis, including stricter enforcement and public housing investment.

Acknowledgements

With huge thanks to all who made this happen. I could not have written it without you. Especially to the lecturers from my undergraduate studies who deeply inspired me to keep studying the property market, and my professional colleagues, who deal daily with people’s dreams of finding a home with ethic and respect and sparkled on me the desire of becoming not only a property agent but a difference in customer’s lives and shaped who I am, the lectures from the International Business master’s course, who were responsible for widening my knowledge towards contemporary business, and to the supervisor Mr. Jeffrey Walsh, who had been extremely supportive throughout this process.

I would also like to thank my friends and family, who provided me with endless support, especially my grandparents, Antônio Carlos de Moraes and Maria Célia Silva de Moraes, who have uniquely inspired and motivated me throughout my entire life and never let me give up on my dreams.

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1. Introduction

When compared to other higher tourist European cities such as Paris, Barcelona, Lisbon and Porto,(Franco et al, 2021)(Bei, 2025) Dublin started from a low level of short-term lettings supply. Due to the economic recovery post 2008 crash, Dublin's property market only began to recover around 2012 to 2014, which delayed the Airbnb boom and was seen in other countries and potentially exaggerated their perceived impact, making subsequent growth of Airbnb supply growth rates appear explosive compared to cities such as Amsterdam, where this type of rental was already saturated in 2015.

The concept of short-term letting (STL) and long-term rental (LTR) in Ireland's legislation is in sum properties that are rented out for a period that does not exceed 14 days are considered STL (Planning and Development Act, 2000 along with Regulations 2001 and 2019). Properties that are rented out for a fixed term or periodically, for a period of over 14 days, are considered LTR (Residential Tenancies Act 2004).

In addition, measures such as the rent cap in 2016 of 4% and later reduced to 2% possibly had an impact on landlords' choice, which suggests that from 2018 to 2022 a possible shift with higher volume of STL supply penetrating the market.

Once Oscar Wilde (1895) wrote, 'The truth is rarely pure and never simple'. Having this in mind, this study was designed to understand if STL platforms were the only factor that impacted the LTR supply, driving it to its shortage. As it is growing in public attention, it shows the importance of this study to address the relevant global needs to adapt its regulations to meet contemporary issues, as many are facing rent inflation, property value increase and gentrification. (Ri Kim et al, 2025)

This study attempts to address a gap in the literature, that lacks quantifying the price impact on LTRs in Dublin, which aligns with studies such as Barron et al (2021) that covered the Airbnb impact in the U.S. rent prices. In addition, the socioeconomic effects, linking the “Generation Rent” and Generation Stuck Home” (Waldron, 2022)(Hearne 2023) trends with STL data. In order to fill these gaps, the use of quantitative STL/LTR datasets, analysing international case studies, and proposing solutions.

To address the research question ‘Would LTR prices be lower without STLs?’ The study employs the Hedonic Regression, to isolate STL price effects using as sample RTB microdata, with 10,428 LTR listings and Airbnb with 5,321 listings. Time-series analysis, to track supply changes from 2015 to 2024 to identify tipping points, and policy evaluation, comparing Dublin’s enforcement gaps to Barcelona licensing system and Paris host categorisation. (Bei, 2025)(Devane, 2025)

The dissertation structure is divided into literature review in chapter 2, expands on the global trend facing STL penetration, regulatory theories, and Dublin’s housing crisis roots; Regulatory context in chapter 3, analyses EU cases, RPZ and enforcement gap; Methodology in chapter 4 details the hedonic models, data collection and ethical considerations; Findings in chapter 5, presents STL/LTR price correlations, geographic disparities, and policy gaps; Discussion in chapter 6 links the results to Hearne’s (2023) financialization thesis and activist responses; Conclusion, in chapter 7, summarizes key insights and policy recommendations.

2. Literature review

The rapid growth of STL platforms, with Airbnb frequently cited as a prominent example, has drawn the attention of researchers across the globe. Due to a housing supply crisis and a significant alteration in urban housing markets. (Sugiura, E. 2025) This literature review explores the complex interplay between STLs and housing markets, focusing on the Irish context and analysing the effect in Dublin from the early stage of penetration from 2015 through the continuous growth in 2024.

The theoretical starting point for thinking about the relationship between the lower level of housing supply, which is one of the factors that has been pushing LTRs prices up above inflation, and the continued growth in housing demand, is the classic economic supply and demand. In the third chapter of his book, written in the 19th century, the English economist Alfred Marshall observed what he named as The Law of Demand, which stated that in large markets any decrease in price has a direct positive effect in the number of total sales, vice versa when the supply experiences a decrease, a negative effect is observed, pushing the price up. He gives practical examples to illustrate the relationship between elasticity of demand and the purchasing power that may vary according to different income, using commodities such as wheat, sugar, and wine. As at that time, wine was considered a luxury item. (Marshall, 1896)

By elasticity, Marshall defined it as how sensitive (measurable and can be classified as high or low level) the price or demand is in response to a change in other variable, being elastic if it is sensitive and inelastic if it is insensitive. (Marshall, 1896)

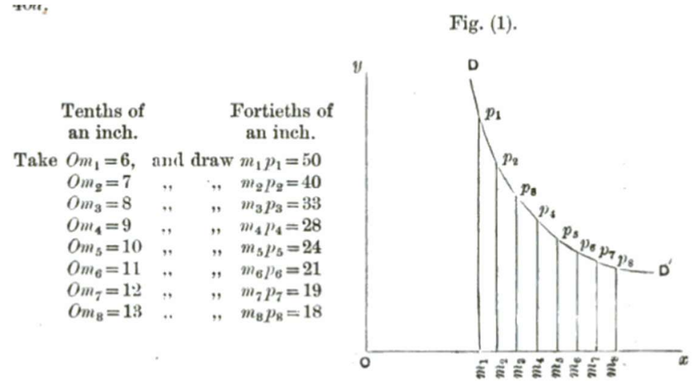


Figure 1: Demand curve (Marshall,1896)

For instance, the first column shows the amount of tea in pounds (lb), and the second column indicates the price in pence (d), the currency used in the United Kingdom at that time. Marshall illustrated the sales of tea and the relationship between quantity and price on the diagram above, which he referred to as the demand curve. It is clear to notice from the diagram that at higher prices, the level of demand is lower, while at lower prices, the level of demand is higher. This was the first representation of demand in tools such as graphs. (Marshall, 1896)

In addition, in this chapter he mentioned the elasticity of house prices, that the price of 'house-room' has never fallen very low, except for locations that had fallen in desert, meaning inhabited, suggesting that housing prices are inelastic. In contrast, he notes that the housing demand seemed to be elastic, considering real convenience (practical aspects of location, such as proximity to work, transportation and essential services) and social convenience (desirability of the neighbourhood and what the social environment offers) with affordability. Thus, it suggests that housing demand is sensitive to price, especially when considering specific locations and their aggregate value. (Marshall, 1896)

For many specialists Adam Smith is considered the father of economics, he first wrote the concept of Market Power on his classic economic book The Wealth of Nations. This theory argues that free markets are driven by self-interest and competition. Although he defended some level of market regulation. The concept, which he named as ‘invisible hand’, refers to individuals pursuing their selves’ economic interests that can reflect on positive outcomes for society as a whole. Nevertheless, he acknowledged that powerful actors are able to manipulate markets through practices like monopolies and collusion, which have a high potential to harm consumers and overall economic well-being (Smith 1776)

From Rory Hearne’s perspective, a professor in social policy in Maynooth University and deputy of the Social Democrat party, discuss that the classical economic theory of supply and demand of the free market cannot be applied to the housing market. Arguing that due to the lack of affordability, many people are not able to get a mortgage or rent a property, so they cannot be considered as demand. Additionally, in general, free markets have many suppliers competing for lower prices, whereas in the housing market, the number of suppliers is very small. On top of that, the construction industry requires time and presents a high level of risk, due to the price fluctuations until the conclusion of the building. Thus, only construction companies that have easy access to financing and different projects can spread the risk. (Hearne, 2023)

In addition, the author argues that the lack of competition turns the housing market into a monopoly controlled by big developers on the supply side. As they control the supply, they control the market. Taking that into consideration, if properties and rent prices decrease, they stop building as an attempt to retain high prices. (Hearne, 2023)

The use of platforms enabled owners to convert their units, by unit meaning whether shared or entire property, from LTRs to STLs, this shifts potentially maximises rental income. (Ri Kim et al, 2025) As a result, already overheated markets faced a decline in LTR supply, due to slow or restrictive housing developments such as zoning laws, real estate speculation and investments, gap in wage and housing prices, rising interest rates and mortgage costs, population growth and urban migration, immigration and temporary residents, gentrification, and government policy gaps. Worsening the house affordability, availability, and liveability of residential neighbourhoods. (Ri Kim et al, 2025) (Novik, et. al 2025)

This effect is likely to be more evident in the short run, when the total housing supply is inelastic or fixed. Due to this negative factor, the expansion of STL has intensified housing supply shortages in cities where the supply was already low, leading to severe housing scarcity. Furthermore, this phenomenon, sometimes referred to as “hotelisation”, must be more intense in areas that are popular for tourism, where the demand is higher for STLs. The additional results are fostering displacement, gentrification, and social segregation. (Franco et al, 2021)(Ri Kim, Y. et al, 2025)

While some authors focused on the impact of STLs in LTRs in specific cities such as London (Shabrina, et al) (Ri Kim, Y. et al, 2025) others studied several cities within a specific country, such as Portugal (Franco, et. al, 2021) and the United States. (Barron et al, 2021)

The cited empirical studies provided substantial evidence regarding the impact of STLs on LTRs supply, and consequently on LTRs prices.

The study across The U.S. between 2012 and 2016 found that a 1% increase in entire property Airbnb listings leads to a 0,018% increase in rents and a 0.026% in house prices. These figures represent roughly $9 in rent per month, and $ 1,800 in house prices. The yearly growth in Airbnb supply was 28%. Simply put, the Airbnb supply growth explains 0.7% in annual LTR price increase (Barron et al, 2021)

New York City experienced a 1.4% price increase in LTRs from 2015 to 2017, due to Airbnb supply expansion, resulting in an annual increase of $ 384 for the average tenant. Doubling Airbnb activities in the city was associated with 6% to 11% increase in property prices. (Shabrina et al, 2022)

In London, a study analysing Airbnb data from 2015 to 2017 estimated that 100% increase in properties that are not compliant with respective regulations, for instance, listings not conforming to the cap of 180 days annually by multi-hosts, was associated with up to 8% increase in unit rental per-bedroom per-week. In 2018, over 2% of all the properties in the English capital and up to 7% in some local areas, were identified as misused for STLs. (Shabrina et al, 2022)

In Portugal, the study analysed Airbnb data from 2010 to 2016. The estimation increase in Airbnb shares was associated with a 3.09% to 3.74% increase in house prices across different cities, and a higher value in Lisbon and Porto, which have more tourism activities, 24,3% to 32,3% increase in house prices during the same period. However, no robust evidence for LTR price increase was found, possibly due to rent control over the years during the study. (Franco et al, 2021)

The literature regarding the Irish housing market, that has experienced over a decade of crisis, marked by the boom of the Celtic Tiger years (1993-2006), the bubble and crash, accompanied by the Global Financial Crisis and the Irish banking loan exposure (2007-2012) to the ongoing period of unstable rebalancing (Hearne, et al 2015) its effect effect on entire generation of millennials, trapped by rent affordability and named as Generation Rent, followed by the 2008 financial crisis and amplified by covid-19 pandemic. The study made the use of quantitative and qualitative methodologies to examine the shift from homeownership to renting, which led to the housing precarity index to measure the extent and nature of these challenges. The research explores renters' experience of housing precarity, such as affordability, quality, accessibility, and security. (Waldron 2022) and Generation Stuck at Home, portrayed by young people who cannot afford high rents, living in parents' or relatives' homes (Hearne, 2023)

The measurement of house pricing in Irish studies often employs the hedonic method, which estimates the value with the specific property attributes, such as location, type and size. (Coniffe et al, 1999) (Ronan, 2013) This approach enables standardising comparisons over time by accounting for property characteristics, which is crucial given the limitations of simple mean prices that can suffer from quality bias.

A smaller literature has examined the regulation and its effect since its implementation RPZ in 2018 in Ireland to 2024, respectively in its capital Dublin, as an attempt to control the rent prices and the LTR supply. The study compares the amount of planning permission enquiries for STL and the listings in Airbnb, and profiles the usage of STL across the country. (Devane, et al 2025)

A study examines the spatial STL impacts by comparing the regulations in Barcelona and Paris, analysing two distinct policy approaches. While Barcelona implemented zoned restrictions aimed at decongesting the historic city centre, Paris focused on temporal limitations to curb professional activity. The author made use of statistical and spatial methodologies, and the study found that the Spanish city achieved a more significant redistribution of STLs, primarily due to robust enforcement and the removal of listings in central areas. In contrast, the French capital had a greater impact, significantly reducing professionalised listings. However, as a side effect, it had increased the STLs concentration in the city centre due to weaker reinforcement. The paper highlights that the regulation effectiveness depends not only on the type of restrictions, but also on enforcement mechanisms, platform cooperation, and the ability to monitor compliance. (Bei, G. 2025)

In Los Angeles, a stricter regulation resulted in a 50% fall in listings and 2% decrease in price for houses and rents. (Devane et al, 2025) In contrast, softer regulations such as day caps and registration systems indeed reduced the number of listings. However, it did not represent a significant impact on prices. For instance, London's 90-day cap led to 4% decrease in the Housing Price Index (HPI). (Kim, el al 2025) Similar in German cities, mainly because the number of properties returning to the private rental sector was small compared to the overall demand. (Devane et al, 2025)

Research Question

Would the LTRs price lower without STLs?

This research aims to answer the central question. Firstly, building a literature review of international studies that underlie the STLs impact on LTRs markets and explore housing market dynamics and regulatory approaches. The primary goal is to determine the extent which STLs influenced LTR affordability and availability in Dublin between 2015 and 2024.

In order to achieve its aims, three steps were identified to meet its objective: (1) to quantify the relationship between STL growth and LTR supply reductions making the use of hedonic regression models, (2) to evaluate the effectiveness of regulatory measures, through international cases and the Irish Rent Pressure Zones and (3) to asses socioeconomic disparities in rent market changes across Dublin's geographic areas using spatial analysis techniques.

2.1 Context: Overview of the Irish housing crisis

Dublin has been suffering housing crisis since the Celtic Tiger years (1993 – 2006), but for different aspects. The economic growth boosted by Tech Companies, followed by rapid population growth of 20% in this period, fuelled the demand for houses. This led to a large construction boom, which was mainly private. As a result of high demand, the property prices skyrocketed, reaching a 429% increase from 1991 to 2007. (Hearne et al. 2015)

As a ripple effect, the mortgage debt doubled in value from € 47,2 billion in 2002 to € 139,8 billion at the end of 2007. Additionally, a dramatic increase in land prices was experienced, becoming the most expensive land per hectare in Europe at that time. On the surface, the buy-to-let increased the rent supply. On the ground, the huge property sector bubble placed the wider economy at risk. (Hearne et al. 2015)

The period known as ‘The Crash’ took place between 2007 to 2012. It was marked by the fall of house prices, in Dublin it plunged 57.4%, followed by the collapse of the Irish banking sector that lost in share value € 55 billion in May 2007 to € 4 billion in November 2008. (Hearne et al. 2015)

The result was over-inflated prices, enormous oversupply of houses with over 230,000 vacant units in 2011 and over-zoned land. To worsen the scenario, many of these units were poorly built and as the Global Financial Crisis (GFC) has shown, unemployment rose to its peak of 15%, taxes rose, pay cuts, and subsequently mortgage arrears over 90 days reached 141,520 contracts and over 50% of residential properties were in negative equity. (Hearne et al. 2015)

In response to the crash, the Irish government did not implement radical changes to any policy and maintained its neoliberal ethos, protecting the interests of the banking and development sectors. (Hearne et al. 2015)

The starting point for shifting the housing market into the private sector only was when Minister Willie Penrose, in June 2011, launched a new national housing policy, which shut down the programmes for building social homes. A leasing scheme, the Rental Accommodation Scheme (RAS) was introduced where the State would pay 90% of the market rent price to the landlord, for 25 years to social housing tenants. The budget for building social homes was reduced by 88% from € 1.46bn in 2008 to € 167m in 2014. Resulting in the lost of key staff and capacity of local authorities to build social homes in the following years. (Hearne 2023)

In 2012, with the rise of households in arrears accounting for 94,000 and buy-to-let mortgages in arrears increased to 28,421. In the same year, the National Asset Management Agency (NAMA), the government agency to address the Irish banking crisis, shifted its attention to attract international investors. As real estate investment funds were growing internationally, the legislation to support it was introduced with a tax relief mechanism. In Dublin, 761 apartments were sold as portfolio of these funds for € 211m. (Hearne, 2023)

By selling these properties to investment funds, the expectation of high returns kept the pressure on rental market prices. With international funds penetrating the Irish construction field, the government took its hands off completely from the property market. (Hearne, 2023)

Thus, it explains the post-crash period, which was marked by a fast recovery in the property market, increasing the house prices in Dublin by 24% in one year time, from 2012 to 2013. Investors renewed their confidence in the market and buy-to-let absorbed the oversupply as the population continued to grow. (Hearne et al. 2015)

Despite the continuous increase in demand, the construction field remained very low, with only 1,360 units built in Dublin in 2013. The lack of supply has driven inflation in purchase and rental prices, with rents higher year-on-year. (Hearne et al. 2015) Between 2014 and 2020, the average of rent surged 49% from € 1,057 to € 1,574. Over the same period, the average of earnings increased only 9%, highlighting a significant affordability gap. (Waldron, 2024)

The reliability on private investment has been showing to be an issue, as Dublin is losing attractiveness to investors, in one year dropped from 13th to 17th position out of 30 European cities in the Emerging Trends in Real Estate 2025 report due to infrastructural deficit and planning issues according to a survey carried by PwC and Land Institute, despite the economic and geopolitical uncertainty. (Dehane, 2024) Another report from Owen Reilly highlighted that only 3% of sales were made for investors, compared to 25% with previous year, which confirms the disinterest parting from buy-to-let investors and reflects on the rental supply (Reilly, 2025)

Additionally, the construction sector still carries damages from the crash in 2008, leading to underinvestment in machinery and equipment, and an over reliance on smaller firms which did not reach economy of scale of bigger companies. (Murphy, 2024)

In addition, the construction costs in Ireland are considered the 12th most expensive location to build in the world. Particularly Dublin, that occupies the 3rd most expensive for apartments and the 2nd for townhouses when compared with other nine European cities: London, Manchester, Birmingham, Glasgow, Leeds, Munich, Paris and Amsterdam. This comparison is relevant not only for property market investors and developers facing a decision-making, but also for multinational companies when planning offices, logistics, or data centres. Despite the up to 40% rise in material costs like wood, timber and steel, due to global supply chain disruptions and the war in Ukraine, building materials are generally higher when compared to other European cities. (Arigoni, et al. 2022)

Beyond the rising costs, other significant issues that impact the construction sector are problems with the planning system, uncertainty in regulatory standards, lack of zoned and serviced land, and a shortage of skilled labour. (Arigoni, et al. 2022)

In order to supply meet the demand, it is suggested by the Central Bank of Ireland that 52,000 units per year are needed for the next 25 years or 70,000 per year to reduce the deficit over a decade. (Murphy, 2024)

This demand-supply imbalance has driven the current housing crisis. On the one hand, the rental prices have been on a continuous upward trend. The average of rent in Ireland jumped 139% from €1,076.00 in December 2013 to € 2,576,00 in December 2024. From the previous year, it had doubled the inflation rate. (Lyon, 2024). On the other hand, the average of earnings had not evolved as such, increasing from 43,52% € 687.28 to € 986.36 weekly in the same period. (CSO)

On the renters' side, housing costs are a heavy burden, as a study shows that 36% of Dublin renters spend more than 35% of their disposable income. (CSO, 2021) In the last elections of 2024, housing was one of the most important topics and still is on constant debate at Dáil Éireann (Oireachtas, 2025) as the target of new homes was 33,450 but 30,030 were built, while a decrease fell almost a quarter for the construction of new apartments.

Furthermore, the tenants' profile indicates a significant social change and consequently a major social implication, with 70% of renters aged between 25 and 44. Nearly 50% of tenants are families with children. These are working-class individuals with lower-paid jobs who cannot afford a house and struggle to cover living costs, a group referred to by the author as Generation Rent. The author highlights the potential impact on these families, such as stress, health issues, and a lack of safety for children. (Hearne, 2023)

Young adults aged between 20 to 45 who are living in their parents' or relatives' home are The Generation Stuck at Home, accounting for 350,000 people. Additionally, the average age of people moving out of their parents' home has risen to 28. As a result, individuals are suffering personal shame of depending on relatives, lack of privacy, which impacts in romantic relationships, the stressful adult-parent relationship, which can lead to emigration or mental health issues. (Hearne, 2023)

As a reflection of it, the recent single named EURO-COUNTRY released by the young Irish singer CMAT, where she portrays the housing crisis in Ireland, has resonated with people in their 20s and 30s who shared on the platform TikTok the impact of it on their lives. The song tells the story of the financial crash from her perspective as a child, where she wrote "All the big boys, all the Berties all the envelopes, yeah they hurt me, I was 12 when the das started killing themselves all around me. And it was normal, building houses, that stay empty, even now". (2025) Bertie Aheren was the Irish Prime Minister for the Republican Party Fianna Fail from 1997 up to his resignation in 2008. Towards the end of it, the population was questioning his finances and credibility. (Downes 2025)

When CMAT mentioned building houses that remain vacant, even now, she can be referring to properties acquired by real estate investment trusts (REITs), or even developed with them. The origin of these funds mainly comes from the USA, Canada, Germany, and Irish pension funds, and they explore markets with the highest potential return on investment to optimise their profits. (Hearne, 2023)

In Dublin, these REITs own, manage, and rent properties, such as 1,221 apartments in Cherrywood, 107 in Rathgar, 1,600 in Drumcondra, 1,000 units in

Santry, Hampton Wood, Windermere, and a building under construction with 166 units in Rathmines. This building is valued at €93m, which equates to €560,240 per unit, along with 435 apartments in Royal Canal Park. Their primary focus is on maintaining high rent prices. One of the largest funds is Irish Residential Rent REIT (IRES REIT), with a portfolio of 3,688 properties, a market value of €1.3bn, and a net income of €53.5m in 2021. (Hearne, 2023)

CMAT lyrics also say, "the present is the past" and portray herself as Cú Chulainn, hero and warrior in the Irish mythology, and finishes with "no one says it out loud but I know it can be better with we hound it" being the voice of this young generation and encouraging people to look after Government actions, such as protesting. (Downes 2025)

Protests such as 'Raise the Roof' in June 2025 that took place in front of the Irish Parliament (Dáil) (Conneely, S., O'Halloran, M. 2025) and in July 2025 led by Community Action Tenants Union (CATU) in front of Garden of Remembrance with hundreds demonstrating dissatisfaction as prices do not stop rising, among the protestors a couple with very 'secure jobs' but still not able to afford a house, and other late 20s who had to come back to their parents' house out of Dublin, due to the high rent price. (Sloane 2025)

3. Control of factors: International regulatory approach

As a result of overheated markets, local governments around the globe are restricting or even banning short-term rentals (Nieuwland, van Melik, 2020) (Novik, Uddin, 2025), among the cities are Amsterdam, Vienna, Paris, Marseille, Florence, Berlin, Brussels, London, Greece, Reykjavík, Vancouver, Montreal/ Quebec, New York, San Francisco, Santa Monica, Jersey City, Boston, Chicago, Washington, D.C., Portland, San Diego, Irvine, Honolulu, Singapore, Malaysia, and Australia. The boom in tourism post COVID has been worsening the already pressured markets (Novik, Uddin, 2025) with the rise of the cost of living, protests are escalating in Madrid and Rome, anti-tourism and housing activist groups pressuring against holiday rentals and leading authorities to take restrictive measures. (Bei, 2025) (Sugiura, 2025)

According to the professor of tourism at the University of Westminster, Ilaria Pappalepore, hotels are generally located in tourist areas. The Airbnb listings are located across cities, which is resulting in noisy nightlife, rising house prices and crowded public transport in areas that are designed to be residential. (Novik, Uddin, 2025)

More recently, the huge banishment in Spain (Hedgecoe 2025) has called for the removal of over 66,000 listings lacking a tourist license or separate entrances from the platform Airbnb, among the regions are Madrid, Andalusia, Catalonia, Valencia, the Basque Country and the Balearic Islands. There were in total 351,389 listings advertised on Airbnb in the entire country. As a result, after the warnings of Minister for Social Rights Pablo Bustinduy, this number fell by around 20%, by removing 65,935 listings. (Haslam 2025)

The main players of the sharing economy that provide accommodation for tourists are the platforms Airbnb, Vrbo and Booking.com. The main reasons for the implementation of regulations are the protection of the housing supply, housing prices, preserving residential neighbourhoods, easing the pressure of tourism, preserving quality of life, safety, creating a level playing field hotel industry and rebalancing territorial distribution. (Nieuwland, van Melik, 2020) (Bei, 2025)

Most of the regulations regarding the STL restrictions contain a suspension of license, a cap of 30, 90 or 120 nights, registration or license and planning controls, fines up to € 400 or host presence in some cases of the US. A study comparing Barcelona and Paris also reinforces the crucial importance of regulation strategies for achieving the expected effect, highlighting that Barcelona City Government restricted all hosts, while Paris City Government restricted distinguishing professionals and non-professionals. Thus, affects enforcement capacity. For instance, the Spanish city has 35 inspectors from the municipal Housing Department – Office for the Protection of Housing while the French city has 70 inspectors from the inspection service of the City Council, part of the Department of Urban Planning. Additionally, both cities hold data visualisation, citizens reporting, and cooperation or obligation for platforms to share the data, block irregular listings and display registration numbers. (Bei, 2025)

Although some cities are moving towards restriction or even banishment, many Heads of Tourism argue that the main source of the economy is tourism, such as Venice and Greece. (Sugiura, 2025)

In response, Airbnb claims to be a victim and accuses local authorities of “scapegoating” the company for overtourism in city centres, where, in fairness, the ones responsible for it are hotels. (Novik, Uddin, 2025) A report produced by its firm highlights the tourism growth post COVID-19 in the EU, driven by hotels, with the contribution of airlines and cruises. Airbnb argues that hotels account for 80% of guest nights in the EU. The airline company Ryanair has broken down the number of 200 million passengers in a year, historically never before seen. The day trippers, such as cruises, increased by 53% between 2022 and 2023, reaching 3,6 million in Barcelona, 63% in Amsterdam, reaching 320,000 and 54% in Lisbon, reaching 758,328 passengers. (Airbnb, 2025)

In addition, the platform stresses that always copes with local legislations and cities that have adopted restrictions are not seeing the expected effects. (Novik, Uddin, 2025) (Sugiura, 2025) For instance, Amsterdam's restriction in 2018 decreased the short-term letting supply by 50% during the following 5 years. Nevertheless, the annual tourist nights rose from 20,5 million in 2018 to 22,9 million in 2024. Likewise, in Barcelona post COVID-19 the number of guest nights increased by 23,3 million from 2021 to 2024. (Airbnb, 2025) Specialists argue that banning short-term rentals can reflect on hotel prices, and therefore, make travel more expensive and even unaffordable for the middle class. (Sugiura, 2025)

3.1 Regulation and effects: The Rent Pressure Zone

The Rent Pressure Zones (RPZs) are a governmental policy that was introduced in December 2016 to control the rapid inflation in the private rent sector under the Planning and Development (Housing) and the Residential Tenancies Act 2016 (the '2016 Act') and address the shortage of supply in some regions of Ireland. In the capital of the country, the four corresponding local authorities (LA) to RPZs are Dublin City, Dun Laoghaire-Rathdown, Fingal, and South Dublin County Councils. At that time, an annual cap of 4% was implemented in designated areas. However, the rule had two exceptions: 1) substantial renovations in the property or 2) properties that were not in a lease for 2-year period.

Despite the introduction of RPZs, a report published in 2018 by the Economic & Social Research Institute (ERSI) for the Residential Tenancies Board (RTB) analysed the effects of RPZs and found that 23% of registered tenants would still have an increase above the 4%, corresponding to two-in-five tenants. Due to the exception of the rule. (Ahrens et al. 2019)

In October 2018, the Minister for Housing, Planning and Local Governments, Eoghan Murphy, announced new regulations regarding STLs. Due to the shortage of housing and the shift of LTR to STL. (The Residential Tenancies Act 2019) It was stipulated that an STL is any stay up to 14 days. For personal private primary residences (PPRs), that are occupied by their owner, may be let for up to 90 cumulative nights. A host notification to the local authority is mandatory. For PPRs that are not occupied, meaning the entire property, beyond 90 nights, requires a planning change of use permission. For non-PPRS, meaning second or investment homes, requires planning permission for any STL.

In case of non-compliance, penalties up to a €5,000 fine or 6 months imprisonment, with additional € 1,500 per day fines possible for ongoing breaches. Despite the regulations, an ESRI report found that in 2022, the number of STL change of use planning applications received for RPZ across Ireland was 91, the number of notifications for the start of the year (form 15) was 474, and the number of notifications for the end of the year (form 17) was 137. However, the number of entire properties located in RPZs, only on the Airbnb platform alone was 6,485. In 2023, the number of STL change of use planning applications received was also 91, the number of notifications for the start of the year (form 15) was 491 and the number of notifications for the end of the year (form 17) was 180, contrasting with 9,142 entire properties. (Devane, K. et al 2025) In Dublin, between 2019 and 2022, there were only 29 applications for change of use, with only 5 granted. In comparison with Airbnb listings at the beginning of 2023, there were 3,786 in the city. (McNally 2023) The disparity between the number of planning applications and Airbnb listings underscores the lack of effective monitoring and control by the respective authorities.

Despite the cap, many owners do not comply with the law, and evict tenants stating that they want to sell the property or have family members to move in, to get higher market rents or shift to listing in Airbnb. (Hearne, 2023)

At the end of 2022, the government announced plans to introduce a new registration system for Short Term Tourist Lettings (STTL), which would be administered by Fáilte Ireland. This registration could only be made by the property owner on an annual basis and will generate a registration number. Therefore, STL platforms will need to require the registration number for listing their property on booking websites. Published in April 2025, the revised General Scheme Short Term Letting and Tourism Bill 2025 was aligned with the recent EU regulation for STL. The STTL's new platform aims to provide an accurate picture of the STL sector across the country. Thus, possibly future appropriate legislation for the sector.

The new EU Regulation 2024/1028 for STL came into force in February 2024 through the amend to the Act Tourist Traffic Acts 1939 to 2016. The main purpose of its regulation is on data collection and sharing of STL Regulation (EU) 2018/1724, particularly regarding fixed payment notices and administrative financial sanctions between online platforms and local authorities. Thus, it ensures that online economic activities are tax-compliant and platform hosts' earnings are shared with Revenue.

In June 2025, all Ireland went in RPZ, meaning that across the country the rent increase limited to up to 2% once in 12 months, or by the rate of inflation if lower.

Dublin's regulatory lack of effectiveness contrasts with cities such as Barcelona and Paris, where enforcement was applied due to STL growth. The Spanish city zoned restrictions while the French capital distinctions host between professional and non-professional, reducing listings by 50% and 20%, respectively, they encountered effectiveness by applying a robust inspection system (35 officers in Barcelona, 70 in Paris) and mandatory platform cooperation (Bei, 2025)

These cities leveraged real-time data sharing and fines, such as € 400 per day in Paris, to block illegal listings, a model that Ireland's RPZ lacked. While Dublin 2018 rules required planning permissions, only 29 applications were filed by 2023 despite the 3,786 active Airbnb listings (McNally, 2023). This exposes a systematic gap, that should alert policymakers to implement new enforcement systems with the EU's 2024 data-sharing regulation, such as Barcelona.

4. Methodology

This chapter describes the methodology adopted to guide this research, which is the "Research Onion" (Lewis, Saunders, Thornhill, 2023) and applied as a framework to outline the process toward answering the research questions. The purpose of this analysis is to understand the LTR and STL supply in Dublin and its dynamics. This consideration guided the design of the empirical study, including specifications such as location and type.

4.1. Research Philosophy

From personal beliefs and assumptions, the research objective is to develop non-biased knowledge in a very specific field. By understanding which philosophical commitments the research makes part of, enables the researcher to make a choice of project strategies, as it impacts what the researcher does and acknowledges what exactly is being studied. (Lewis, Saunders, & Thornhill, 2023).

4.2 Epistemology

This philosophy refers to how the researcher will generate knowledge. Whether if it is acceptable, valid and legitimate. Additionally, how it can communicate knowledge to readers. (Lewis, Saunders, & Thornhill, 2023). This research prioritises working with factual data such as rental prices, amount of supply and governmental reports seeking 'the truth'.

Making use of statistical models such as hedonic regression and OLS regression to approximate the correlation between prices and supply, considering STL and LTR in Dublin, while recognising its limitations.

4.3 Ontology: Critical Realism

It is under ontology philosophy research that is driven by assumptions about reality (Lewis, Saunders, & Thornhill, 2023) This research treats the housing market, which is objectively measurable, such as rent prices and STR density, even though its dynamics are influenced by external factors, including regulations, tourism demand, and supply deficits.

4.4 Axiology

It regards what value and ethics shapes the research (Lewis, Saunders, & Thornhill, 2023). Mainly motivated by ethical purposes of tenant welfare, in particular the working-class and students' house affordability and possibly informing policy. Despite the value bond, it is essential to be morally neutral when researching.

4.5 Research Approach: Critical Realism

This philosophy refers to the explanation of what is seen or experienced. Seeking the reality of events, to have an understanding beyond our beliefs (Lewis, Saunders, & Thornhill, 2023)

The authors define the critical researcher as someone willing to achieve the results of research questions by distancing themselves and being able to see the big picture as illustrated on the diagram. Thus, the researcher can identify what is generally not seen by making the use of practical and theoretical processes of the social sciences. (Lewis, Saunders, & Thornhill, 2023).

As this research investigates the structural and causal mechanisms which STLs impact on LTR prices in Dublin, the Critical Realism (CR) is the most suitable approach. Firstly, due to going beyond surface-level observations such as correlations between STL supply and LTR prices to uncover underlying social, economic and regulatory drivers. Secondly, due to its acknowledgment of objective realities, such as housing market data and policy frameworks while accounting for subjective influences such as landlord decision-making or tenant displacement. Thirdly, explores deep causal structures, such as the role of STLs platforms economy in reshaping housing markets, rather than only describing trends.

Unlike the approach positivism , which reduces the reality to measurable variables, or the approach interpretivism, which prioritises subjective experiences.

4.6 Research methodology: Mono method quantitative

Quantitative research looks into the relationship between variables that can be numerically measured and further analysed with the support of statistical and graphical methods. Regarding the sampling techniques, it is common to use probability to guarantee the generalisability. The methods to collect data are standardised and highly structured to ensure the validity of results. (Lewis, Saunders, & Thornhill, 2023)

This research is attempting to quantify the impact of STR on Dublin LTR prices. For its measurement, a 10-year length analysis through a standardised collection of data was designed. The quantitative method was chosen due to its measurable values, the numerical variables allow the comparison and analysis with precision. Additionally, the method allows the process of determining cause-and-effect relationship. The broad availability of public data such as CSO, Inside Airbnb and

Kaggle. The use of regression models across time enables the study of broader claims.

Other methods, such as mono qualitative were not chosen due to their subjectivity and lack of ability to establish correlation or causality. Adittionally, qualitative research tends to be limited in terms of scope, possibly small and localized samples.

4.7 Archival Research

The data in its digitalised form and online archives has been offering an infinite number of possibilities for research. Meaning that now it is possible to access information from almost all over the globe. Despite the convenience, the authors highlighted the limitations that it might face, such as access to private information or data quality. (Lewis, Saunders, & Thornhill, 2023)

Despite its research makes the use of secondary data and analyses it in a different context, the quality of the resource is accurate and reliable, due to its average of rent prices that were charged overtime and average of Airbnb listings.

4.8 Cross-sectional

A cross-sectional study is a time-oriented paper that examines one particular phenomenon at a particular time. (Lewis, Saunders, & Thornhill, 2023). This paper is a cross-sectional time horizon, as it attempts to analyse a causal relationship in a specific time.

4.9 Data collection and analysis

The dataset for the LTR was obtained from Central of Statistics Office (CSO), which is sourced from Residential Tenancies Board (RTB) from 2015 to 2024. These data consist of average of rent prices, year, number of rooms, property type and location. The data was encoded and prepared to run in the hedonic model and time-series, to align with the data from Airbnb rooms. The sample size for LTR was 10,428 and STL from Airbnb 5,321 and the location was aligned to City Centre, North, Coastal Suburb, Suburb North, Suburb West, South and West.

Although not all rented properties are registered on RTB, for statistical purposes its sample size allows the use for this research. Regarding the STL, the data was collected from open datasets Inside Airbnb from 2023 to 2024 and Kaggle from 2015 to 2024. Listings refer to properties, which are categorised as entire properties, private or shared rooms, as advertised on the platform. Even though Airbnb is not the only STL online booking platform, it is the most widely used, especially for private properties.

4.10 Hedonic Regression

To equalise product differences, the hedonic regression methodology seeks to decompose characteristics of similar heterogeneous assets and give them separate values, combining quantity and quality. (Rosen, 1974) One of the first studies to apply economic and econometric techniques to prices in Ireland was made by Conniffe and Duffy (1999), which analysed the Irish house prices between 1996-1998 with the dataset provided by a mortgage institution. The authors adapted the hedonic method for Halifax House Price Index (Fleming & Nellis, 1985) making the distinguishment between locations and different regions, highlighting that are more economic differences that reflect on prices.

More recently, Lyons (2013) analysed not only the house price but also the rent price between 2007-2012, particularly the bubble and the crash property, applying the hedonic methodology. He made the use of a dataset collected by properties published by an online accommodation website, which includes time, location, type, size, facilities and terms.

The rent property prices are understood as a composition consisting of property-specific attributes and location-specific amenities.

$$VALUE = \beta 0 + \beta 1 \cdot Year + \beta 2 \cdot Numberrooms + \cdots + \epsilon$$

Table 1. Summary of variables used

Variable	Description LTR (Evidence from RTB)	Description STL (Evidence from Airbnb)
Price	Monthly rent price	Price per night stay
Time	Categorical year time variables from 2015 to 2024	
Location	City Centre, North, Coastal Suburb, Suburb North, Suburb West, South and West	
Type	Property for LTR Detached houses, semi-detached houses, terrace houses, other flats,	Entire or sharing property

4.11 Baseline Ordinary Least Squares (OLS) model

The authors Franco & Santos (2021) made the use of OLS model as their baseline empirical strategy to estimate the effect of Airbnb penetration on areas that are not considered touristic in different cities in Portugal. Thus, affecting the local house affordability.

The OLS model provides a straightforward evaluation of the association between Airbnb activity and LTR. The model allows to estimate how Airbnb penetration correlate with LTR prices, controlling for time-invariant characteristics and general time shocks. (Franco & Santos 2021)

Let the value denote the natural log of average of LTR prices in location I in period t (year), type, characteristics such as number of rooms. The baseline specification is represented as

$$Room\ Price\ =$$

$$\beta 0 + \beta 1 \cdot ReviewYear + i = 2\sum n\beta i \cdot Xi + \varepsilon (x + a)^n = \sum_{k=0}^{n} \binom{n}{k} x^k a^{n-k}$$

Where $\beta 0$ is the intercept, the baseline price when all predictors are 0, $\beta 1$ represents the coefficient for review year, Xi the property type and location group set as dummy variables and ε error term.

5. Findings & Analysis

5.1 LTR differentials by property size and location

The figure shown is the value impact in € associated with variables such as property type, year and location.

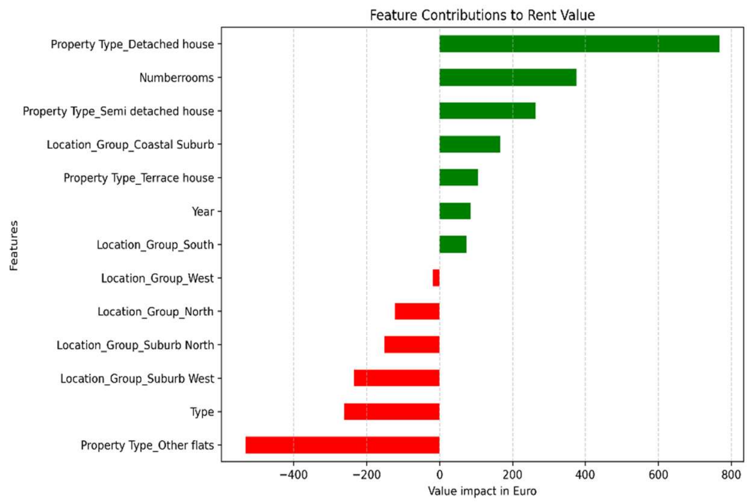


Figure 2. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

The output shows that the rent price value is strongly driven by geographic location, additionally property characteristics such as size and type (entire or sharing).

The model results show that properties located in coastal or southern areas tend to have higher prices by an average of €166.03 monthly in coastal and €74.06 in the south. This is expected in the Dublin urbanism context and can be controversial when applying the Bid-Rent geographical economic theory, which argues that price and demand for properties change as the distance from the Central Business District (CBD) (Alonso, 1960)(Hurley et al, 2022)

To analyse the relationship between property prices and Bid-Rent theory in Dubin, the study set the International Financial Services Centre (IFSC) as the CBD, and a 2-kilometre radius distance. Their generalised additive model (GAM) found that Dublin's property prices demonstrated higher location values in the City Centre and along the South Coastline. Thus, Dublin property prices do not fully follow Bid-Rent theory, and it is amenity-driven affluence over centrality in coastal areas. (Hurley et al, 2022) The LTRs price model results is aligned to this study, and prove the corelation between the property price and LTR price.

The main factors that can explain this higher coastal value despite the longer distance from the CBD, such as Dalkey, Killiney, and Sandycove

1. Transport accessibility: all the coastal Dublin area is served by the electrified commuter rail railway network, the Dublin Area Rapid Transit (DART) (Hurley et al, 2022)
2. Rising demand and mostly its limited supply, the main reason for its limited supply is due to the coastal land be limited by nature and stricter planning regulations, meaning that the construction of new buildings is highly scarce; (McCarthly, 2025)
3. Perceived prestige/neighbourhoods' desirability due to the sea amenities, particularly people seeking a retreat remote workers, retirees and global investors due to local charming coastal village amenities and privacy, in 2019, another study conducted analysing 159,591 samples in Ireland, which 61.9% of them located in Dublin with 65,905, found that buyers are willing to pay 32% up to properties in coastal line and rent €63. (Gillespie et al, 2019)
4. Social and cultural amenities: such as quality schools, the easy access in terms of distance, to primary and secondary high-ranking schools located along the south coast.

The rise in the average higher price in these coastal areas, compared to other places like Dublin City Centre, from € 63 in 2019 to € 166,03 in 2024. This shows that the south coastal areas have been aggregating more value over time, and the planning zoning restrictions for building suggest that this difference among other locations might exacerbate in the following years. (McCarthly, 2025)

When it comes to the model result of higher LTR price value of €74.06 in the southern areas, it can be a explained by its specific neighbourhood appeal, according to the CSO the highest average of property price in the country is considered the streets in Shrewsbury and Ailesbury in Dublin 4 with average price of €916,237, followed by Glenageary €825,376 and Blackrock €799,611. (Reddan, 2022) As a result, the higher property prices reflect on LTR price values, proving its correlation.

Regarding the baseline model results for this research, a decrease is noted in the North € 123.18 and West Suburbs € 233.81, on the LTR prices. These results also align with the paper results regarding the property prices in Dublin, which made the use of the GMA model, where the lower values were located away from the city centre, especially the North and the West outskirts. Postcodes such as D10, D22 and D24 demonstrated lower value. The authors suggest that perhaps due to social deprivation and underprivileged status, not just the distance from the CBD. (Hurley et al, 2022)

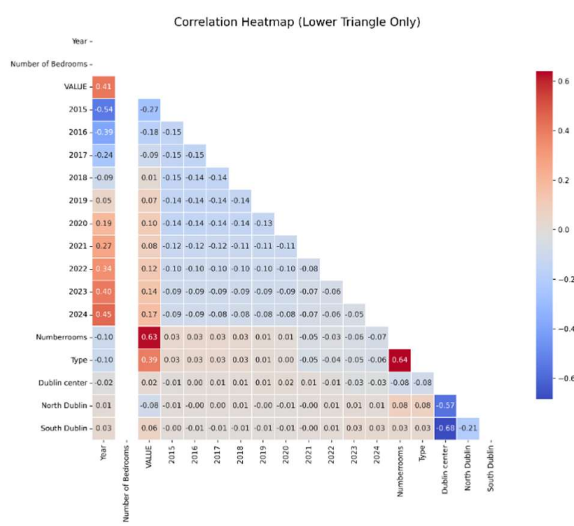


Figure 3Most variables are highly statistically significant, meaning that p< 0.001, confirming their impact on LTRs value. The only exception is West that had no statistically significant effect. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata.

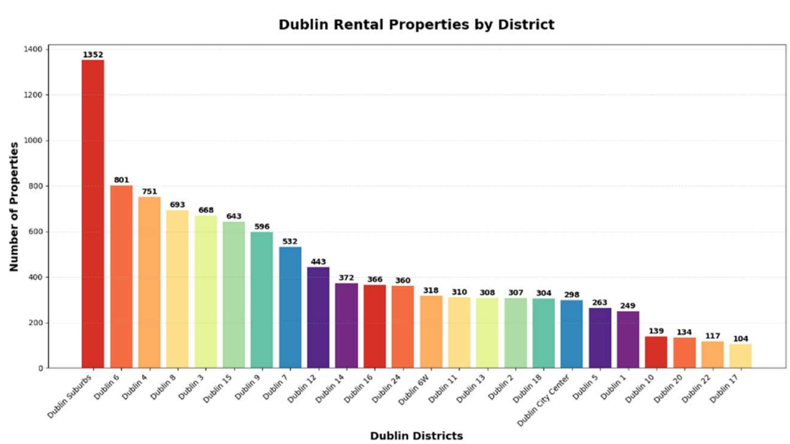
With the R-squared of 0.62 it indicates that 62 per cent of the variance in property rent value is explained by the included variables. Any result over 0.50 means that is a strong correlation.

Each additional room adds an average of € 375.17 to the property LTR value, reflecting the consistent upward trend in LTR prices over time. Comparing to property prices did not show much effect as the paper results showed that the rooms demonstrated a higher value increase in this study when up to 4 beds (Hurley et al, 2022) This difference of impact by rooms can be explained due to the rental agreements be more sensitive to the number of rooms, subsequently to number of residents, than to buyers, particularly in Dublin where the scarcity of LTR supply is so severe, leading to widespread normalisation of sharing houses over the past decade.

Regarding the property type, detached houses add € 768.07, semi-detached houses € 262.41, terrace houses € 105.73. When compared to property prices, (Hurley et al, 2022) detached houses presented a coefficient value between 1.15 to 1.18, which represents approximately 4% higher value than semi-detached houses and 15% to 17% above to the grand mean. Additionally, 0.88 to 0.91 to apartment/duplex. Thus, shows a greater impact on LTR prices by its typology.

While other flats (room in sharing house) decrease LTR value by € 532.60. This outcome is expected and can be explained due to its lack of privacy when renting a room in a shared house over an entire property.

The baseline model indicates an increase average is € 84.62 per year. It is suggested that the nominal total increase from 2015 to 2024 of € 761.58. When adjusting for cumulative inflation in Ireland over the same period, approximately 25.5% (CSO) the real increase reduces to € 607 in 2024, which corresponds to an average of around € 67.45 per year. This finding suggests that what was predicted by the baseline model is offset by inflation, which implies modest gains in purchasing power terms.



5.2 Geographic spread of prices LTR x STL

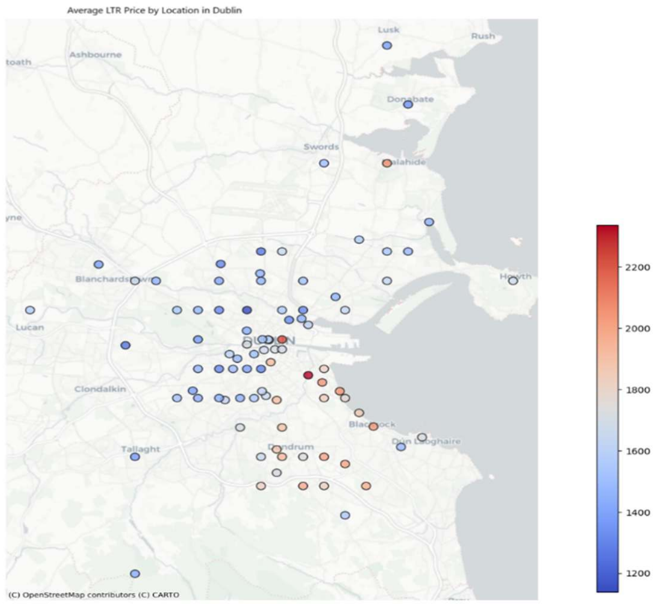


Figure 5. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

Figure 6. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

Figure 5 provides a breakdown of the average of LTR price by postcode. Higher values shown in dark red are concentrated in the City Centre, D04 and along the South Coast area. Lower values shown in light blue are observed as one move away from the City Centre towards the city outskirts, such as Lucan and Swords. As mentioned previously, these findings align with the geographic spread of property prices due to their transport accessibility, rising demand and limited supply, perceived prestige and social and cultural amenities. (Hurley et al, 2022)

Figure 6 provides a breakdown of the average STL price by postcode. Higher values shown in dark red are concentrated in the City Centre, which is more aligned with the Bid-Rent theory when compared to LTR price and aligned with the study analysing the correlation between Airbnb prices and its features. (Goktas et al, 2024) The study found that entire properties have a superior impact on prices, as expected when compared to shared properties. Additionally, the reviews from the platform reflect positively on the prices when listings indicate super-host or display high review ratings. Regarding location, the study found higher values for listings close to University College Dublin (UCD) and higher density of nearby city landmarks and city services

When comparing the spread of prices between LTR and STL, it is noticeable that for short stays, the demand for central areas drives the price, as expected when the landmarks are in this area, and the Airbnb platform adjusts its price according to the tourism demand. In addition, the central area also demonstrates high value in LTR, implying its high demand. The blending of both STL and LTR are pressuring the central area, which suggests that this area is facing intense competition. Therefore, property owners might weigh which lease is more profitable, resulting in shifts of supply, and subsequently more pressure on overall LTR and accelerating the gentrification. This phenomenon was named as “Airbnb-induced gentrification”, where a rise in LTR prices was experienced due to the increase in STL listings. (Ri Kim et al 2025)

5.3 Airbnb penetration by location over time x price

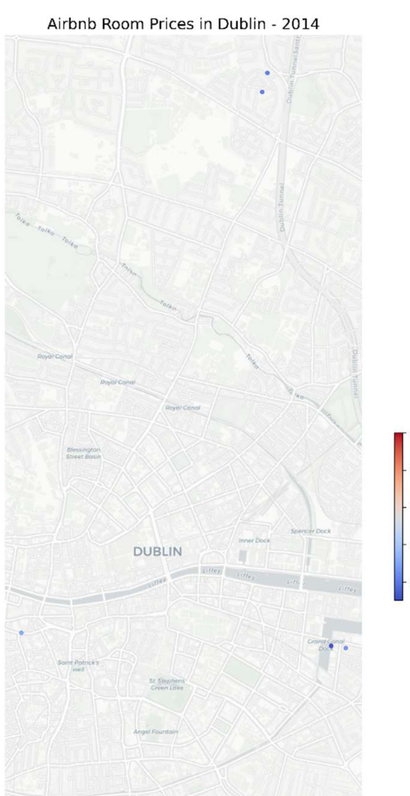


Figure 7. Source: Author’s analysis of InsideAirbnb, Kaggle data and RTB microdata

Figure 9. Source: Author’s analysis of InsideAirbnb, Kaggle data and RTB microdata

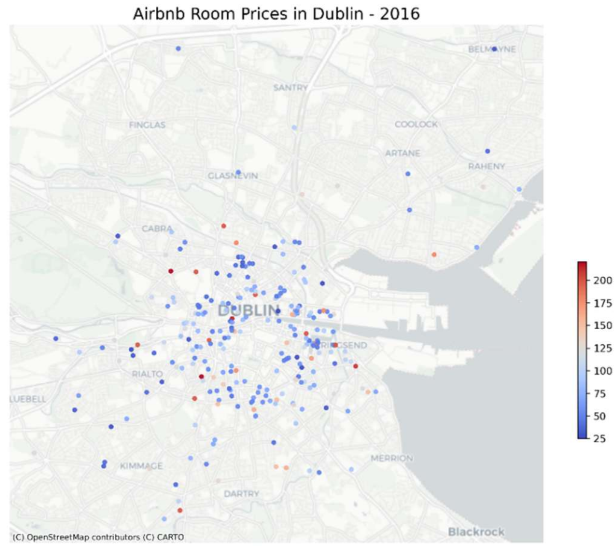


Figure 10. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

Figure 11. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

Figure 12. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

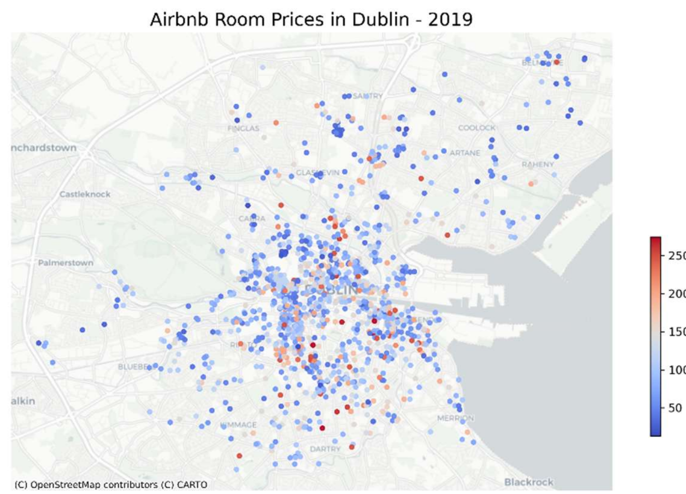


Figure 13. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

Figure 14. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

The figures demonstrate the penetration of Airbnb over the years, from the early stage in 2014 to the consolidated market in 2020. From 2024 to 2016 the listings were concentrated mostly in the centre of Dublin, such as St. Stephen's Green, The Liffey River and the Docks. From 2016 to 2018 the expansion into suburbs took place in areas such as Glasnevin, Cabra, and Rialto, becoming denser and penetrating to areas beyond the City Centre. From 2018 to 2020 a significant penetration expanded to outer areas such as Santry, Finglas and Blackrock. By 2020, reached even less central areas such as Balbriggan and Palmerstown.

By spreading into designed residential areas, it offers tourists cheaper alternatives. This is aligned with the professor of tourism, Ilaria Pappalepore, who suggested that is reflecting due to STL penetration into residential areas, resulting in the increase of house prices and pressure on public transport. (Novik, Uddin, 2025)

5.4 Comparison analysis between LTR x STL price

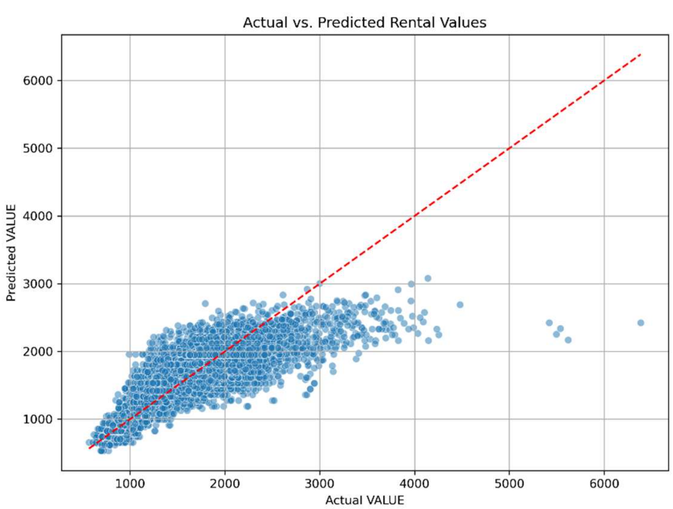


Figure 15. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

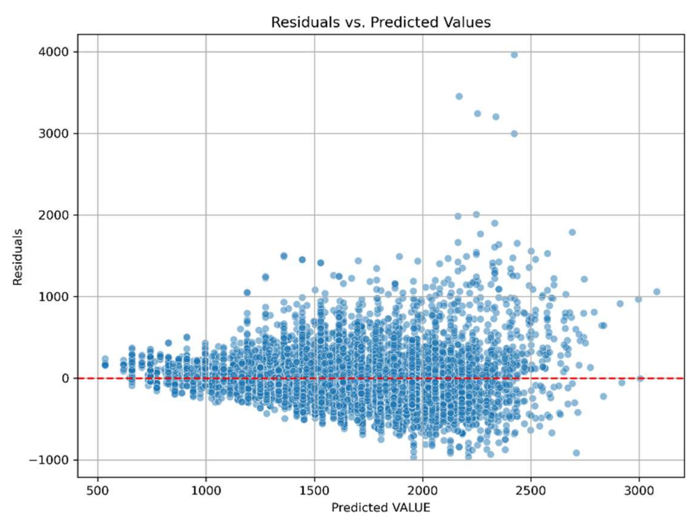


Figure 16. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

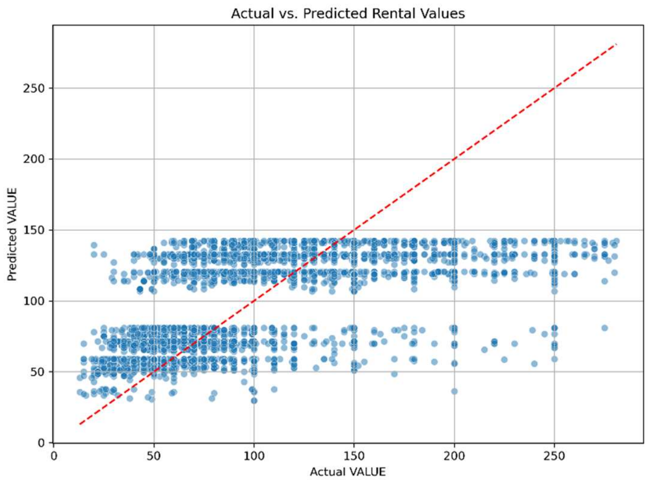


Figure 17. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

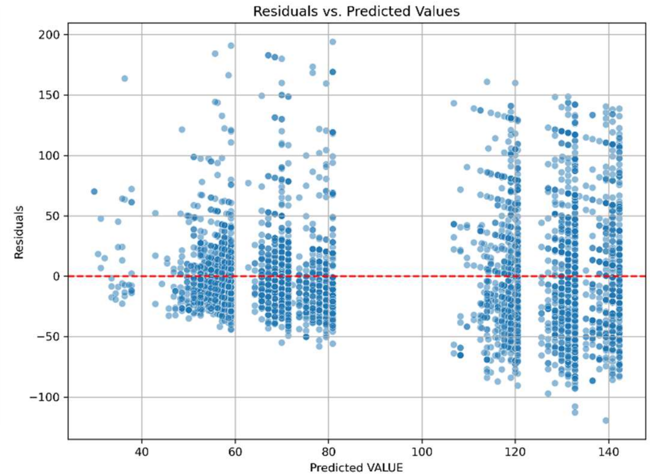


Figure 18. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

These Actual vs Predicted Rental Values charts evaluate how well the Airbnb prices are aligned with LTR, on the hedonic regression model.

The model indicates only about 38% of the variance, R-squared 0,378, considering the same type of features, meaning entire property or shared house. Meaning that the STL prices are not related to LTR prices. It can be explained by the method of evaluating STL price, such as the platform Airbnb, which varies according to the demand seasonally and events, and is more tied to hotel prices. While the LTR is a more regulated and traditional market.

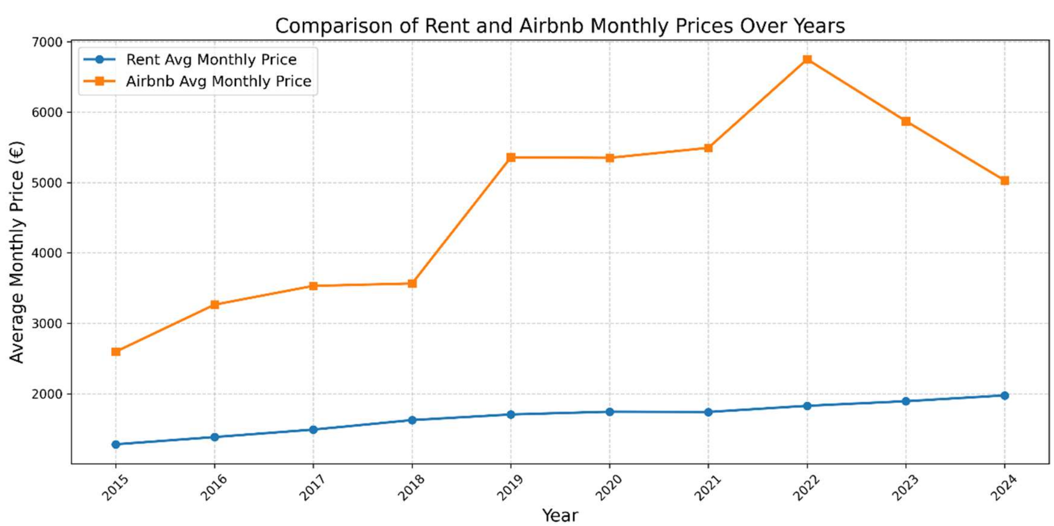


Figure 19. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

The chart 19 illustrates the gap between LTR and STL average prices, which characterises the disparity between a less regulated market such as STL and a more regulated market such as LTR. Despite the fig x. shows the average price for 100% Airbnb occupancy, the gap between them is still substantial when compared to 64% Airbnb occupancy average price and LTR average price.

5.5 Comparison of supply LTR x STL

The table x bellow shows the supply of rented units and Airbnb units from 2015 to 2024.

Year	Rent units	Airbnb units
2015	1363	99
2016	1347	285
2017	1317	448
2018	1290	705
2019	1234	1477
2020	1244	2359
2021	877	2784
2022	691	3209
2023	573	3634
2024	492	4059

Table 2. Source: Author's analysis of InsideAirbnb data and RTB microdata.

Having observed the downward trend in LTR supply, which decreased smoothly from 2015 to 2017, disposing of 1363 to 1317 dwellings during this period, while the STL supply increased significantly, the continuous decline in LTR in subsequent years suggests that the regulatory rent cap policy of 4% on LTR introduced in 2016 may have incentivised landlords to shift from LTR to STL, therefore negatively impacting LTR supply. This downward trend persisted, with LTR drastically declining from 1244 to 492 dwellings between 2020 and 2024, a reduction of 752 dwellings over four years. Overall, the LTR supply decreased by 64% in the number of properties over time.

The analysis of the period of 2018 to 2022, reveals the clearest evidence of a correlation between the relative STL profitability and the contraction of LTR supply. During this timeframe, the average of earnings considering 64% occupancy, exceeded LTR earnings by 40% and 137%, creating a substantial economic incentive for landlords to shift their properties from the LTR to STL. In addition, the LTR supply dropped from 1,290 to 691 units, decreasing by 46.4%, while the STL supply grew from 705 to 3,209 listings, a 117% increase. In the same interval, the average monthly LTR price increased from € 1,624 to € 1,827 increasing by approximately 12.5%

The identification of this timeframe was based on a comparative analysis of three annual datasets: (1) LTR and STL supply, (2) average monthly LTR, (3) estimated monthly STL revenues at standardised levels (100% occupancy and 64% average occupancy). When considering the existing pattern of widening STL-LTR revenue gaps, especially the rapid growth in STL supply, and the LTR decline. The 2018 to 2022 interval demonstrated the most noticeable alignment of these indicators, being the strongest empirical evidence in the dataset for a supply shift driven by STL incentives.

This supports the research question and previous studies that examined the impacts of Airbnb on LTR markets (such as Barron et. al, 2021; Franco et al, 2021, Ri Kim, 2025) In addition,

Despite the significant decrease in LTR supply, it is important to notice that the total number of Airbnb units in 2024 of 4059 units, which represents nearly 3 times more than the size of LTR supply in 2015, which was 1363. This can be explained by the high return of investment that can be seen in the table 3.

In contrast, Airbnb had an increase in supply increasing gradually pre-pandemic from 99 units in 2015 to 705 units in 2018. Comparing with pandemic and post pandemic period, the numbers jumped in only one year, from 2018 to 2019 the supply of Airbnb experienced an increase of 109%, which suggests that even in during the pandemic period. The following years had an enormous increase, reaching 4059 units in 2024, representing more than 9 times the size of LTR supply on the same year.

These findings are aligned with the enforcement gaps, where Dublin had only 29 applications for STL planning, while in 2023 the Airbnb supply was 3,786 listings (Devan et al 2025), which suggests the widespread non-compliance. Additionally, are aligned with the eviction tactics that landlords exploited loopholes, such as claiming the property back for family use or sale in order to convert from LTR to STL for higher profits. (Hearne, 2023)

In 2013, Airbnb had established its European headquarters in Dublin, which may have opened new opportunities to expand and grow in Europe, and respectively in the Irish capital. As a result, it may have reflected on the rapid growth of Airbnb listings supply in the following years.

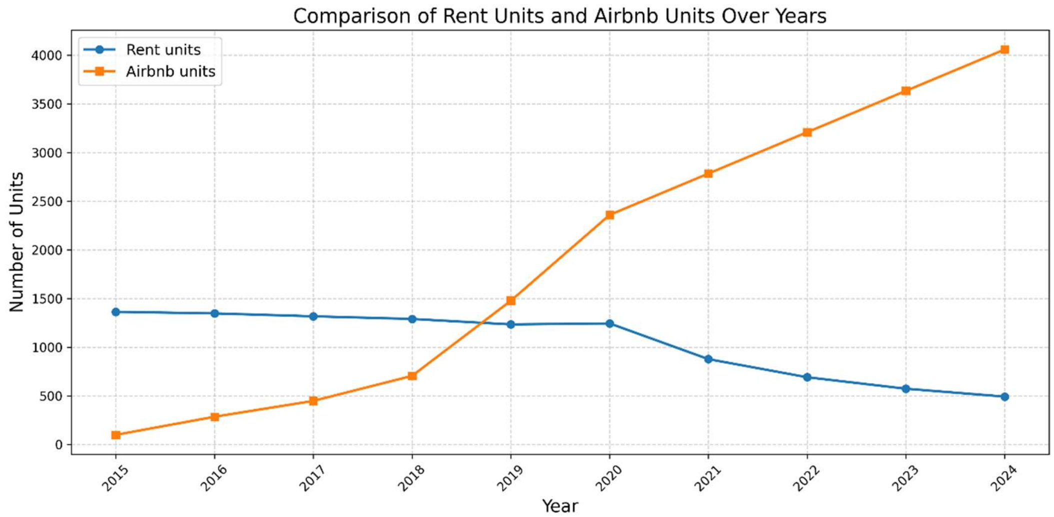


Fig. 20. Source: Author's analysis of InsideAirbnb data and RTB microdata.

The chart fig.20 illustrates the dynamic of supply between the LTR units and the Airbnb units. It is clear to notice the steady line of LTR units, represented by the blue line, from 2015 to 2020, and its sharp drop represents its downtrend afterwards, falling by one third.

On the other hand, the Airbnb supply represented by the orange line, had a very low level with a bit less than 100 units in 2015, and steadily grew until 2018 to 1477 units. Between 2019 and 2020, the number of Airbnb units surpassed the number of LTR units, with 2359 units, then increasing sharply, reaching over 4000 units in 2024.

The inverse relationship suggests that many of the traditional LTR can be shifted into Airbnb listings, specifically on the cross-over point between 2019 and 2020 onwards.

By comparing rent trends, before and after the regulation at the end of 2018, the growth of Airbnb listings occurred right after its RPZ sanction. Highlighting the possible misuse and non-compliance, as also shown by the lack of planning permission chapter 3.1.

5.6 Rent price comparison between STL and LTR

Year	Rent Avg Price	Airbnb Avg Price (100% occupancy)	Airbnb Avg Price (64% occupancy)
2015	1280	2596	1661
2016	1383	3264	2089
2017	1489	3531	2260
2018	1624	3565	2281
2019	1704	5537	3545
2020	1743	5350	3424
2021	1739	5492	3515
2022	1827	6750	4320
2023	1892	5872	3758
2024	1975	5029	3218

Table 3. Source: Author's analysis of InsideAirbnb data and RTB microdata.

Table 3 shows the average of LTR prices, the average of Airbnb prices considering 100% occupancy, and the average of Airbnb prices considering 64%, which is the average occupancy (AirDNA) in Dublin. As the Airbnb data for price is per night, the outcome was multiplied by 30 and later multiplied by 64%, considering the occupancy average in Dublin.

Beyond a simple comparison of prices, many other factors can be raised in the case of STLs, such as the cleaning fees, management fees, and the features for holiday usage, which make the property more equipped. Most of these factors may not be compared to rental markets that commercialise unfurnished properties, which is not the case in Ireland. Additionally, most of the LTRs also have administrative fees and maintenance costs. Thus, the comparison can be more straightforward, considering that both STLs and LTRs are usually all furnished. (Devane, K. et al 2025)

Nonetheless, the key factor for owners to make the decision-making of either renting on LTR or STL is likely to be the expected revenue. As investors are always looking for the return of their capital. It is crucial to make this comparison to understand if Airbnb provides a maximisation of profits. (Devane, K. et al 2025) Despite the landlord having the free will to make the decision whether to rent its property, entire or shared, on LTR market or STL market, the regulation should be followed and the lack of planning suggests non-compliance. In addition, the gap between STL supply and planning permissions applied from 2019 to 2024 suggests a lack of monitoring and controlling by the Government and the need to enforcement and strengthen penalties for illegal listings and fraudulent evictions.

The smaller value aggregated by year suggests that regulations regarding the increase in rent had a positive control effect on LTR prices when compared to Airbnb prices.

As shown in table 3, the average of LTR prices increases gradually year by year. Overall, it has experienced a 54.29% increase from 2015 to 2024. This finding suggests a loophole rent cap of 4% applied in 2016 to control the LTR price increase, which can be explained due to dwellings that were not in the market for two years. Thus, new leasing is not entitled to this policy. (Hearne, 2023)

When it comes to the Airbnb average prices, it is clear to notice a substantial and rapid increase, when taking the occupancy 64% average more than doubled from € 1,661 in 2015 to € 3,424 in 2020. In only two years, from 2020 to 2022, it had increased by almost €900, peaking at the average price of € 4320 and suffering a decline in the two following years.

Even considering the more realistic 64% average of occupancy, Airbnb shows a consistently higher rent price by a significant margin in the past decade. Taking 2024 as an example, where the LTR average made € 23,700 per year, the Airbnb made € 38,616 per year, which represents a margin of almost € 15,000 per year, nearly 63% more than the traditional LTR.

6. Discussions

6.1 Regulatory Ineffectiveness and Enforcement Gap

The impact of STLs on LTRs in Dublin reflects a broader global pattern due to its housing commodification, such as the REITs. (Hearne, 2023) In addition, it is shaped by Ireland's post-crisis neoliberal policy landscape (Hearne et al, 2015)(Waldron, 2022). This study findings of a 12.5% LTR price increase from 2018 to 2022 align with international evidence from cities such as Lisbon (Franco et al, 201) and London. (Shabrina et al, 2022) where STL growth amplified the housing unaffordability.

However, Dublin's trajectory diverges in its regulatory inertia, while Barcelona and Paris enforced zoning laws to redistribute STLs (Bei, 2025) Ireland's RPZs were undermined by exemptions and loose enforcement (Devane et al, 2025), which is suggested by Hearne (2023). Through a critical realistic approach, these disparities show not only empirical trends, but the structural mechanism of housing financialization and state reliance on private investment (Hearne, 2023) which is exposing the LTR and vulnerable in face of weak STL regulatory enforcement.

The Holt-Winters time series forecast fig X illustrates a concerning path for Dublin's LTR market if current regulatory inertia persists, or if any other action towards increasing the LTR supply, which will be discussed later. Following the current trend pattern, the model resulted in the subsequent prediction:

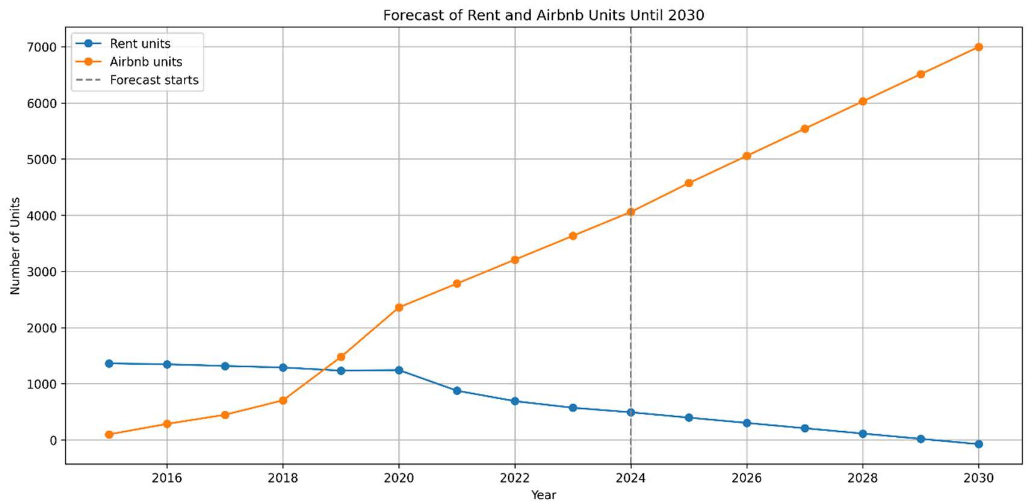


Figure 21. Source: Author's analysis of InsideAirbnb, Kaggle data and RTB microdata

The model suggests that the LTR supply can collapse, due to its current downtrend, the projection is expected to reach negative levels as shown in the diagram. As a result, it can exacerbate the existing deficit (Murphy, 2024) and possibly increase the average LTR price. The STL supply can exacerbate saturation in concentrated areas such as City Centre and South.

This divergence reflects patterns observed in Barcelona, before 2018 (Bei, 2025), when the STL growth without monitoring led to rent inflation in certain areas and tenant displacement.

It is vital that, beyond the recent EU's 2024 regulation, which mandates data-sharing, authorities look after the listings address and receivers' revenue, local policy makers discuss the platform accountability and adjust STL taxation, aligning the platform taxation with redistribution of STL taxes to fund social housing. The Housing Agency should play an important role by implementing systems to ensure monitor and control, consequently, apply subsequent fines. Which aligns with Berlin's 2016 Zweckentfremdungserbot law, reducing STL supply by 50% within two years. (Nieuwland et al, 2020)

6.2 Cultural and Activist Responses

While the model projection may reflect a pessimistic scenario, some popular movements such as activism protests such as ‘Raise the Roof’, books such as ‘Gaffs – why no one can get a house’ (Hearne, 2023) and CMAT lyrics ‘houses that stay empty’ can sparkle public awareness around housing as a right rather than a commodity (Sloane, 2025) turning possibly the statistical ‘Generation Rent (Waldron, 2022) and ‘Generation Stuck at Home’ (Hearne, 2023) to a bigger collective actor. As a result, pressuring the Irish Government towards drastic changes.

By pressuring STL regulations, instead of increasing its LTR supply, a possible shift can be seen in the sales market. (Reilly 2025) Taking into consideration that the LTR is not as profitable as the STL, as shown in Chapter 5.6. Despite STL need a proper regulation, deeper actions are required to increase its LTR supply, one alternative suggested by Hearne (2023) that government acquire corporate landlords, such as REITs, which aligns with the action in 2020, where Berlin’s residents and tenants’ union held a referendum on over 3,000 properties owned by corporate landlords to sell them to the City Council of Berlin. They won by 56.4% of voters. The units are managed by a public agency that rents them out at affordable prices. (Herane, 2023)

An additional action suggested by Hearne (2023) to increase the LTR supply is the state set up a construction company mixed semi-state enterprise, guaranteeing 400,000 in the next decade, meaning 40,000 per year, out of which 10,000 per year to affordable price rental houses, 15,000 to social homes and 15,000 to affordable home ownership. (Hearne, 2023)

6.3 Trumponomics effect x the Irish housing crisis

The Trump-trade era policies and the U.S domestic tax reforms can present a volatile macroeconomic scenario for Dublin's housing market. The "Big Beautiful Bill" was signed into law on the 4th of July this year, implementing 100% bonus depreciation meaning imidiat tax credit for improvement such as property renovation, furniture, equipment, etc., which may incentive Airbnb shareholders, and expanded the American Section 179 deductions, aiming to incentivise U.S corporations to reallocate investment, potentially weakening the investment in Ireland's multinational-dependent economy (Hogg, 2025)

As a result of the 'Liberation Day' tariff threats, Ireland's tech and pharma sectors, which are responsible for 10% employment and contribute to a third of national wages. A possible housing demand shock in case of multinational layoffs can disbalance the 'thin, illiquid' Dublin housing market. (Hogg, 2025)

This suggests that the U.S taxes can indirectly exacerbate Ireland's property market dysfunction. The American capital investors are driven away from the Irish real estate, while incentives STL, such as Airbnb's shareholder incentives, prioritise STL over LTR affordability. Thus, exposes the reliance on U.S multinationals and possibly amplifies the local housing crisis. (Hogg. 2025)

This macroeconomic volatility shows how urgent Ireland needs to disentangle housing policy from external shocks. As Hearne (2023) suggests, it will require both supply-side and tenant protection, such as Berlin's 2021 expropriation campaign. (Hearne, 2023)

6.4 Airbnb’s adaptive strategies: Geopolitics x Regulatory barriers

As global cities such as Dublin have been tightening their STL regulatory approach, resulting in barriers that can challenge STL companies, such as Airbnb. Thus, it can hinder their ability to sustain their business. In response to these challenges, the company has been implementing new strategies as an attempt to sustain its market dominance.

As anti-tourism activism in Spain was fuelling the banishment against STLs, Airbnb's narrative is framing hotels as real overtourism (Novik et al, 2025)

Exploiting enforcement gaps, such as Dublin’s rules, the platform benefits while cities implement monitor and control systems; (Devane et al, 2025)

Airbnb implemented product diversification, implementing ‘icon’ and ‘long-term stay’ options. The icon campaign is similar to Booking.com, which shift its focus from housing to experiences such as guided tours, therefore retaining platform engagement. The long-term stay product is a letting of a minimum 30 nights or over, targeting digital nomads and corporate clients, the period over 14 days is exempt from the STL rule in Ireland RPZ. (Airbnb, 2025)

Making the use of algorithms, as the dynamic of “Smart Pricing” tools, adjusting nightly rates to maximise occupancy during high periods, such as seasonal tourism or events, balancing revenue losses from occupancy caps. As seen in Barcelona, Airbnb’s searching algorithms indirectly guide users to less-regulated suburbs to disperse political backlash. (Bei, 2025)

While the Trade War tensions and macroeconomic risks affect the Airbnb valuation.

Tourism declines in the U.S, it was projected that the country will lose up to $ 29 billion from tourism this year. The main boycott players of American tourism are Canada and Western Europe. Canadian car visits to the U.S dropped 37% compared with July last year, while the air-travellers from Canada declined 26% same period. (Kelleher, 2025) Thus, it suggests a decrease for Airbnb in the country, which is responsible for 50% of its Revenue. The origin of the word boycott is believed to date back to 1881, when the English Captain Charles Boycott was evicting the tenants from the south of Mayo, the group named Land League organised strikes and succeeded and passed the Act 1906 in Ireland. (Hearne, 2023)

Figure 22. Airbnb's value shares (TradingView, 2025)

Amid the trade fears, the investor sentiment had dropped Airbnb stock values, reflecting the Nasdaq's (group where the platform trades) volatility. The share value in April dropped to $ 105, which coincided with Trump’s Liberation Day tariffs, which reduced investor confidence in travel stocks. As a reflect of The Big Beautiful Bill with a 100% depreciation bonus, the Airbnb stocks gained investor confidence reaching $ 142 at the end of July. However, new Trump trade threats for early August can had reflected to another Airbnb share value drop to $ 118.

While Airbnb is trying to keep competitive by adapting strategies, its stocks fluctuations demonstrate structural precarity, which could destabilize Dublin STL supply, considering that investor’s confidence weakens irreversibly.

6.5 Geographic and Socioeconomic Disparities

The disparities in the LTR suggest a division between high-demand Coastal and Southern areas, while declining Northern and Western areas. The hedonic model showed premiums of € 166 monthly, driven by amenities such as DART access, prestige and constrained supply due to zoning restrictions (Hurley et al, 2022)(Mc Carthy, 2025). Meanwhile, Northern and Western areas such as D10 and D22 experienced negative € 234 monthly, which reflects lower demand linked to social deprivation and distance from economic hubs.

This goes against the classic Bid-Rent theory (Alonso, 1960), as Dublin LTR geography prioritises amenities driven affluence over centrality, exacerbating spatial inequality. The concentration of STL in the City Centre (Fig. X) tend to amplify this divergence over time. As landlords exploit tourism demand, it accelerates gentrification in prime zones, (Ri Kim et al, 2025) while neglecting suburban areas.

The socioeconomic impacts can be profound, as rising LTR coastal prices displace lower income tenants, pushing them into suburbs that lack services such as public transport and schools. This trend was observed in Barcelona where Airbnb induced gentrification. (Franco et al, 2021) CSO data (2021)(Waldron, 2022) highlights the gap between high rent costs and minimum wages, with 36% of Dublin renters spending over 35% of income on housing, affecting generations (Hearne, 2023)

The drastic decline in LTR supply in favour of STL, 64% drop from 2015 to 2024, worsens the housing crisis, as REITs and landlords prioritise high-yield tourist lets over long-term tenants.

As a result, it can perpetuate a cycle where affluent areas grow more exclusive, while marginalised communities face declining options, in terms of planning and urbanism. These dynamic targeted policies, such as social housing in high amenity zones or STL taxes to fund equitable development.

7. Conclusion

The current study investigated the impact of short-term lettings (STL) such as Airbnb in terms of understanding the spatial-temporal on LTR prices in Dublin City between 2015 and 2024. The research question *Would the LTRs price lower without STLs?* was explored through a quantitative analysis of rental market dynamics, regulatory frameworks and socio-economic factors. The findings expose a complex interplay between STLs and LTRs, shaped by market forces, regulatory gaps, and broader economic trends.

Dublin's housing crisis is not solely caused by STLs, but their unchecked growth has intensified scarcity and widened inequality. The importance of conducting critical analysis to overcome the challenges that have arisen from the expansion of the relatively new platform economy. There are four key findings:

(1) Considering that the levels of LTR were already low, the shift of LTR into STL supply contributed to its scarcity, particularly during the critical period between 2018 to 2022. During this timeframe, LTR supply dropped by 64% while STL supply increased by 117%. At the same period, LTR increased approximately 12.5%.

(2) STL generated up to 63% higher annual revenue than LTR, making it far more attractive to property owners. Despite the decision being the owner's choice, the study suggests that most landlords were not complying with regulations.

(3) Regulatory Failures and Enforcement Caps, such as the ineffective rent controls, while RPZs capped annual LTR increase at 4% and later reduced to 2%, loopholes allowed landlords shift their properties to STL. The lack of compliance monitoring, with only 29 planning applications for STL in Dublin, yet 3,786 listings were active in 2023.

(4) Geographic and socioeconomic disparities exposures the lack of infrastructure and the need to expand public transport to address spatial inequality.

Policymakers should investigate the need for possibly stricter caps, strengthening STL and enforcing regulations, particularly mandatory registration and real time sharing, requiring STL platforms such as Airbnb, Booking.com and Vrbo to verify registration numbers before listing properties. It is crucial that this data is shared with appropriate bodies such as RTB and Revenue, Additionally, the development of automated compliance checks.

Despite the need to regulate its market, there is no evidence from other studies that restricting the STL has caused these dwellings to shift to LTR. To increase LTR supply and incentivise owners to convert STL to LTR, tax reforms such as applying the same tax rate as LTR and directing revenue to social housing funds, as well as closing RPZ loopholes like exemptions for substantial renovations and properties off the market for two years, should be considered.

Public intervention to increase the housing supply, such as the LTR market, is essential to rebalance the market prices. Models such as Berlin's 2021, where the city expropriated 3,000 corporate-owned units for social housing, and a state-backed construction program to target 40,000 new homes per year, are key aspects to put an end to the housing crisis.

To address spatial inequality, urbanism and planning need to explore underserved areas and expand public transport. To encourage LTR in high-demand zones, tax incentives for landlords who keep properties on the market can be considered.

7.1 Limitations and Future research

Some limitations are to be recognised, requiring further research. The data set was limited to RTB and Airbnb samples for LTR and STL, respectively. It is acknowledged that not all LTR properties in Dublin are registered on RTB, as while comprehensive that Airbnb is the largest platform for STL, it does not capture the entire panorama, due to the usage of other platforms such as Booking.com and Vrbo.

Future research can consider multi-level effects to build a robust model, aspects such as number of the population, personal disposable income, and inflation rate. In order to have a better understanding of the affordability gap. This aligns with a similar study that underlined the supply and demand affect on housing prices in Ireland. (Egan, et al, 2024) In addition, the model can cover tourism demand and other sources of STL supply such as hotels, hostels, and B&B.

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