

MONEY

TOTAL PERSONAL BORROWING BY INDIVIDUALS IN SEPTEMBER 2025

€139bn
MORTGAGES MAKE UP 79%

QUARTERLY GROWTH IN EARLY MORTGAGE ARREARS IN DECEMBER 2025

8.7%
OVERALL ARREARS HIT NEW LOW

SOURCE: CENTRAL BANK OF IRELAND

Cash in on holidays with home swaps and Airbnb

Next year's Ryder Cup is a lucrative opportunity for would-be landlords, but a property exchange can prove less taxing, writes **Niamh Hennessy**

The Ryder Cup, which takes place in Adare, Co Limerick, in September next year, is an opportunity for many businesses to capitalise on the 300,000 people expected to descend upon Limerick to see Europe take on the US. The tournament has also thrown up opportunities for property owners. At present properties are being advertised on Airbnb for the weekend of the Ryder Cup at eye-watering prices.

One two-bedroom home about 15 minutes from Adare could be rented for €20,539. Another two-bedroom house, about seven minutes away from Adare, is going for €33,039. Of course, these prices are an extreme example of high demand for a limited event.

But ordinary tourist demand in Ireland is such that renting out a family home or apartment has become as commonplace as the traditional bed and breakfast.

Also increasingly popular is a home exchange, when homeowners basically swap homes with one another, like Cameron Diaz and Kate Winslet did in the Christmas movie *The Holiday*.



Cameron Diaz swapped her California home for a cosy English cottage in *The Holiday* (2006)

Quinta de Lago," she says. "There was a cleaning fee of €120 after two weeks and that was all we paid for our accommodation."

"We had hosted maybe two small groups for short stays in our holiday home to earn the points for the trip."

Asked about downsides to the process, O'Driscoll says sometimes it can take time to get a home in your chosen location at the right time.

"You have to be a little flexible, I guess. Some homeowners don't respond quickly and that can be annoying. Having said that, we have only had good experiences so far."

With many home exchange companies, there is also built-in security because users must pay a deposit that is put on hold should anything happen to the property.

HOUSE SWAPPING

Home Exchange is one of the more popular companies in Ireland that people use when swapping homes. The company claims it recorded a 22 per cent increase in memberships in Ireland last year and adds that there were 39 per cent more exchanges from the Irish market in 2025 than in the previous year. It has close to 4,000 members in Ireland.

Like many of its rivals, Home Exchange runs on a membership model. Members pay a €175 annual fee for access to the platform, and this gets them unlimited exchanges. Unlike Airbnb, with home swapping there is no exchanging of money and the practice is rooted in sharing, as each guest is also a host.

"Unlike the short-term rental market, home swapping is not professionalised by members at all. As there is no way for members to profit from their exchanges, there is no exchange of money and the practice is rooted in sharing," Jessica Poilucci of Home Exchange says.

Members can swap homes on the same dates or the guest stays in the host's home and offers a certain number of "GuestPoints". The host can use these points to exchange with another member. The process could be useful for someone who owns a holiday home in Ireland as they wouldn't have to move out of their primary home at a certain time.

Martha O'Driscoll from Bray has been doing home exchanges for the past three years.

"For €175 we have access to homes all over the world. Last year we had a fabulous villa in Portugal, in the heart of

TAXING ISSUES WITH AIRBNB

Airbnb is a different model to home exchanges. Listing a property on Airbnb is free. Instead, the platform typically collects a service fee of 3 per cent of the reservation subtotal once the owner gets paid. Airbnb also offers homeowners an insurance product called Aircover, which covers damages to a home and belongings.

Carl Donnelly, head of tax at Cronin, says people who rent out homes or rooms on Airbnb are generally treated as carrying on a trade for tax purposes.

"This does not change the tax rates they pay but it does mean the income must be reported correctly to Revenue," he says.

Income earned through Airbnb is subject to income tax, USC and PRSI at the person's marginal rate. This can reach 55.2 per cent if the owner earns more than €100,000 a year, including other

income. This tax will rise slightly to 55.35 per cent from October 2026.

"Homeowners should keep accurate records of all income received," Donnelly says. "Airbnb also reports this information to Revenue."

Homeowners who use Airbnb should also record any expenses incurred wholly and exclusively for the purpose of letting the property, since these can be deducted to reduce the taxable amount. Typical examples include cleaning, utilities, maintenance costs and platform service fees.

They should also track significant purchases such as furniture or appliances. These are classed as capital expenditure and can be written off over eight years through capital allowances.

Home exchanges, on the other hand, create no taxable income, even if they do create personal and even economic value for the participants.

"In theory, Revenue could take the view that the market rental value of the property you stay in is a form of consideration for allowing someone to use your own home, which could make it taxable at marginal rates," Connelly says.

"However, this would be extremely difficult to administer and would be unlikely to produce any meaningful tax revenue. It is not clear how Revenue could realistically monitor or enforce such a position, so it seems unlikely that these arrangements would be treated as taxable income."

According to Revenue income received from Airbnb must be declared through its online system. If the net profit is under €5,000, it can be included on a Form 12. But if the net profit is more than €5,000, the homeowner must register for income tax and file a Form 11. However, there is an

exemption for anyone renting a room in their house from tax for up to €14,000.

Steven Barrett, a financial adviser at Bluewater Financial Planning, advises homeowners to check with their insurer on how often they may rent out their property, if at all.

"If the property you are renting out is your home, it won't have any impact on the mortgage rates," he says. "Lots of accidental landlords from the Celtic tiger ended up renting out their negative equity homes and never notified the banks and stayed on the homeowner rates and were never pursued by the banks, even when they had second homeowner mortgages with the same bank."

"If you buy a property with the sole intention of renting it out on Airbnb, it is a rental property and should get the higher rates."

RENTAL REGISTER

The Airbnb process has come under fire in Ireland with critics claiming it has a negative effect on the housing market as property owners use Airbnb rather than renting out their homes on a long-term basis.

In May, however, a new register managed by Fáilte Ireland is expected to be launched that will require those who are renting out properties on a short-term basis to register it.

Poillucci of Home Exchange says that the platform always recommends members check with their insurance company before doing a home exchange.

"Since everyone on the platform is both a host and guest, there is a built-in mutual respect to swapping homes – and we're proud to say 99.7 per cent of exchanges occur with no incident, not even a broken glass."

“We're proud to say 99.7 per cent of exchanges occur with no incident, not even a broken glass”

Eoghan Gavigan

Wherefore art thou, artificial intelligence adviser?



I have written before about change in the financial advice industry, but seldom has there been a week as there was recently, when the industry looked down the barrel of huge change which threatened its very existence.

Altruist in the US has developed an artificial intelligence tool that can make recommendations on financial planning, provide investment advice and implement tax strategies at the push of a button. Market reaction on February 10 was swift, with shares in a number of US and European wealth managers falling by up to 12 per cent.

My LinkedIn feed was soon flooded with advisers posting about AI, as well as many service providers keen to cash in on the fear. If a machine can do the technical work, what exactly does the financial adviser of the future offer?

The answer is the ability to have a deeper conversation. There is a growing recognition that the great advisers of the future will be those who adopt a

coaching mentality, who are less instructive and more inquisitive. Because the best decision isn't always the one that is the most technically correct, it's the one that the client understands, believes in and will follow through. Coincidentally, two days after the Altruist bombshell, I was scheduled to give a talk to advisers on the topic of coaching skills for financial planners.

I learnt the lesson about why great questions matter several years ago when a client approached me upon reaching his retirement age. For him, that meant it was time to draw his pension. I processed his request. It was, after all, what he had asked me to do.

But here is what a deeper discussion would have revealed. He didn't actually need the money. He had no immediate financial pressure or need to satisfy. He had simply assumed, quite reasonably, that reaching retirement age meant that he had to take his pension. He didn't know that he could, if he wished, have left his pension invested

“The best decision isn't always the most technically correct one”

and avoided the imputed distribution rule, which effectively forces you to withdraw a minimum of 4 per cent each year, for several more years.

I am quite sure that similar scenarios play out hundreds of times each day in advice firms across the country. In fact, the juxtaposition between truly client-centred advice and marketing campaigns that encourage pension savers to access their fund at age 50 is striking. Transactional advice, on its best day,

answers the question you ask. It's solution-focused, hopefully innovative, but ultimately much like AI: blinkered, and blind to anything other than a straight line from A to B, with B being the accumulation of a stated amount that has been determined will fund the objective you specify.

Coaching-led advice asks the question behind the question. It teases out the wily and wherefore, it gets to the root of the issue to understand what's at stake.

When that client asked me to mature his pension, I had the "what". What I didn't have was the "why" or the "wherefore", the reason for his request, what assumptions he was making, and his needs at that time.

AI can't replicate that. It can't hear the emotions guiding you, the reasons you want a particular outcome. It can't ask the great questions that reveal unnamed possibilities or incorrect assumptions. In short, it can't lead you to a better answer. The traditional model of financial advice was based on the sale of financial

QUESTION OF MONEY

I've worked for the same family business for over 20 years but rising costs have prompted the owners to close. What are my rights on redundancy pay, unused accrued holidays, ex-gratia payments and so on? If I used my redundancy lump sum to start of service plus one extra week's pay, do you have any advice on getting a business off the ground or how best to secure other work?

Anon

It's important to understand your rights. You are entitled to statutory redundancy if you are over 16 and working, full or part-time, with your employer continuously for at least two years. Statutory redundancy is tax-free and worth two weeks' pay for each year of service plus one extra week's pay, at a limit of €600 a week, even if your pay is more.

Your employer isn't legally obliged to pay anything beyond the statutory payments, but it might provide a voluntary top-up – and you could be entitled to one of it is your contract of employment. Part, though not all, of an ex-gratia redundancy payment may be tax-free.

If you do not take your unused accrued holidays before redundancy, you are entitled to be paid in lieu. Your employer may require you to use up your unused holidays before you leave the company, though.

If you have a pension, you will need to decide whether to leave the benefit where it is or to transfer it to another pension. It's important to understand the impact of the various options before making your decision.

If you plan to use your redundancy lump sum to set up a business, get advice from your local enterprise office and successful entrepreneurs. Do your research to learn whether there is demand for the product or service you plan to offer, how much money you will need to set up and maintain your business, how to market it, how to keep overheads low, and so on. Check with your LEO for any financial assistance, such as the short-term enterprise allowance scheme, which supports people who have lost their job and want to set up their own business.

If you decide to seek employment instead, research your industry, market and competitors. You should also research salary surveys and look at job ads to help gauge what pay employers are offering for individuals with your skills and experience.

If you plan to take time off after being made redundant, work out how long you can afford to live with no regular salary. In addition, have a deadline for when you intend to start looking for work again. The last thing you want is to wait too long and feel pressured to take the first business or job opportunity that comes along.

Barry Whelan is chief executive of Excel Recruitment

Send your personal finance or consumer-related questions to money@sunday-times.ie



products. Financial planning switches the focus from products to planning. Coaching-led advice puts the wellbeing of the client at the very heart of the matter.

If you're choosing a financial adviser, or if you're working with one and wondering whether you are getting the most from them, ask yourself the following question: does this person just do what I tell them to, or do they ask the great questions which help uncover the right solution for me, which they or I, might never have thought of?

As fans of *Romeo and Juliet* might recall, when Juliet asks the much quoted and oft misunderstood question "wherefore art thou Romeo?", she isn't asking where Romeo is, but she was asking him why he is, namely a Montague. The ability to ask great questions is all you need.

Eoghan Gavigan is a certified financial planner and the owner of Highfield Financial Planning, hfp.ie