



Focus Ireland submission to inform the review of HAP rent limits

April 2026

Introduction

Focus Ireland has consistently maintained that Government must commit to reducing reliance on the Housing Assistance Payment (HAP) as a long-term social housing option and ultimately phasing it out, as greater supply of social housing comes onstream. However, we also recognise that HAP and similar schemes continue to be required in current circumstances to support households whose income does not allow them to access housing without State support.

Since the Minister for Housing announced major changes to the private rental market in the summer of 2025, Focus Ireland has made the case for an urgent review of HAP, both the scheme's rent limits and its various administrative processes which impact on its effectiveness. Focus Ireland operates a nationwide Advice and Information (A&I) service, largely funded by donations, which provided support to just under 10,000 households in 2025 with approximately 1,200 of these cases related to providing support for people using HAP. These cases give us a snapshot into the problems experienced by users of our front-line services because of the dysfunction of the scheme and welcome the opportunity to make this submission.

Since 2016, the standardised average rent for new tenancies has increased by 74% according to the RTB/ESRI rent index¹ but there has been no change to maximum monthly rent limits since that time. 'Discretionary' increases in the maximum HAP rent limits were made available to local authorities in 2022 but there is no clarity about the impact these have had as there was minimal effort made to inform tenants of the measure or to evaluate its impact. HAP tenants reported to our front-line services that they found the application process off-putting and difficult.

It is estimated that at the end of 2024, nearly 70% of households being supported by HAP had received some level of discretionary increase over the HAP limit for their household type and area, at an average rate of discretion of 29% above the relevant limit.² The limitations of the 'discretionary' approach to rent thresholds is highlighted by the income poverty experienced by HAP tenants. Despite the majority of HAP tenants receiving additional 'discretionary' increases, these are clearly insufficient as the recent [SILC 2025 data](#) shows the 'at risk of poverty' rate for those living in accommodation rented with State supports was 58% when rent was deducted from disposable income - the highest amongst

¹ RTB/ESRI Rent Index - See Figure 1: [RTB Rent Indices - National and Regional Standardised Average Rent \(€\) in New Tenancies](#). Increase of 74% based on standardised average rent of €1,018.80 in Q3 2016 compared with €1,776.10 in Q3 2025.

² Parliamentary Question, 13 May 2025 on 'Rental Sector'. Available at <https://www.oireachtas.ie/en/debates/question/2025-05-13/683/>

all groups. It is also concerning that while the majority of HAP households were in employment during the last Census³, they continued to face the highest risk of poverty after housing costs than any other group.

Finally, while we understand that the primary focus of this review is HAP rent limits, there are several administrative process changes, as highlighted by [the Office of the Ombudsman in 2025](#), that would also make a meaningful difference to the success of the scheme that we urge the Department to consider and implement alongside changes to rent limits.

Homelessness and HAP

Households exit from homelessness through two main routes: (i) obtaining a tenancy in the private rental sector with some form of rent subsidy (HAP, RAS or RS) or (ii) being allocated a social housing tenancy by their local authority, either with an AHB or in the council's own stock. In the past, exits to the private rental sector played a crucial role in exits from homelessness – not just because of the numbers exiting to that tenure but because this provided a route out of homelessness for people who were either low down on the social housing list or needed the sort of homes that are in short supply in social housing, particularly one-bedroom homes. HAP played a crucial role in enabling exits from homelessness at a time when there was very little new-build social housing and HAP tenancies were the primary exit vehicle from homelessness between 2016-2021, making up as much as 60-70% of exits during 2020 and 2021 but dropping to as low as 25-41% in the following years.⁴

Since 2022, due to increasing rent prices and low security, private rental housing as a route out of homelessness has been greatly reduced. As increased supplies of social housing have become available, there has been an increased rate of exit through that route, but this has not compensated for the lost opportunities in the private rental sector. In 2020, 5,886 adults exited homelessness compared to 3,203 in 2025⁵. This reduction in homeless exits is largely a result of the lack of private rental sector exit options using HAP.

While an apparent decline in the number of smaller landlords in the market partially explains this decline in exits to HAP, the inability of HAP tenants to afford what tenancies remain is likely to be a more significant factor.

³ CSO (2022) [See Figure 1.6: Employment of Households Coming into HAP by Year](#)

⁴ Maphosa, P. (2025) [Family Homelessness in Dublin: New Entries in 2024 and Trends Over Nine Years \(2016–2024\)](#) p. 53. Dublin: Dublin Region Homeless Executive.

⁵ Department of Housing (2026) Homeless Quarterly Progress Reports - Quarter 4 2020 and Quarter 4 2025

Recent Government initiatives such as protections against no-fault evictions and better protections against annual rent increases make the private rental sector much more attractive as a secure exit from homelessness, offering the prospect (if combined with continued exits into an expanding supply of social housing) of a decline in homelessness. But this can only be achieved where the HAP thresholds realistically reflect market rents, and where households on the lowest incomes do not have to fear paying top-ups that impoverish them and put them at risk of returning to homelessness.

Finally, this Review must also take into account the particular needs of the disproportionate number of one-parent households in receipt of HAP. At the end of 2024, 23,337 out of 53,571 HAP tenancies were one-parent households meaning lone parents make up nearly half of all HAP tenants nationally.⁶ [SILC data](#) for 2025 show that this group is over three times more likely to experience consistent poverty compared with two-parent families. Furthermore, evidence shows that discrimination experienced by lone parents renting with HAP in the private rental market can further compound their precarious situations and delay exits from homelessness.⁷ As a result, lone parents and their children are particularly at risk due to insufficient HAP rates and the payment of unaffordable top-ups to landlords. This is reflected in the consistent overrepresentation of one-parent households in homeless data, with over half of families in homelessness headed by a lone parent. As members of the National One Parent Family Alliance (NOPFA), Focus Ireland has consistently highlighted the correlation between an increased risk of poverty for this group and homelessness.

Below, we have set out a series of proposals that we believe will support current HAP tenants to remain in their homes and to support the creation of new HAP tenancies for households already experiencing, or at a high risk of, homelessness.

Mitigating against rental inflation

One of the traditional concerns about increasing rental subsidies is that they automatically feed into increased rents, with some commentators arguing that the maximum threshold for rent subsidies in effect creates a ‘floor’ for all rents. This analysis assumes a market in which each participant has perfect information about market conditions and acts accordingly. There is little evidence that the part of the Irish rental market controlled by smaller private landlords operates in this way. Nevertheless, this concern is widespread and has resulted in policies which drive homelessness and impoverish families, so must be addressed.

⁶ Parliamentary Budget Office (2024) [Ongoing Need 2024 – The True Demand for Social Housing](#)

⁷ Sheridan, S. (2025) [Lone Parents and Homelessness in Ireland](#). Dublin: Focus Ireland.

The new regulatory system for the private rental sector provides a range of measures which allow the Government to increase rent subsidies to lower income households without resulting in widespread rental inflation.

Focus Ireland proposes a strategy involving three distinct steps:

- Resetting the relationship between the rent of existing HAP tenants and market rents
- Introducing a new system for tracking legal rent increases
- Setting arrangements for new HAP tenancies

Finally, we argue for the continuation of the Homeless HAP sub-programme and for a number of changes in the calculation of rent levels as they relate to larger families and one-person households - the household types most at risk of long-term homelessness.

Proposed measures to support current HAP tenants

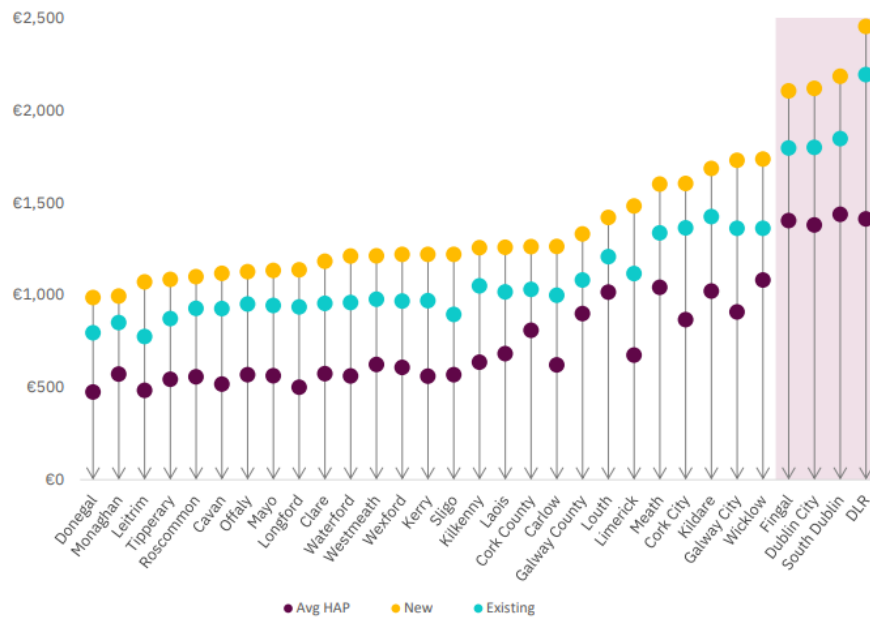
1) Re-setting supports for current HAP tenants paying top-ups to landlords

The lack of adjustment to HAP rates in nearly a decade has led to a growing disparity between HAP rates and market rates, unfairly forcing tenants on low incomes to bridge the gap through ‘top-ups’ directly to their landlords. A core concern of the review must be how to reset this relationship between HAP thresholds and the market rents likely to be required by HAP tenants. The process proposed below would not increase the level of rent being paid to the landlord but would transfer some of the payment currently being paid by the tenant to the State, and so would have no inflationary impact on the rental sector. Since this resetting mechanism will occur within existing tenancies, even unscrupulous landlords (should they exist) would be unable to take advantage of the reduced burden on tenants by introducing inflationary rent increases on them.

According to data provided by the HAP Shared Services Centre in 2023 to the Office of the Ombudsman during its investigation into the HAP scheme⁸ approx. 60% of HAP tenants make additional payments directly to their landlord in the form of direct ‘top-ups’. However, our experience suggests that tenants could be making direct top-ups to landlords without informing their local authority, so the prevalence and level of top-ups could be higher. The widening gap between existing rents and HAP rates is shown below (Fig 1.), based on an analysis by the [Parliamentary Budget Office](#).

⁸ Office of the Ombudsman (2025) [Investigation of the HAP scheme](#)

Figure 1: Comparison of average rents - HAP and non-HAP tenancies



Source: PBO based on RTB [Rent Index Q4 2024](#) and correspondence with HAP Shared Services (April-October 2025).

Source: Parliamentary Budget Office (2025) *Ongoing Need 2024 –The True Demand for Social Housing*

HAP is construed as a ‘social housing solution’ and HAP tenants are deemed to have had their social housing need met. As highlighted by the Ombudsman’s Investigation into the HAP Scheme, the top-up system creates significant unfairness and inequality between traditional social housing tenants and HAP tenants, despite them both legally being ‘social housed’. In principle, this should mean that all HAP tenants should experience the same rent rules as social housing tenants, with differential rents rising with higher incomes and no top-ups being paid. In practice, given the level of private rents, this would unreasonably constrain working HAP tenants from securing a home and result in increased homelessness. In this context, for now the practice should continue of allowing tenants who are in employment to take up a tenancy in which they choose to make a top-up to the landlord such that the total cost of renting does not exceed a third of their income.

However, the maximum HAP threshold should be set at a level which would allow households that are entirely dependent on social welfare to secure a reasonable home without paying anything more than their differential rent payment. Where households whose only income is social welfare are paying top-ups, these, when added to the differential rent, are likely to bring their after-rent income to below the minimum level allowable under the Supplementary Welfare Allowance scheme (i.e. SWA rate minus the ‘minimum household contribution’ to rent). The principle that no household should fall

below the SWA income rate after the payment of rent should inform the setting of HAP rent thresholds.

To re-set HAP payments to market conditions, rather than applying an across-the-board increase in thresholds (of say 74% to reflect rent increases over the last decade), Local authorities should adjust payments on a case-by-case basis where a tenant can show a top-up is being paid.

In the case of households whose only income is social welfare, HAP tenants should be asked to provide evidence of any top-ups being paid. In general, the local authority will establish a new level of HAP payment to the landlord which eliminates the need for a tenant top-up, with the total rent paid to the landlord remaining unaltered. Where the top-up being paid, when compared with the original HAP agreement, indicates a level of rent increase during the tenancy which is in excess of the legal limit, the local authority will only pay the amount legally allowed and advise the tenant that they can make a complaint to the RTB about the excessive increase.

In the case of households where one or more member is in employment, the local authority will set a new level of payment which requires rent payments which, after taking into account Differential Rent, is no greater than 30% of the household incomes.

2) Introducing a new system for tracking legal rent increases

The state system for subsidising rent should be integrated into the state system for regulating rent. Tenants already renting with HAP can legally have their rent increased by 2% every year and before July 2021, rents in RPZs could be increased by 4% annually. If a tenant has been renting with HAP in the same property since 2019 in an RPZ, that tenant's rent could have legally increased by as much as 20% over that time. However, if they are already receiving the maximum HAP rent limit on that property, the tenant would have had to cover these rent increases by direct top-up to the landlord, as well as having to continue to pay a differential rent to their local authority.

This system resulted in households being reluctant to take up HAP tenancies and landlords being wary of taking HAP tenants. Reforming HAP to maximise its capacity to reduce homelessness needs to remove this process of creeping unaffordability.

The new system of regulation in the private rental sector introduced in 2026, should include a new process under which a local authority would increase the HAP payment to a landlord where a tenant formally notifies them that the landlord has introduced a legal 2% annual rent increase and has reported this to the RTB as required under the new

regulations. This process should be notified to all existing and future HAP tenants and should not be at the discretion of the local authority.

As the rent increases which landlords can charge are already regulated, the process of compensating the tenant for such increases will have no inflationary impact.

Proposed measures to support the creation of new HAP tenancies and improve the effectiveness of HAP in tackling homelessness

- Setting HAP rates for new tenancies

Where a new HAP tenancy is being established the maximum rents payable should be set at such a level to allow a household to pay the rent of 40% of the private rental housing stock i.e. to be able to afford, without top-ups, the rent on the four lowest deciles of private rented housing.

We are proposing that the threshold should be set to include 40% of private rental tenancies on the basis of the estimate that “combined, the Housing Assistance Payment (HAP), Rental Accommodation Scheme (RAS), Rent Supplement and Rent Allowance assist around one-third of supported renters (95,535 households)”⁹. While the number of tenants relying on HAP has fallen since this estimate, this is primarily due to the difficulties HAP tenants experience in obtaining a tenancy due to the erosion of the value of the HAP payments rather than a decline in need.

Setting the threshold at a level sufficient to cover only the bottom three deciles would require that, if no HAP recipient was obliged to pay a top-up, every single rented unit in the three lower deciles would be occupied by a HAP tenant, and that no tenant who was ineligible for HAP would occupy cheaper rental accommodation. This is an unreasonable assumption and would represent an unfairness to other renters. Setting the level at the 40% level would result in every HAP tenant having a reasonable opportunity to find accommodation within the thresholds without putting pressure on other renters needing cheaper accommodation.

Under the new regulations, new tenancies for homes where former tenants have left voluntarily are linked to existing market rents, the linking of HAP rates to existing market rents will not be inflationary. The new regulatory regime and RTB knowledge of real rents allows HAP rates to reflect the market rather than drive it.

The rent chargeable for some new housing stock coming on the market is not linked to existing market rents. However, as, unfortunately, most of the new rented housing stock

⁹ https://www.esri.ie/system/files/publications/RS141_1.pdf

coming on the market will be in the higher deciles of rent, the existence of market-related HAP limits in other market segments will have no inflationary impact. However, changes in supply in the future would need to be kept under review and in the welcome circumstance of significant new rental housing at lower rent levels coming in the market, the rent setting mechanism may need to be reviewed.

Tenants relying on HAP are currently unable to compete for homes even in the lowest rent decile in most regions. Increasing HAP thresholds to allow HAP tenants to compete for homes in the four lowest rent deciles will inevitably lead to more potential tenants for every letting opportunity at those rent levels. In an unregulated market, this would lead to landlords increasing their asking rents to take advantage of the increased effective demand, pushing up prices in higher deciles too. However, in the newly fully regulated market, landlords will have to base rents on already existing market rent so preventing them raising rents as a response to increased number of potential tenants. Decisions in this area will be a vote of confidence by the Government in the effectiveness of its own reforms.

- **Enhanced HAP rate for one-bedroom homes**

While every other household type on social housing waiting lists has decreased in recent years, households who only require one-bedroom have increased.¹⁰ The number of adult-only households in homelessness has also continued to increase relentlessly for years with minimal intervention or exit options.

Focus Ireland greatly welcomes the recognition in *Delivering Homes, Building Communities 2025-2030* that there needs to be an increase in new one-bedroom social homes given they make up just 12.5% of social housing stock¹¹, however, this will take time and there needs to be options for single people and couples to exit homelessness now while these homes are built.

The review must recognise that private rental sector exit options will remain the primary route for adult-only households to exit homelessness for years to come. Therefore, the Review must place emphasis on increasing HAP rates for one-bedroom homes to support households that struggle to exit homelessness to social housing because of the make-up of the current social housing stock.

¹⁰ The Housing Agency (2025) [Summary of Social Housing Assessments 2024](#)

¹¹ The Housing Commission (2024) [Report of the Housing Commission](#) p. 204

- Remove the cap on the number of children in the HAP rates

Larger families are spending much longer in homelessness because of a lack of suitable social homes. While efforts are now being made by the Department to acquire and build larger homes for these families, which we strongly welcome, there should also be commitment in the HAP scheme to increase supports for these families in line with the policies of other sections of the Department of Housing.

A major anomaly in the current HAP limits, as set out in Housing Assistance Payment Regulations, is that the maximum household size envisaged is parent(s) with 3 children. Families with more 4 children or more are advised to contact their local authority for potential discretionary uplifts. There is no justification for having a cap on the number of children supported by the HAP scheme. Local authority schemes of lettings fully acknowledge that families with a larger number of children require more bedrooms and have well considered systems for calculating the number needed based on gender and other factors. HAP rates need to reflect the real costs of renting homes. This would reflect the household composition in homelessness and on the social housing waiting list and recognise the particular challenges certain household types face when trying to exit homelessness.

Furthermore, the current HAP rates significantly underestimate the cost of renting for larger families. The current HAP rent limits only provide an extra €20-€35 per month per child when the cost of renting a home with an additional bedroom can cost hundreds of euros extra a month as demonstrated in the most recent [RTB Rent Index Q3 2025](#) below. These factors contribute to the higher level of long-term homelessness among larger families.

Figure 2: RTB Rent Index Q3 2025- Comparing National Indicators

Comparing National Indicators

Table 1 – RTB Rent Index - National, National Houses and National Apartments: Standardised Average Rent (€), Quarterly Change (%) and Annual Change (%) for New vs Existing Tenancies, Q3 2025

| | Standardised Average Rent Q3 2025 (€) | Quarter-on-Quarter % Change | Year-on-Year % Change | Standardised Average Rent Q3 2025 (€) | Quarter-on-Quarter % Change | Year-on-Year % Change |
|---------------------|---------------------------------------|-----------------------------|-----------------------|---------------------------------------|-----------------------------|-----------------------|
| | New Tenancies | | | Existing Tenancies | | |
| National | 1,776 | 2.7 | 5.4 | 1,494 | 0.6 | 4.6 |
| National Houses | 1,820 | 1.6 | 6.4 | 1,450 | 0.9 | 5.2 |
| 1 bedroom | 1,444 | 4.6 | 13.5 | 1,001 | -0.1 | 4.3 |
| 2 bedrooms | 1,597 | -2.5 | 2.9 | 1,311 | -0.3 | 4.7 |
| 3 bedrooms | 1,768 | 1.1 | 7.7 | 1,406 | 0.8 | 5.1 |
| 4+ bedrooms | 2,146 | 5.2 | 6.5 | 1,698 | 2.1 | 5.8 |
| National Apartments | 1,786 | 3.4 | 4.9 | 1,593 | 0.5 | 4.2 |
| 1 bedroom | 1,592 | 4.4 | 5.5 | 1,358 | 0.9 | 4.0 |
| 2 bedrooms | 1,808 | 2.3 | 4.7 | 1,632 | 0.3 | 4.3 |
| 3+ bedrooms | 2,224 | 5.5 | 5.0 | 1,905 | 0.8 | 4.2 |

The continued need for ‘Homeless HAP’

The introduction of a higher rate of HAP for households exiting homelessness (or at immediate risk of becoming homeless) was one of the most successful measures to tackle homelessness, until the benefits were eroded by rising rents. The effectiveness of the measure supported the high levels of exits to the private rental sector seen in the past, and the erosion of their value is one of the factors contributing to the substantial increase in homelessness in recent years.

At present Dublin local authorities operate informal systems in which they allow households with a valid Notice of Termination (NoT) to access Homeless HAP, while non-Dublin authorities allow access to enhanced HAP levels. Some local authorities allow this enhanced payment 8 weeks prior to the date of the NoT while others wait until 4 weeks. Not all households are aware of this arrangement and that some local authorities operate such a measure. Particularly where the time allowed is only 4 weeks, or where the household faces particular challenges (e.g., large families, family member with a disability, members of the ethnic minorities, young adults) many households are unable to find alternative accommodation in time and enter emergency homeless accommodation.

The availability of a higher payment is an essential recognition that people moving out of homelessness, and at a high risk of becoming homeless, are perceived as less attractive as tenants to private landlords. Because applicants who are homeless are perceived as a greater risk so landlords will tend to favour tenants moving from existing accommodation, at any given price. Measures which compensate landlords for this risk or allow tenants to more effectively compete in the rental market, are an essential tool in tackling homelessness and it is essential that they are continued, and their value reestablished.

Commit to an adjustment of HAP rent limits every two years

The Investigation of the Ombudsman into the HAP scheme¹² highlights how the discretionary system creates significant inconsistencies in the current operation of HAP across local authorities and recommends that, going forward, adjustments should be made to HAP rent limits and not to the rates of discretion available. The report argues that this is necessary to help reduce inconsistencies between local authorities in the application of discretionary increases.

New average rents have been allowed to increase by over 74% in the last 10 years without a change to the maximum HAP rent limits, with a non-transparent and complicated ‘discretionary’ system being favoured instead. This situation cannot happen again and a

¹² Office of the Ombudsman (2025) [Investigation of the HAP scheme](#)

new system of reviewing HAP rent limits on a regular basis, and revising when required, should be introduced to reflect real private market rents.

Given the amount of information about rents that is now available through the RTB and the ESRI, a regular process in which HAP thresholds are reviewed every two years, to ensure that they allow households to access the lower 40% of the rental market, would be more easily undertaken than was previously the case.

Conclusion

The private rental sector will continue to have a crucial role in determining the level of homelessness for the foreseeable future. Evictions from the private rental sector are the single largest route into homelessness for families while private rental tenancies continue to be a significant route out of homelessness for both singles, couples and families, particularly those who are unlikely to be allocated social housing in the near future.

Most of the policies which Government can apply to the behaviour of the private rental sector are long-term and rely on being able to influence the investment decisions of private actors. HAP is one of the very few policies through which Government can directly exert influence on the decisions which landlords make in the short-term. While decisions about the level of HAP thresholds, of course, will take into account issues in addition to the impact on homelessness, this must be central to the approach taken. The wrong decisions will further erode the private rental sector as a route out of homelessness, leaving the delivery and allocation of social housing as the only policy response available, and condemning us to ever new record levels of long-term homelessness. The right decisions in this Review will not only bring many adults and children out of poverty already renting with HAP but will reestablish the sector as a viable and secure route out of homelessness.

Reforms over recent years provide us with a wealth of data not only about people experiencing homelessness but also about the rental market. This review must represent a shift away from the 'every decade' approach to rent subsidies and towards a dynamic approach in which HAP regulation can track market shifts to support positive outcomes, avoiding the risk of subsidies distorting the market in unforeseen and damaging ways, and re-establishing HAP as an effective tool in working towards ending homelessness.