



Rialtas na hÉireann
Government of Ireland

Private Rental Sector Review

Prepared by the Department of
Housing, Local Government and Heritage
gov.ie/housing



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Executive Summary

***Housing for All* is the most ambitious housing plan in the history of our State. The overall aim of the plan is to ensure that every citizen in the State should have access to a good quality home, to purchase or rent, at an affordable price, built to a high standard, in the right place and offering a high quality of life.**

Under *Housing for All*, the Government is committed to increasing the supply of rental properties and protecting renters while trying to retain small landlords in the system and encourage sustainable investment. The *Housing for All* Action Plan Update, published in November 2022, included a commitment to “Review the operation of the private rental sector and report on policy considerations”. This review:

- Sets out an overview of the rental market in Ireland including the composition of the market and trends in rent levels;
- sets out suggested policy objectives; and
- considers a range of and potential avenues for policy change to support these objectives.

The overarching perspective of the review is to ensure we have a system of market rental in Ireland which provides certainty and fairness to both the renter and the property provider.

Consultation Process

As a part of this *Housing for All* review process, the Government invited households, other market participants and commentators to provide their perspectives and describe their experiences of market renting. The Department of Housing, Local Government and Heritage (DHLGH) is appreciative of the effort respondents undertook to engage with the consultation process.

The principal topics raised by respondents were:

- The Rent Pressure Zone (RPZ) price controls and whether that system should remain in place, be modified or removed;
- The best balance of rights between tenants and landlords in respect of tenure security and evictions;
- Supply, and the potential role of changes to the tax system, particularly the tax treatment of non-corporate landlords;
- The need for effective, well-resourced public agencies to manage enforcement and compliance in the sector; and,
- The particular challenges faced by vulnerable households, including low income households, households with members who are people with disabilities, Travellers, Roma and International Protection Applicants.

The review takes into account a wealth of information relating to stakeholder sentiment gathered through research undertaken on behalf of the RTB, reported in 2023. Furthermore, the review considered the experiences of public institutions in their respective roles interacting with the private rental market and examined the growing body of Irish and international research in the area.

It has not been possible to consider in detail the recommendations of the recently received

report of the Housing Commission in this review. However, some of the recommendations in this review are similarly highlighted by the work of the Commission. All aspects of the report will be considered in detail by the Department. While the Department is considering this report, the Housing Agency has been asked to conduct a comprehensive analysis of costings, timelines and priorities. This will allow for a fuller consideration of the policy matters raised than would otherwise be possible, given the Report doesn't cost actions or specify timelines for implementation.

Composition of the Rental Market

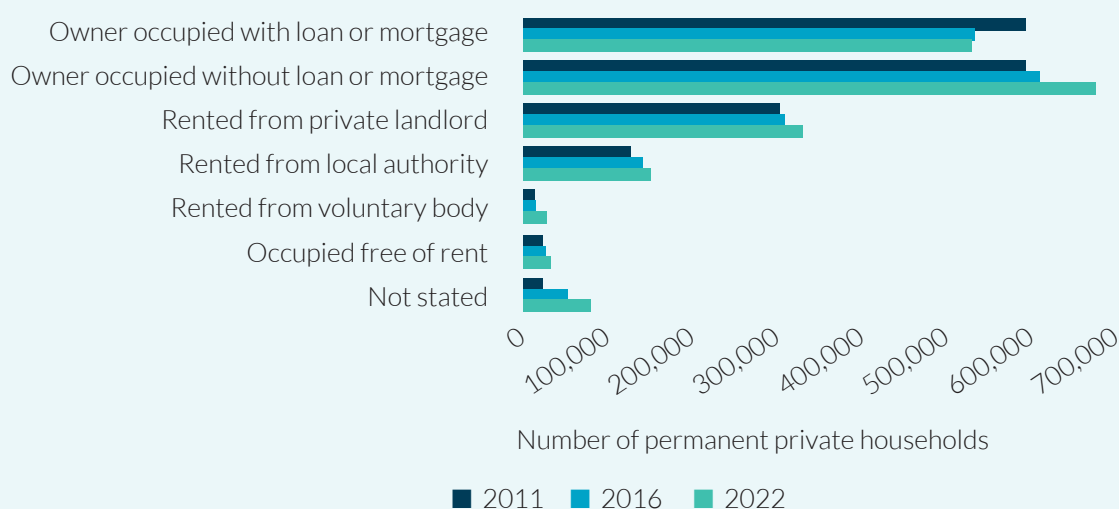
The private rental market is an important element of a well-functioning housing system. Based on Central Statistics Office (CSO) data from 2022, over 330,000 households were accommodated in the private rental market. The sector provides a source of accommodation for households, often prior to their movement to other tenures; many people live in private rented housing during early adulthood, having left the parental home. As a flexible tenure form, the sector contributes to worker and student mobility. The sector also acts as an important adjunct to the social housing stock, as subsidies provide social housing supports to

low income households renting a private market dwelling. The graph below illustrates the scale of the private rental market in the context of the overall housing market and trends in the period 2011-2022.

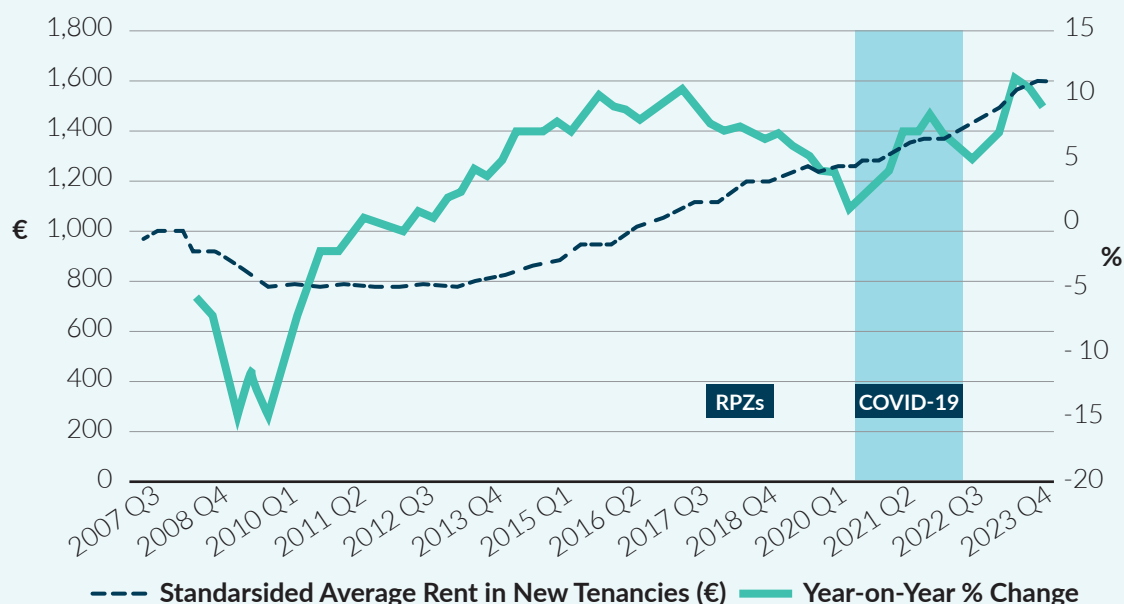
The Cost of Renting

Rents have persistently risen in the past decade, coinciding with the beginning of the economic recovery in 2013. Though the COVID-19 pandemic brought a moderation, there have been marked increases in rents since then. Having initially peaked at just under €1,000 per month in early 2008, rents for new tenancies fell considerably as the financial crisis occurred. When the economy began to recover in 2013, new tenancy rents started trending upwards in a consistent and strong fashion. The onset of the Rent Pressure Zone (RPZ) legislation in late 2016 (which at that time limited rent price growth to 4% or less in designated areas) was associated with a declining level of rental inflation nationally. While that moderation was gradual, a more rapid decline in rental inflation occurred during the early period of the COVID-19 pandemic in 2020 as the Irish economy and society experienced various levels of restrictions. As the economy recovered from the initial impacts of

Graph 1: *Permanent private households by nature of occupancy, 2011 to 2022¹*



1. Central Statistics Office, Ireland
<https://data.cso.ie/table/FY034B>



Source: RTB/ESRI Rent Index Q4 2023

the pandemic throughout 2021, rents began to increase at a faster pace, where the sharp increase in inflation in the final quarters of 2021 marked a return to levels of rental price inflation last recorded in 2017 for new tenancies. According to the Economic and Social Research Institute (ESRI) & the Residential Tenancies Board (RTB) this is likely to reflect strong pressure from demand and supply side factors and continues to persist, the most recent figures being available from Q4 2023. The latest RTB Rent Index records standardised average rents across the country. The report shows that nationally new private rents were up by 9.1% year on year to Q4 2023. Rents in existing tenancies grew by 5.9% in the fourth quarter of 2023. The graph below shows trends in rent levels from 2007-2023.

Standardised average rent in new tenancies for Q4 2023:

- National - €1,595.
- Dublin - €2,098.
- Greater Dublin Area (excluding Dublin) - €1,569.
- Outside the Greater Dublin Area - €1,225.
- Outside Dublin - €1,280.

Standardised average rent in existing tenancies for Q4 2023:

- National - €1,374 – €221 per month lower than for new tenancies.
- Dublin - €1,805.
- Greater Dublin Area (excluding Dublin) - €1,330.
- Outside the Greater Dublin Area - €1,003.
- Outside Dublin - €1,051.

Sectoral Policy Objectives

The review identifies a number of sectoral policy objectives to support a well-functioning private rental market, consistent with the policy objectives set out in *Housing for All*. The objectives are:

- Economic conditions which support investment in the private rental market;
- Security of tenure;
- Affordability;
- Ensuring standards for rental properties are appropriate; and
- Ensuring appropriate and effective regulation to protect the rights of tenants and landlords.

i. Economic conditions which support investment in the private rental market

The Government's *Housing for All* plan is focused on tackling supply and affordability issues, including those in the rental market. The plan contains targets, actions and guaranteed State investment in housing aimed at increasing supply, which in turn will help increase access to affordable rental housing. Despite the positive work and progress in improving supply in the wider housing market, supply remains constrained within the rental sector. Construction inflation has increased significantly in recent years, in large part due to exceptionally high energy price inflation. Construction materials inflation as measured by the detailed wholesale price index for building and construction materials was as high as 21 per cent in July 2022. Since then construction materials inflation has declined significantly in line with energy price inflation. In January and February 2024, annual construction material inflation turned negative at -0.7 per cent and -0.6 per cent respectively. A key housing policy objective is to ensure the appropriate policies are in place to ensure a sustainable affordable supply of private rental accommodation.

On the 18 June 2024, the Department of Finance published a report on the Availability, Composition and the Flow of Finance for Residential Development. To support this report the Department of Finance conducted a review and a remodelling exercise which adjusted for increases in costs related to housing delivery costs. The Report estimates that the total development funding required to meet the Housing for All average target of 33,000 homes has increased to €13.6bn. With the review of the National Planning Framework, the Housing for All targets are set to be revised and the Department of Finance will produce a new development finance model encapsulating the revised targets. The report looks at a scenario involving a target of 50,000 homes per year. An increase in targets would involve an increased funding requirement of €20.4b per annum. Institutional investment is a critical piece of this overall investment – indeed, it is a well-established and normal facet of housing investment in our European neighbours and beyond. Without it, activity in the housing market would be much reduced and the pressure already facing renters

and prospective home-owners would increase significantly. The overriding purpose in attracting this private capital is to increase the supply of housing.

ii. Security of tenure

In recognition of the importance of security of tenure for those renting the Government has in recent times made significant legislative changes that increase security of tenure.

Whereas the introduction of tenancies of unlimited duration and narrowing grounds for terminating a tenancy has minimised this disadvantage when compared to owning one's own home, additional strides could be considered in the future to further increase security of tenure if it were deemed to provide an important social objective. Where landlords, including institutional investors, own larger numbers of properties, there may be grounds to reduce the reasons why a tenancy is terminated. This could include wider use of provision for sale with a tenant in situ, particular for professional landlords with multiple properties. As measures to further remove grounds for no-fault eviction could impact on constitutional held property rights, these would need to be carefully considered, including any necessary compensation such an impact might warrant.

iii. Affordability

The Government's *Housing for All* plan is focused on tackling supply and affordability issues, including those in the rental market. The plan contains targets, actions and guaranteed State investment in housing aimed at increasing supply, which in turn will help increase access to affordable rental housing. Despite the positive work and progress in improving supply in the wider housing market, it remains constrained within the rental sector. A key housing policy objective is to ensure appropriate policies are in place to ensure a sustainable, affordable supply of private rental accommodation.

Successive generations of research concerning the costs of rental payments have identified that cohorts in the private rental sector are among those who experience the most severe housing affordability difficulties. High housing costs can have very detrimental consequences for those

households on low or moderate incomes. As housing costs increase, such households may be forced to sacrifice expenditure in other areas, including basic necessities, with obvious negative consequences for household wellbeing.

A central policy element of *Housing for All* is to increase the supply of affordable housing for rent and purchase. An increased supply of affordable rental is being supported by the creation of the new Cost Rental tenure, which provides homes for rent significantly below market price.

iv. Appropriate Standards for Rental Properties

All landlords have a legal obligation to ensure that their rented properties comply with the standards set down in Regulations. Responsibility for the enforcement of the Regulations in the private rental sector rests with the relevant local authority.

Housing for All sets a private rental inspection target of 25% of tenancies per year with Exchequer funding available to help local authorities meet their inspection obligations. While local government has responsibility for inspections of rental properties, the RTB also has a key role to play through its disputes and communications functions. *Housing for All* also includes an action to introduce a minimum BER energy rating for rental properties, where feasible, commencing in 2025. The ESRI is currently conducting research to examine the costs and financial capacity of landlords to meet the typical costs required for energy efficiency investments.

v. Ensuring Appropriate and Effective Regulation

The RTB plays an important role in ensuring appropriate and effective regulation that serves to protect the rights of tenants and landlords. As well as being a quasi-judicial body which operates several channels for the resolution of landlord-tenant disputes, it has a central role in disseminating easily digested information to tenants and landlords, to prevent disputes from occurring in the first place.

Significant regulation of the rental sector has been introduced in recent years to redress earlier imbalances in the sector. The current balance sits well with evidence from other jurisdictions indicating a positive association between rental sector regulation and investment conditions. With



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regard to rent controls, it is clear that the calibration of the Rent Pressure Zone system is imperfect in certain respects. It is appropriate to consider their efficacy including how withdrawal of price controls could penalise vulnerable incumbent tenants, particularly in the short term.

There is also a need to ensure that regulations which apply to the private rental sector are well understood and actively enforced without undue delays. It is vital that tenants, landlords and third parties have faith in the regulatory framework which addresses disputes and infringements concerning breaches of standards, unlawful termination of tenancies, the withholding of rent and deposits, over holding, anti-social behaviour, maintenance of dwelling, legal standards etc.

Potential Avenues for Policy Change

A series of potential avenues for policy change have been developed having regard to the public consultation process, the views of various state agencies, and having regard to the Organisation for Economic Co-operation and Development (OECD) policies and International Monetary Fund (IMF) draft recommendations in relation to the housing market. These are summarised below, with further detail provided on each recommendation in the main body of the report.

1. Incentivise investment in the rental sector

It is clear that additional investment in new and existing stock is required in the rental market, albeit decisions to invest rests with the private sector. Such investment will dampen price inflation,

allow for improvement in quality standards and energy efficiency and help meet the current and future needs in terms of supplying the market. Future housing supply needs are currently being examined under the review of the review of the National Planning Framework and associated work on the Housing Needs Demand Assessment review. However, it is clear that future supply requirements will be elevated relative to current levels, perhaps substantially so. It is evident that there is a significant requirement to attract capital investment to meet the level of residential output envisaged by *Housing for All*. As such, there is a strong case for State incentivisation of private investment in the rental stock, particularly those forms of investment which constitute a long-term commitment. Consideration should be given to how long-term capital investment in the private market can be incentivised.

2. Support Affordability

There is a need to accelerate the supply of homes available to rent at an affordable price. This includes increasing the supply of cost rental homes, to provide more affordable rental solutions for households within the relevant income thresholds. In light of increasing construction costs leading to viability issues, there is a need to ensure the Cost Rental schemes can continue to be accessed by households immediately above the income limits for social housing.

3. Review Rental Regulation

Recent Irish research has found that the Rent Pressure Zone (RPZ) system has had positive impacts. However, research has also found that the effects are not uniform and, in some instances, RPZ price controls have created a target price, as opposed to a price ceiling. Some Rental Market stakeholders have also strongly suggested that RPZ's have a negative influence on future supply and investment in the market. In light of prevailing pressures on rent levels and the impending expiry of RPZ's in the coming months, the Government has recently decided to extend rent controls for a further year to the end of December 2025. In doing so, the Government agreed that an early announcement of these measures would provide some measure of comfort for renters who likely continue to face considerable cost of living challenges, along with giving the sector foresight

and certainty of their extended application. The review recommends that a process be put in place in to comprehensively assess the current RPZ rent control system in light of market changes and experience in other jurisdictions, in advance of their expiration.

4. Undertake Periodic Critical Review of the Residential Tenancies Board

It is vital that tenants, landlords and third parties have faith in the regulatory framework which addresses disputes and infringements concerning unlawful termination of tenancies, the withholding of rent and deposits, over holding, anti-social behaviour, maintenance of dwellings and rental standards. The role the Residential Tenancies Board (RTB) plays is pivotal. As well as being a quasi-judicial body which operates several channels for the resolution of landlord-tenant disputes, it has a central role in disseminating information to tenants and landlords to prevent disputes occurring in the first place.

The organisation has undergone significant transformation in recent years and now that it has completed the introduction of a new executive structure, a periodic critical review is recommended to highlight any further potential areas for improvement within the RTB that should be prioritised for the organisation, to the benefit of all its stakeholders.

5. Ensure Appropriate Rental Standards

The number of rented dwellings found to be non-compliant with the standards upon initial inspection remains high at 89% in 2023, a reduction on 92% in 2022, however, many non-compliance issues can be quickly and inexpensively resolved without the need for a re-inspection. A contributing factor is a lack of awareness on the part of some landlords about the Regulations. This lack of awareness was raised in both the public consultation and the stakeholder feedback. The review recommends that the RTB take a more active role in raising landlord awareness of the minimum rental standards regulations, with the objective of helping improve compliance rates and reduce the number of disputes. Recent budgetary measures introduced to assist with improving energy efficiency should be maintained and may need to be extended to meet emerging rental standards.



Introduction

The overall aim of *Housing for All* is that everyone in the State should have access to a good quality home, to purchase or rent, at an affordable price, built to a high standard, in the right place and offering a high quality of life.

The private rental market is an important element of a well-functioning housing system, with over 330,000 households accommodated in the private rental market according to CSO data from 2022. The sector is also an important element of the national economy; in financial terms, the annual revenue of the industry seems likely to approach, and may exceed, €3.3bn².

A key housing policy objective is to ensure the appropriate policies are in place to ensure a sustainable affordable supply of private rental accommodation. In this regard, the Government decided to undertake a review of the private rented sector under *Housing for All*. This document is the draft outcome of that process and:

- Maps the current configuration of the sector;
- sets out policy objectives for the sector; and
- considers a range of and potential avenues for policy change to support these objectives.

At the end of 2023, there were 223,979 private tenancies registered with the RTB. There are differences between the RTB's registration data and the figures published by the CSO from the 2022 Census and the RTB has been engaging with the CSO on this matter since July 2023. The RTB is supporting the CSO as a matter of priority in undertaking an analytical exercise to better understand the reasons behind the difference between the CSO data and the RTB Register. In this review, it will be indicated where CSO or RTB data is used.

Consultation Process

As a part of this review process the Department undertook a public consultation and invited households, other market participants and

A key housing policy objective is to ensure the appropriate policies are in place to ensure a sustainable affordable supply of private rental accommodation.

commentators to provide their perspectives and describe their experiences of market renting. As part of the consultation, 75 submissions were made and the Department of Housing, Local Government and Heritage is appreciative of the effort respondents undertook to engage with the process.

The principal topics raised by respondents were:

- The Rent Pressure Zone price controls and whether that system should remain in place, be modified or removed;
- The best balance of rights between tenants and landlords in respect of tenure security and evictions;
- Supply, and the potential role of changes to the tax system, particularly the tax treatment of non-corporate landlords;
- The need for effective, well-resourced public agencies to manage enforcement and compliance in the sector; and,
- The particular challenges faced by vulnerable households, including low income households, households with members who are people with disabilities, and Travellers, Roma and International Protection Applicants.

A summary of the consultation responses is attached in the appendices.

2. The Revenue Commissioners publish rental income statistics. In 2021 declared rental income was €3.2bn. See: <https://www.revenue.ie/en/corporate/documents/statistics/income-distributors/rental-income-2021.pdf>

The consultation process has been an invaluable source of information about the policy objectives, as experienced by consultees. In many instances the respondents, by describing their own circumstances, have helped underscore the importance of many of these objectives such as affordability and appropriate rental standards.

Complementing the consultation process are other important inputs which have informed this document. The Department has considered the experiences of public institutions including Government Departments, the local government system, the Housing Agency, the Residential Tenancies Board (RTB), in their respective roles interacting with the private rental market. The Department has also examined the growing body of Irish and international research in the area.³ As such, this review is grounded in the testimony of tenants and landlords, draws on findings produced by academia and by respected organisations, and is mindful of the State's experiences in recent years of responding to challenges across the housing domain. Also a wealth of information relating to stakeholder sentiment was captured and reported in 2023⁴. This robust research was conducted by Amárach on behalf of the RTB, information gleaned from this research has been utilised throughout the review.

Housing Commission

Shortly before the completion of this review, the report of the Housing Commission was received by the Minister for Housing, Local Government and Heritage and there are a significant number of actions in it which are appropriate to the rental market. A list of these actions are available at appendix iv.

Although it has not been possible to consider in detail the recommendations of the report in advance of the publication of this review, a number of the recommendations of the Commission align to recommendations arising from this private rental sector review and where this happens, reference is made to the Commission's report. The Housing Agency has been requested to carry out an analysis in terms of costings, timelines and prioritisation of the recommendations made in the report by the Housing Commission. Once that work is complete the Minister will bring policy recommendations to Government which may include specific recommendations on the rental sector.

3. Including the suite of papers produced under the joint research programme operated by the Department of Housing, Local Government and Heritage, and the Economic and Social Research Institute, which are available [here](#).

4. <https://www.rtb.ie/about-rtb/data-insights/research-statistics>



2

Composition of the Rental Market

Overview of the Sector

The private residential rental sector delivers vital housing services to our society. The sector provides a source of accommodation for households, often prior to their movement to other tenures; many people live in private rented housing during early adulthood, having left the parental home. As a flexible tenure form the sector contributes to worker and student mobility.

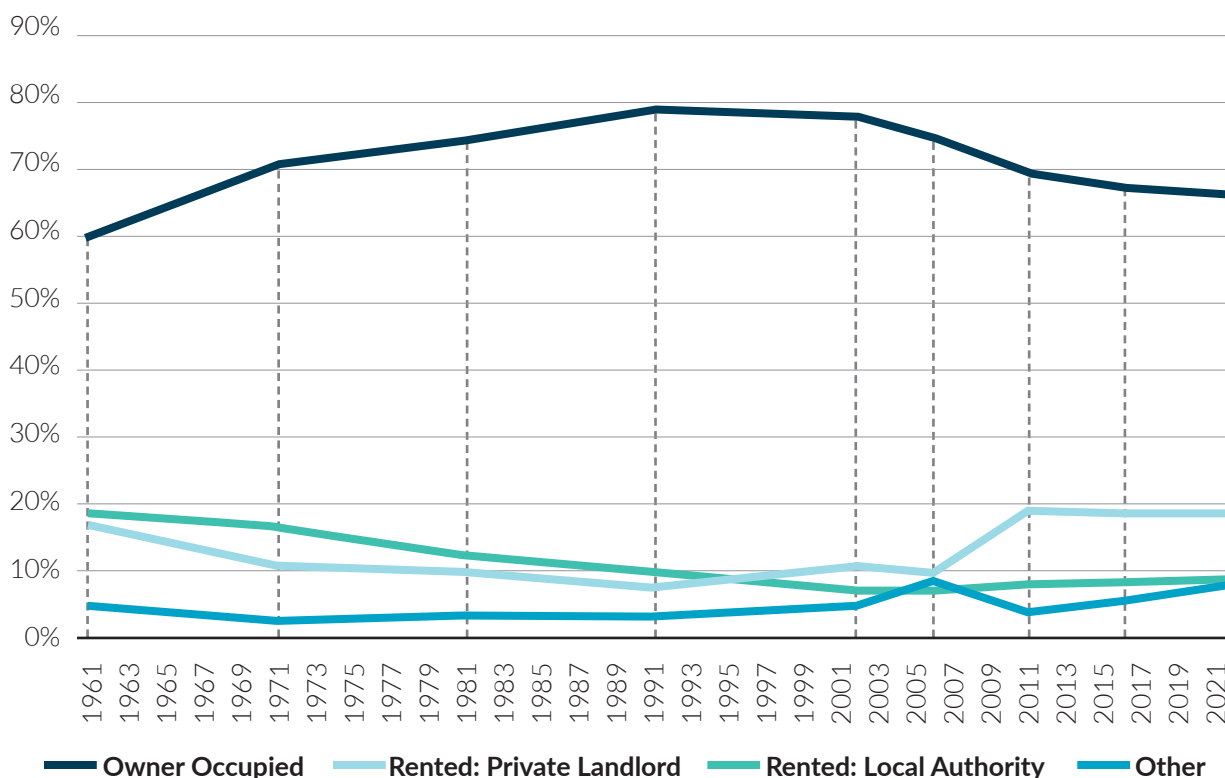
The sector also acts as an important adjunct to the social housing stock, as subsidies provide social housing supports to low income households renting a private market dwelling. The sector also acts as a form of macroeconomic ballast, in that it is less likely to amplify economic shocks in the same way the mortgaged ownership tenure does. A vibrant rental sector is also important in providing a flexible source of accommodation for a mobile international workforce.

The private rental sector, having declined in terms of total share during much of the 20th Century

to a nadir of about 8% of all private households in the early 1990s, has grown to accommodate 18% according to the 2022 Census.

Proportionally this is a large increase, especially given how slowly tenure shares tend to change over time. In absolute terms this growth is even more striking, as the sector has more than quadrupled from 81,000 households in 1991 to 330,000 households in 2022. Table 1 below highlights the substantial increase in the Private Rental Market from 2006 to 2022.

Graph 2: Proportion of Households by Tenure, 1961-2022

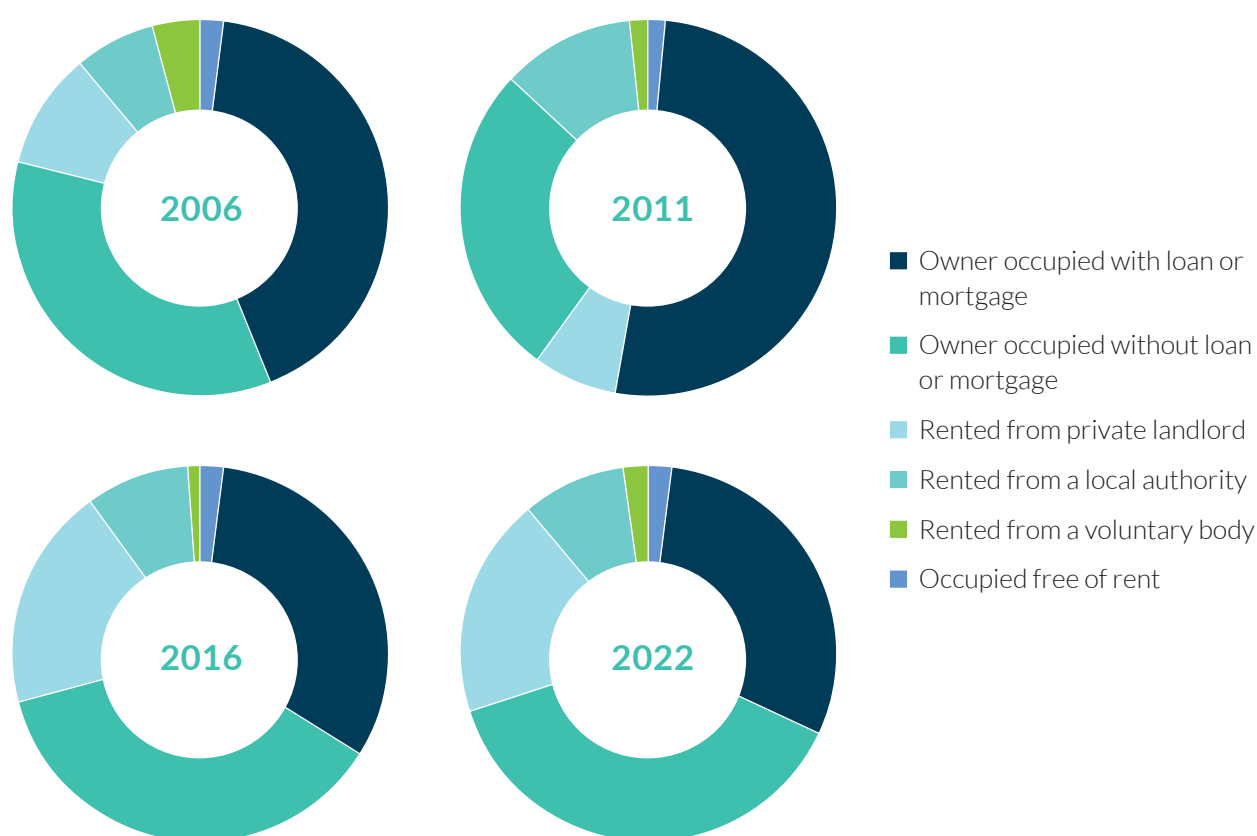


Source: Central Statistics Office, Census of Population 1961 to 2022.

Table 1: Total Private Households by Nature of Occupancy, 2006 - 2022

	2006	2011	2016	2022
Owner occupied with loan or mortgage	593,513	583,148	535,675	531,207
Owner occupied without loan or mortgage	498,432	566,776	611,877	679,718
Rented from private landlord	145,317	305,377	309,728	330,632
Rented from a local authority	105,509	129,033	143,178	153,192
Rented from a voluntary body	50,480	14,942	16,765	29,880
Occupied free of rent	21,701	25,436	27,440	31,864

Source: Based on CSO Census 2022

Information from Table 1 set out as Pie Chart, Nature of Tenure (%), by Year

Breakdown of Private Rental Tenancies

The private rental sector has for many decades been considered to be a primarily transitional tenure for a diverse set of households, including students, mobile workers, young adults sharing a home and so forth. Demographic changes are often

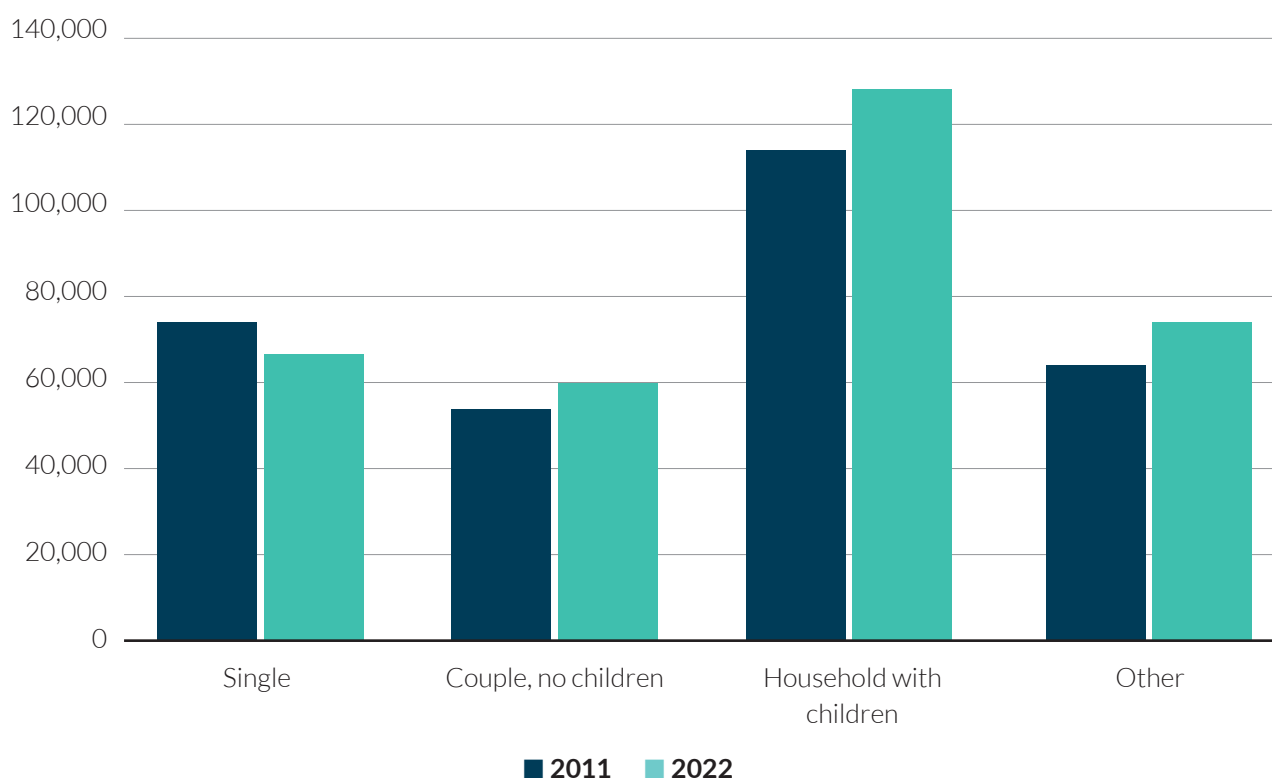
most pronounced within the private rental sector, as it is the most flexible tenure. As of Census 2016 the proportion of households in the private rental sector headed by a non-Irish national was just under 40%; a proportion which seems likely to have grown in the intervening years. Other important changes to the composition of the private rental

sector have also occurred. Over the last 15 years or so, there has been a very considerable change in the demographic profile of households renting in the private market, in that the types of household renting in the private market is increasingly similar to those in homeownership, when age is taken into account. In particular, the number of renting households with children has grown considerably in recent decades; according to Census 2022 almost 40 % of households renting in the market include children; Graph 3 shows the considerable increase in such households among households renting privately, over 15,000 additional households from 2011 to 2022.

The households living in the private rental sector are, in many ways, representative of wider society. For instance, the household income profile of the

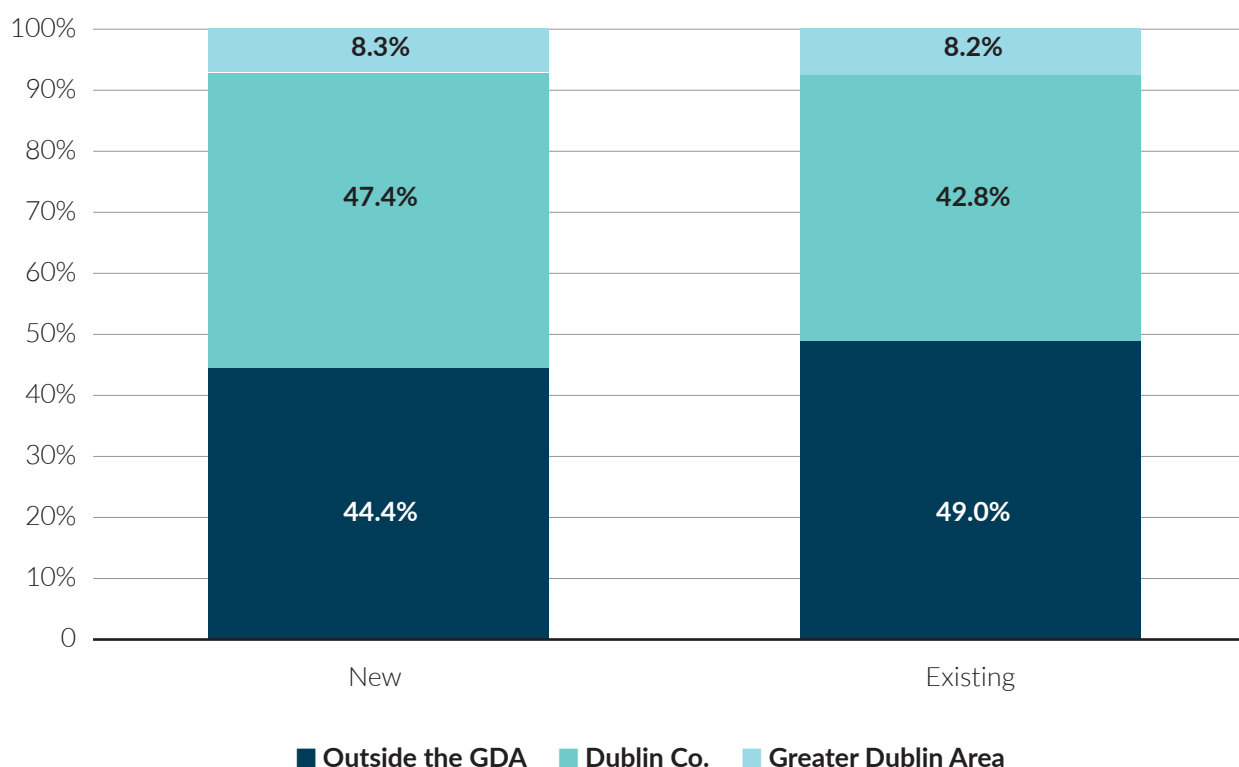
tenants is close to the national income distribution, as the sector includes large volumes of low, medium and high income households. Although concentrated in larger cities, the tenure is present at considerable scale across the country. In Meath, for instance, which is the local authority with the lowest proportional share of private rental, that share was 12.5% in 2022. The local authority with the highest share of private rental in 2022 was Galway City, with 35.5%. Graph 4 illustrates Dublin and the GDA accounted for 55.7% of all new tenancies and 51.0% of existing tenancies registered with the RTB in Q4 2023. In Q4 2023, 60.7% of new tenancies in Ireland were either flats or apartments. In Dublin, the proportion of new tenancies for flat or apartment type accommodation stretched to 81.2%.

Graph 3: Family Composition of Households Renting from a Private Landlord, 2011-2022



Source: Central Statistics Office, Table PxStat F3018, Census 2022.

Graph 4: RTB Rent Index - Share of Tenancies by Region – New vs Existing Tenancies (Current Quarter – Q4 2023) (%)



Source: RTB/ESRI Rent Index Q4 2023

Social Housing Supports in the Private Rental Market

A significant number of social housing tenants are also supported in the private rental market through the Housing Assistance Payment (HAP) and the Rental Accommodation Scheme (RAS). Significant Exchequer funding is provided to support social housing tenants in the private rental market, with 73,505 households supported in a HAP or RAS tenancy at the end of 2023. Over €630m in funding was allocated by Budget 2024 to fund these schemes in 2024.

Under the HAP scheme, tenants source their own accommodation in the private rented market. The accommodation sourced by tenants should be within the prescribed maximum HAP rent limits, which are based on household size and the rental market within the area concerned. However,

flexibility is allowed to these limits in certain circumstances. Since July 2022, each local authority has statutory discretion to agree to a HAP payment up to 35% above the prescribed maximum rent limit and for new tenancies to extend the couple's rate to single persons' households. Discretion can be increased up to 50% above the prescribed maximum rent limits for Homeless HAP tenancies in Dublin. It should be noted that it is a matter for the local authority to determine whether the application of the flexibility is warranted on a case-by-case basis and also the level of discretion applied in each case.

Rent Supplement is another payment which helps to support private market renters who cannot provide for the cost of their accommodation from their own resources. Data published by the Department of Social Protection⁵ states that there were 8.064 recipients of Rent Supplement in 2023.

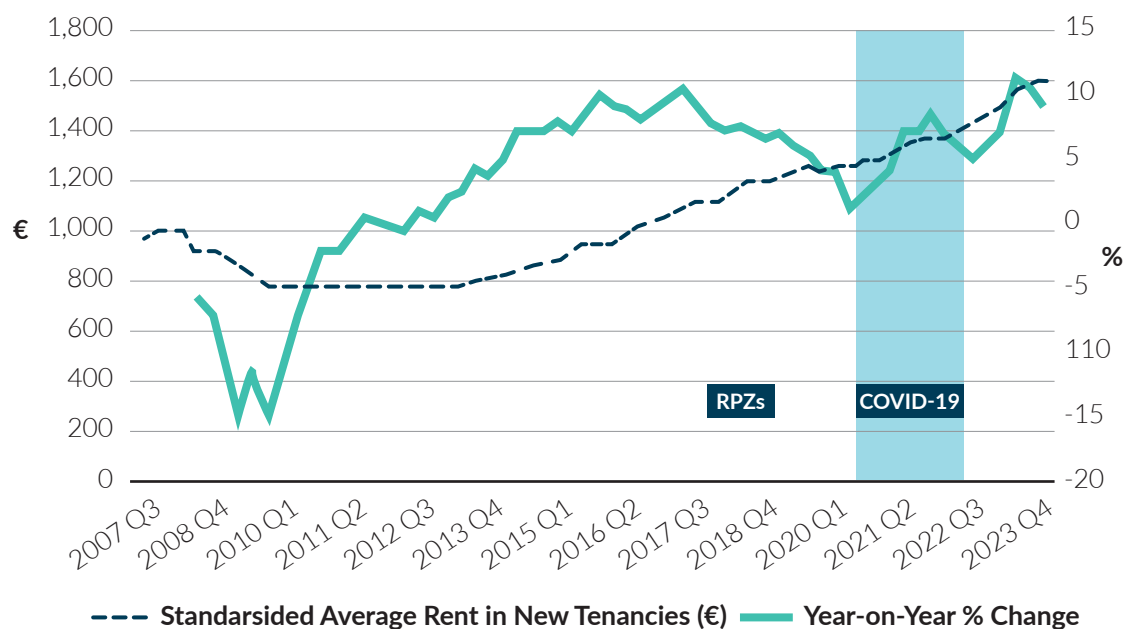
5. Statistical Information On Social Welfare Services Annual Report 2022, [Annual Report 2022](#)

State Supported Tenancies in the Private Rented Market				
Year	Rent Supplement Tenancies	RAS Tenancies	HAP Tenancies	Total Tenancies
2014	71,533	20,473	485	92,491
2015	61,247	20,834	5,853	87,934
2016	48,041	20,306	16,493	84,840
2017	34,378	19,756	31,228	85,362
2018	24,303	18,916	43,443	86,662
2019	16,781	18,154	52,529	87,464
2020	19,304	17,682	59,821	96,807
2021	13,401	17,183	61,907	92,491
2022	9,731	16,653	59,258	85,642
2023	8,064	16,657	56,848	81,569

The Cost of Renting

Rents have persistently risen in the past decade, coinciding with the beginning of the economic recovery in 2013. Though the COVID-19 pandemic brought a moderation, there have been marked increases since then. Having initially peaked at just under €1,000 per month in early 2008, rents for new tenancies fell considerably as the financial crisis occurred. When the economy began to recover in 2013, new tenancy rents started trending upwards in a consistent and strong fashion. The onset of the Rent Pressure Zone (RPZ) legislation in late 2016 (at that time limiting rent price growth to 4% or less in designated areas) was associated with a declining level of inflation nationally. While that moderation was gradual, a more rapid decline in inflation occurred during the early period of the COVID-19 pandemic in 2020 as the Irish economy and society experienced various levels of restrictions.

The annual inflation rate for new rental tenancies remained below the pre-pandemic level of inflation until Q1 2021. As the economy recovered from the initial impacts of the pandemic throughout 2021, rents began to increase at a faster pace, where the sharp increase in inflation in the final quarters of 2021 marked a return to levels of rental price inflation last recorded in 2017 for new tenancies. The Economic & Social Research Institute (ESRI) has suggested that most likely reflects strong pressure from demand and supply side factors and continues to persist. (Rent Index Q4 2023).

Graph 5: Standardised Average Rent in New Tenancies (€) and Year-on-Year Rate of Change (%) – National

Source: RTB/ESRI Rent Index Q4 2023

Quarterly Rent Index

The RTB Rent Index report is the most accurate and authoritative rent report of its kind on the private rental sector in Ireland. This Index is designed to measure developments in rental prices faced by those taking up new tenancies in the private rental sector and more recently utilising Annual Registration data, existing tenancy rent price developments. Compared to other market monitoring reports produced for the Irish rental sector, the RTB Rent Index has the considerable benefit of being based on regulatory data covering all new tenancy registrations regardless of how the property was advertised for rent.

For Q2 2023, the RTB published the Existing Tenancy Rent Index for the first time, whereas up to this time, statistics were just published where New Tenancies had been registered. The Existing Tenancy Rent Index indicators provide insights into the rents paid by sitting tenants. Therefore, the most recent Index, Q4 2023 Rent Index Report includes information on rent levels in existing

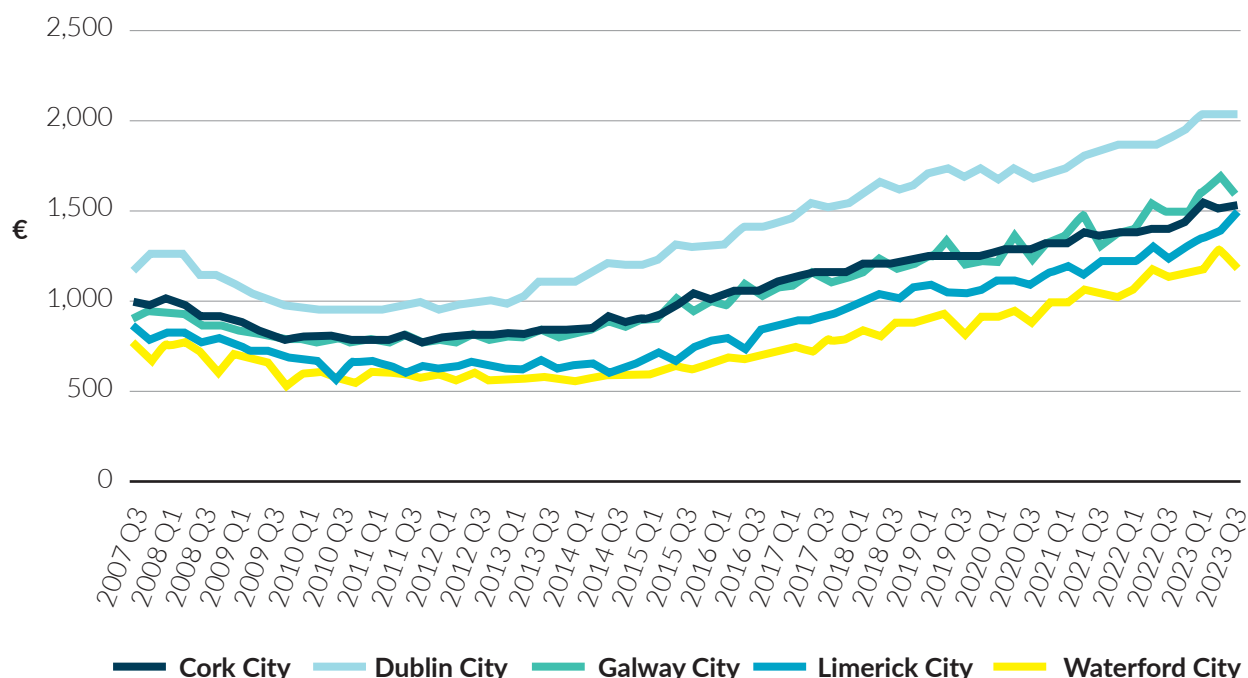
tenancies, as well as new tenancies. Rent levels in existing tenancies are lower than in new tenancies: Nationally the standardised average rent in Q4 2023 was higher for new tenancies than for existing tenancies (€1,595 vs €1,374), a difference of €221 or 14.8% per month. Nationally, rent levels in both new and existing tenancies have increased, Nationally, in Q4 2023 the standardised average rent in new tenancies grew by 9.1% year-on-year and in existing tenancies grew by 5.9%. In Q4 2023, the level of standardised average rents for new tenancies in Dublin stood at €2,098 per month compared to €1,569 per month in the Greater Dublin Area (excluding Dublin) and €1,225 Outside the GDA. The standardised average rent for existing tenancies in Dublin stood at €1,805 per month in Q4 2023, €293 per month lower than for new tenancies. In Q4 2023, the level of standardised average rents for existing tenancies stood at €1,330 in the GDA (excluding Dublin), €239 per month lower than for new tenancies and €1,003 Outside the GDA, €222 per month lower than for new tenancies.

Table 2: Q4 2023 Rent Index Overall Figures Summary Table Standardised Average Rent Change

	New Tenancies			Existing Tenancies		
	Standardised Average Rent Q4 2023	Q-o-Q Change (%)	Y-on-Y Change (%)	Standardised Average Rent Q4 2023	Q-o-Q Change (%)	Y-on-Y Change (%)
All Property Types						
Dublin	2,098	-0.8	6.5	1,805	1.0	5.1
Non-Dublin	1,280	-0.1	12.7	1,051	0.3	6.2
GDA	1,569	1.3	9.4	1,330	0.7	4.6
Outside GDA	1,225	-1.9	12.6	1,003	-0.1	6.6

Table 3: RTB Rent Index Irish Cities Q4 2023

Standardised Average Rent (€), Quarterly Change (%) and Annual Change (%) for New vs Existing Tenancies						
	New Tenancies			Existing Tenancies		
	Standardised Average Rent Q4 2023 (€)	Q-o-Q Change (%)	Y-on-Y Change (%)	Standardised Average Rent Q4 2023 (€)	Q-o-Q Change (%)	Y-on-Y Change (%)
All Property Types						
Cork City	1,532	1.7	9.3	1,299	0.5	5.0
Dublin City	2,030	-0.2	6.9	1,750	0.7	4.5
Galway City	1,581	-6.5	6.4	1,302	-4.0	6.1
Limerick City	1,514	8.8	22.1	1,121	0.1	5.5
Waterford City	1,174	-8.1	5.0	938	-1.0	5.4

Graph 6: RTB Rent Index - Evolution of Standardised Average Rent in New Tenancies (€) for Irish Cities

Source: RTB/ESRI Rent Index Q4 2023

The standardised average rent for new tenancies was highest in Dublin City at €2,030 in Q4 2023, followed by Galway City at €1,581. In Dublin, in Q4 2023 only 3.3% of new tenancies and 6.2% of existing tenancies had a monthly rent level of €1,000 or less. In Dublin, 47.5% of new tenancies paid over €2,000, compared to 31.7% of existing tenancies. Outside the GDA, the share of new tenancies facing rents above €2,000 was only 6.0%, while the corresponding share for existing tenancies was 1.5%.

Taking a typical two-bedroom house, the standardised average rent in new tenancies in Dublin stood at €1,922 per month in Q4 2023. The standardised average rent in new tenancies in Q4

2023 for a two-bedroom house stood at €1,433 and €1,101 in the GDA and Outside the GDA respectively. The standardised average rent for a two-bedroom house in Dublin for existing tenancies stood at €1,710 per month in Q4 2023, €212 per month lower than for new tenancies. Taking a typical two-bedroom apartment, the standardised average rent in new tenancies in Dublin stood at €2,207 per month in Q4 2023. The standardised average rent in new tenancies in Q4 2023 for a two-bedroom apartment stood at €1,508 in the GDA. The standardised average rent for a two-bedroom apartment in Dublin for existing tenancies was €1,890 per month in Q4 2023, €317 per month lower than for new tenancies.

Table 4: RTB Rent Index - Regional, Regional Houses and Regional Apartments: Index, Standardised Average Rent in New Tenancies (€), Quarterly Change (%) and Annual Change (%)

	Standardised Average Rent Q4 2023 (€)	Q-o-Q Change (%)	Y-on-Y Change (%)	Standardised Average Rent Q4 2023 (€)	Q-o-Q Change (%)	Y-on-Y Change (%)
	New Tenancies			Existing Tenancies		
All Property Types						
Dublin City	2,098	-0.8	6.5	1,805	1.0	5.1
Non-Dublin	1,280	-1.0	12.7	1,051	0.3	6.2
GDA	1,569	1.3	9.4	1,330	0.7	4.6
Outside GDA	1,225	-1.9	12.6	1,003	-0.1	6.6
Houses						
Dublin City	2,305	-3.6	7.3	1,982	0.8	5.4
Non-Dublin	1,312	-2.0	13.3	1,071	0.1	6.4
GDA	1,656	-1.2	7.0	1,407	0.6	4.8
Outside GDA	1,259	-2.5	13.8	1,020	-0.2	6.8
Apartments						
Dublin City	2,079	-0.4	5.9	1,813	1.1	5.0
Non-Dublin	1,240	-0.1	11.6	1,038	0.6	6.0
GDA	1,454	3.4	11.3	1,259	1.7	5.3
Outside GDA	1,184	-1.5	10.6	991	-0.2	6.2

Source: RTB/ESRI Rent Index Q4 2023

Profile of Landlords and Notices of Termination

There has been considerable commentary in recent years in relation to the exit of landlords from the rental market for a number of reasons, including taxation, low profits and the regulatory environment. The rise in house prices over recent years has enabled some landlords exit negative equity and others may be at a stage where they wish to retire and use such equity as part of their pension. As a consequence, they may have taken the opportunity to unwind their investments. Survey evidence gives some weight to these assertions and research conducted on behalf of the RTB in 2022 found that some landlords felt that taxation is too high on rental income and being a landlord was not profitable for them. The Housing Commission, in their report, has also called for a reform of the tax treatments of landlords to encourage existing landlords to remain in the market and and to encourage new entrants. The Commission also recommended that consideration be given to further reforms, including the introduction of a standard tax rate for rental income, which it suggests should be linked to properties remaining in the sector for longer periods of time and to energy efficiency upgrades.

The tables below show profile information on landlords, based on the numbers of tenancies they hold. Table 5 depicts September 2021 and more recent data in Table 6 from December 2023, shows changes in the distribution of tenancies between small, medium and large scale landlords.

In September 2021 large landlords, with 100 or more tenancies, provided an estimated 6.45% of private tenancies registered with the RTB. In December 2023, the share of tenancies which large landlords were associated with grew to almost 11% of private tenancies registered with the RTB. This indicates that over the period, the proportion of tenancies associated with larger landlords (100+) increased by almost 70%, while at the same time, the number of small landlords (1-2 tenancies) has dropped by over 12%. In September 2021, almost 86% of landlords had either one or two tenancies accounting for over 50% of the overall number of registered tenancies.

In December 2023, the percentage of tenancies for which landlords with one or two properties registered with the RTB were associated with, fell to just under 40%.

Table 5: Landlord Profile September 2021

Number of Tenancies	Total Number of Landlords associated with private tenancies*	% of registered Landlords	% of registered Tenancies
1-2	147,665	85.83%	51.55%
3-19	23,549	13.68%	34.22%
20-100	734	0.43%	7.78%
100+	79	0.05%	6.45%
	172,027	100%	100%

Table 6: Landlord Profile – December 2023

Number of Tenancies	Total Number of Landlords associated with private tenancies*	% of registered Landlords	% of registered Tenancies
1-2	82,593	81.69%	39.05%
3-19	17,633	17.44%	38.86%
20-100	783	0.77%	11.46%
100+	98	0.10%	10.64%
	101,107	100%	100%

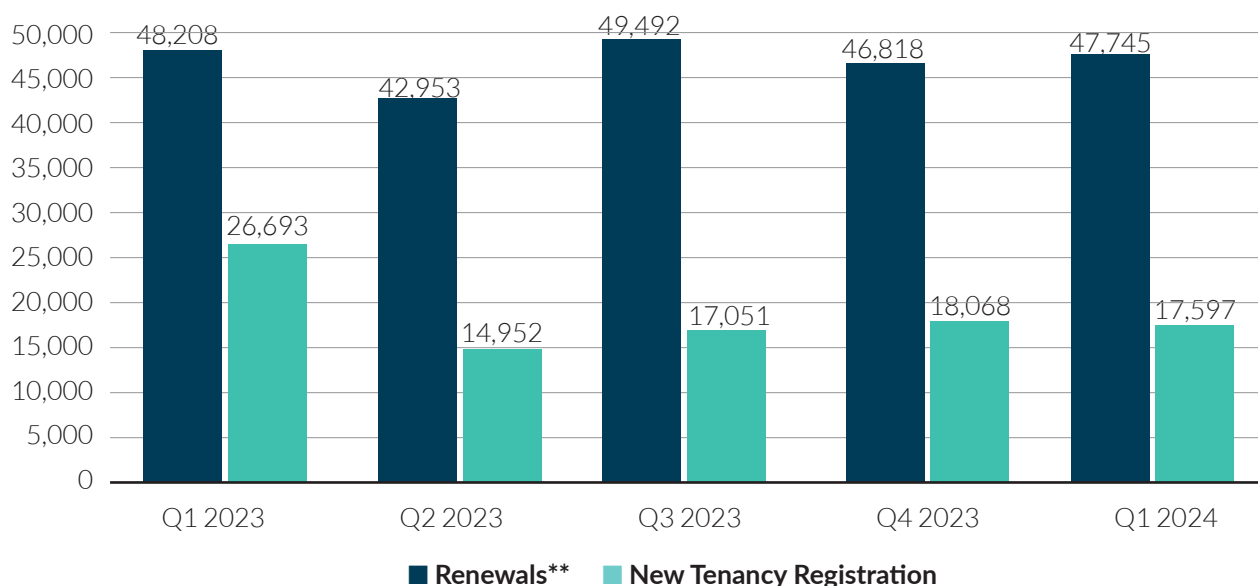
* Multiple landlords can be associated with a single tenancy. One tenancy does not equal one landlord.

The situation with regard to the numbers of landlords leaving the market remains somewhat unclear. Although data available on this matter is improving, it is difficult to ascertain with certainty the change in the levels of landlords involved in the market over the years. Prior to the introduction of Annual Registration in April 2022, landlords had no requirement to register any tenancy annually and therefore, multiple tenancies associated with a landlord may have been present on the register in error. Nonetheless, comparing the figures from September 2021 and December 2023 does provide an indication of the state of the market at that time and can be used to view trends in the market in terms of landlord size. This make up of landlords by size will be monitored over time and will provide ongoing information on the changing profile of landlords in the market allowing a better assessment as to why this might be occurring.

Rental market churn or entries and exits from the rental market has historically been difficult to track. However, in recent times, access to information relating to the Annual Registration

of tenancies and new tenancy registrations have become available from the RTB. Annual registration is the requirement for landlords to register their tenancies every year on the anniversary of the date the tenancy began. Previously, tenancies were only required to be re-registered when all of the have tenants vacated and new tenants moved in, or every 6 years in a scenario where the same tenants remained for a long period. Since April 2022, all tenancy registrations, irrespective of if the previous registration is ongoing, will be due an annual registration on the next anniversary of the date that tenancy began.

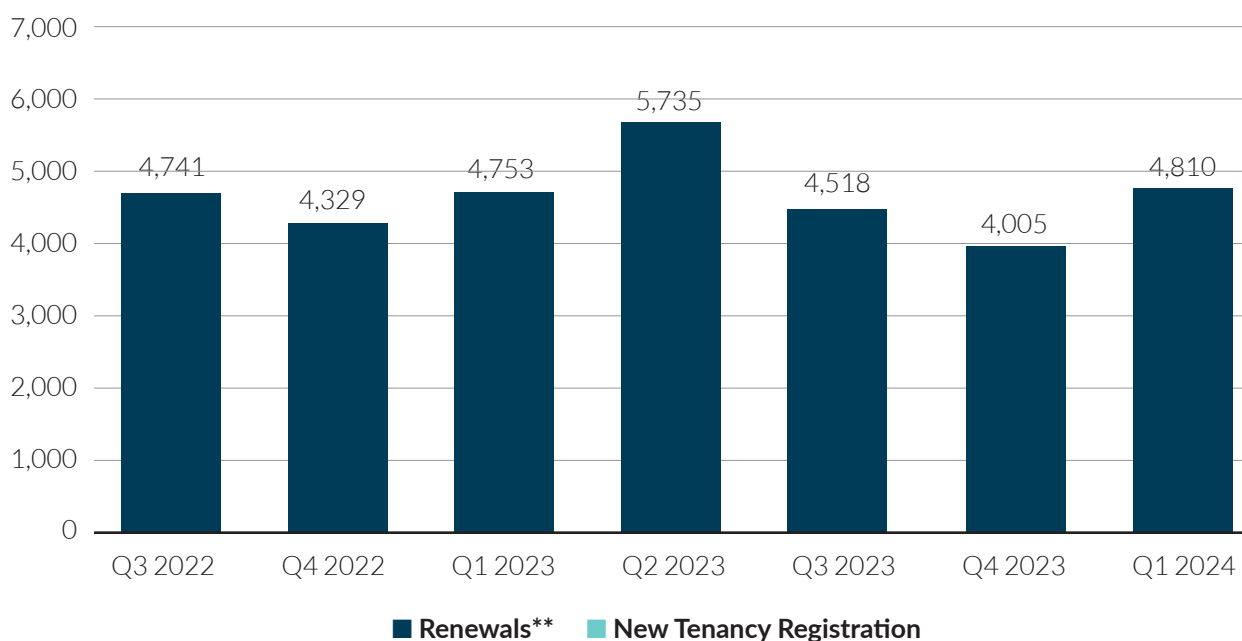
For 2023, there was approximately 187,000 applications for Annual Registrations and approximately 77,000 applications for New Tenancy Registrations.

Graph 7: RTB Private Tenancy Registration Volumes Q1 2023 and Q1 2024

Source: RTB Q1 2024 Data Bulletin



Since July 2022, new legislation came into effect that requires landlords to send a copy of all Notices of Termination (NoTs) to the RTB on the same day the NoT is served on the tenant, as opposed to the previous requirement to notify the RTB within one month of the tenancy ending. While data from the RTB for 2023 indicates there were 19,011 Notices of Termination received by the RTB for 2023, it should be noted preliminary data indicates that not all of these NoTs would have resulted in an eviction, and in approximately 20% of cases, the tenancies continue.

Graph 8: Notices of Termination Received by the RTB, Q3 2022 - Q1 2024

Source: RTB Q1 2024 Data Bulletin

From data based on information submitted to the RTB, the number of Notices to Terminate (NoTs) received by the RTB for Q1 2024 was 4,810. Of the NoTs issued, 58% related the landlord's intention to sell the property and 18% related to the landlord requiring the property for his own use or that of a family member. Only 15% of the NoTs related to a breach of tenant obligations.

The RTB undertook an analysis of approximately 3,000 NoTs issued to tenants in Quarter 4 of 2022, due to the landlord's intention to sell the property. This analysis examined the level of rent charged on the properties in comparison to the standardised rent for the Local Electoral Area (LEA) where the property was located. In the vast majority of LEAs, the rent being charged on the tenancy was lower than the average standardised rent for this area. For example, in Clondalkin, South County Dublin, 31 tenancies were terminated due to the landlord's intention to sell the property, with the average rents in these properties 19% (€328) lower than the average standardised rent for that LEA. This analysis provides some weight to suggestions that a driver for some landlords exiting the market is the fact that they are unable to charge market rent due to the existence of the Rent Pressure Zones. However, the data does cover a limited period of time and the Department will continue to work with the RTB to monitor trends in this area.

Measures to Ease the Pressure on Private Rental Market

Rent Pressure Zones

Rent Pressure Zones were introduced in December 2016, due to rapidly accelerating rental inflation in the private residential rental sector and the need to control rents in certain areas with high rental demand. High rent inflation occurred on foot of a confluence of factors that resulted in an undersupply of both rental and owner-occupier housing and growing demand due to demographic household formation in a recovering economy.

In an attempt to limit the rate of rent inflation, rent controls were provided under sections 33 to 36 of Part 3 of the Planning and Development (Housing) and Residential Tenancies Act 2016. The annual rate of increase in rents was limited to 4% p.a. in areas designated as Rent Pressure Zones (RPZs)



Rent Pressure Zones were introduced in December 2016, due to rapidly accelerating rental inflation in the private residential rental sector and the need to control rents in certain areas with high rental demand.

that have experienced sustained and high rental inflation.

The Residential Tenancies (No. 2) Act 2021 enacted in July 2021 restricted any rent increase in a Rent Pressure Zone (RPZ) from exceeding general inflation, as recorded by the Harmonised Index of the Consumer Price (HICP). To address the rent affordability challenges building on foot of the unexpectedly fast rising inflation rate, as recorded by HICP, the Residential Tenancies (Amendment) Act 2021 provides, from 11 December 2021, a cap of 2% per annum pro rata on rent increases in RPZs, where the inflation rate is higher. In effect, this will mean that rents in RPZs may only increase by a maximum of 2% per annum pro rata during times of higher inflation.

The Residential Tenancies (No. 2) Act 2021 also introduced measures to extend the operation of RPZs until the end of 2024. The designation of all existing RPZs has also been extended until 31 December 2024. The Act provides that rent reviews outside of RPZs can, until 2025, occur no more frequently than bi-annually. This provides rent certainty for tenants outside of RPZs for a minimum 2-year period at a time. Approximately 80% of renters live in areas designated as RPZ's.

In all cases, section 19(1) of the Residential Tenancies Acts 2004-2022 prohibits the setting of a rent that exceeds market rent.

The market rent for a tenancy of a dwelling, means the rent which a willing tenant not already in occupation would give and a willing landlord would take for the dwelling, in each case on the basis of

vacant possession being given, and having regard to—

- (a) the other terms of the tenancy, and
- (b) the letting values of dwellings of a similar size, type and character to the dwelling and situated in a comparable area to that in which it is situated

The impact of RPZs appears to show they have had a moderating effect on rental costs. In June 2019, the RTB published a report, prepared by the ESRI, entitled Trends in Rental Price Inflation and the Introduction of Rent Pressure Zones in Ireland. The main findings of the report show that rent inflation in RPZs has fallen relative to other areas since the introduction of the RPZ legislation. The magnitude of the moderation in rent inflation nationally has been in the order of 2-3% per annum.

Increased Housing Supply

Housing for All aims to increase the supply of housing through the delivery of an average of 33,000 new homes per annum in the period 2022-2030. This includes the provision of social and affordable homes as well as homes for private purchase and rental.

Targets to deliver an average of 6,000 homes for affordable purchase and rental will support households currently in the private rental market to purchase an affordable home and to access more affordable rental properties. The delivery of an average of 10,000 new build social homes will reduce the reliance on the Housing Assistance Payment to accommodate households on the social housing list. As social housing supply increases, there is evidence of increasing numbers of transfers from HAP supported tenancies in the private rental



market to social housing stock, operated by local authorities and Approved Housing Bodies. Data provided by the HAP Shared Services Centre indicated over 4,600 transfers from HAP to social housing stock in 2023. These transfers should continue in the coming years as the stock of social housing increases.

Increasing supply of Student Specific Accommodation

The Government and third level institutions are investing in student accommodation to reduce the extent to which student and non-student households are competing for similar units. This Student Accommodation Long Term Policy has been agreed by Government and demonstrates a new policy approach for construction of Purpose Built Student Accommodation (PBSA) and reduction in students' reliance on the private rental market. It also commits to a policy focus on construction of new accommodation, repurposing vacant properties, improving transport links and promoting the use of digs accommodation. The principle of this policy is to free up private rental accommodation by providing student specific alternatives. This dual benefit policy will make fit for purpose accommodation available for students and therefore increase housing availability for private individuals and families. Overall, in excess of 12,000 student beds have been granted planning permission but have not yet commenced construction, and some of these could be targeted to ensure delivery in the shortest possible time frames, having regard for the need to achieve balanced regional development in line with National Planning Framework objectives. Works have already commenced on privately owned sites which will deliver 2,567 units of accommodation, which will become available in the coming years. Additional capacity in student accommodation could assist the private rental sector by increasing supply and alleviating demands on the market.

Vacant Homes

According to Census 2022, during the period between 2011 and 2016 the number of vacant dwellings started to decline due to constricted growth in the housing stock. Census 2022 estimates that over 163,000 dwellings were vacant on the night of the Census. Rental properties

accounted for over 33,000 vacant dwellings on the night of the census. This will without doubt include some dwellings that were vacant for a short period but notwithstanding this, it is critically important to bring any vacant housing stock back into use.

Housing for All includes a suite of actions to tackle vacancy and bring vacant dwellings back into use as homes, which will ease supply pressures. It is expected that a proportion of properties brought back into use will be made available for rent.

Improved Regulation of Short Term Lettings

The Department of Housing, Local Government and Heritage recognises the issues arising from significant numbers of properties being used for short-term letting rather than for the long-term rental market. The Government's key aim is to ensure that an adequate level of private rental accommodation can be provided, particularly in urban areas of high housing demand, and that such accommodation is not overly diverted to the short-term letting sector at the expense of local people seeking long-term rental accommodation. The Registration of Short-Term Tourist Letting Bill (STTL Bill) which provides for the establishment of a new registration system for short-term letting to be operated by Fáilte Ireland in line with the commitment under *Housing for All* is being led by the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (DTCAGSM). The proposed STTL Bill remains the subject of ongoing engagement with the EU Commission in accordance with the Technical Regulations Information System (TRIS) EU Directive 2015/1535. However, it is expected that the TRIS process will conclude shortly, with the publication of the STTL Bill in the period thereafter. The Department of Housing Local Government and Heritage is currently developing Planning Guidelines for the Short-Term Letting sector to supplement the introduction of the STTL Bill. This guidance will provide clarity and certainty on the planning permission requirements in respect of short-term letting properties. It is intended that a draft of the updated guidelines will be published simultaneously with the publication of the STTL Bill by DTCAGSM in order that property owners will have a greater understanding of the planning requirements well in advance of the final enactment of the STTL Bill.

A photograph of a modern multi-story apartment building. The building features a mix of teal-colored vertical panels and light-colored brickwork. It has numerous windows, some with balconies, and a flat roof with a teal edge. The sky is blue with white clouds. A large white number '3' is overlaid on the right side of the image.

3

Sectoral Policy Objectives

A number of key principles are required to ensure a well-functioning private rental market:

- **Economic conditions which support investment in the private rental market;**
- **Security of tenure;**
- **Affordability;**
- **Ensuring standards for rental properties are appropriate; and**
- **Ensuring appropriate and effective regulation to protect the rights of tenants and landlords.**

It is important that the Government's objectives for the private rental sector are clear and well understood by all parties, before any policy levers are considered. The overarching perspective of the review is to ensure we have a system of market rental in Ireland which provides certainty and fairness to both renter and property provider.

3.1 Economic conditions which support investment in the sector

As highlighted earlier, CSO census data from 2022 indicates a growing private rental market, with 330,000 households in private rented accommodation. Over the coming decades a large investment in private rental housing will be essential. Urbanisation, employment opportunities, changing demographics, and the impetus under the National Planning Framework toward compact development will require more rental stock in and around urban centres. Changes to household sizes may require a different mix of units. In addition, the Central Statistics Office's population projections foresee considerable population growth over the coming decades, even under the most conservative assumptions.

The ESRI is currently undertaking work to determine the impact of projected population growth on housing need, which will naturally include an increase in the rental stock. Existing policies should be assessed to ensure that they support the retention of existing stock within the rental market.

The Housing Need and Demand Assessment (HNDA) Framework captures information on the operation of the housing market to assist local authorities develop policies on new housing supply, management of existing stock and provision of housing-related services. A review of the HNDA

Tool and Framework is currently underway. This will be underpinned by research from the ESRI including data from Census 2022 and will be combined with other assumptions relating to affordability and data on income, rents and house prices at local authority. The data underpinning the updated ESRI research will support the revision to the National Planning Framework strategy and inform any revision of housing targets. As part of this work therefore, it will be important to consider, and review as required, demand projections for the private rental sector that adequately reflect the needs of the sector. Early indications from this work show there could be a significant number of new private rental properties required to meet demand in the coming years. This could be in the region of 7,000-10,000 units per annum over the next 5-6 years, even using conservative estimates.

The National Planning Framework envisions future patterns of settlement growth and development which are sustainable and compact. In many areas this will necessitate a sustained increase in the supply of apartments, many of which will enter the rental market. For several reasons, apartment development is often more complex and challenging than building houses. However, apartments are an important aspect of future urban development and is heavily reliant on investor involvement. The sustainable delivery of new apartment developments is vital to meet both short-term and long-term demand and deliver objectives under the National Planning Framework for the compact spatial development and densification of Ireland's cities. Viability challenges are a significant issue for high density apartment development, caused by high apartment construction costs, planning density requirements inflation and interest rates⁶. A report published by the Society of Chartered

Surveyors Ireland (SCSI) in 2021 indicated that the total development costs of medium rise apartments ranged from €411K to €619K including VAT. The fact that a large proportion of new rental properties will be apartments in the urban areas, highlights the need for increased institutional investment. A range of measures are underway under *Housing for All* to address construction costs and to support the viability of apartment development. It is important that potential investors, domestic or international, regard our rental sector as a candidate for investment which offers regulatory stability and a reasonable return on investment.

The Total Development Cost Study, building upon the foundation laid by the Residential Construction Cost Study published in May 2023, represents a comprehensive effort to gain insights into further residential development costs in Ireland. This extended study leverages insights gleaned from the residential cost analysis to delve deeper into the broader spectrum of development costs. By expanding its scope beyond construction expenses to include 'soft' costs, such as land acquisition, finance costs, planning charges, professional fees, and development levies/contributions, the study aims to provide a holistic understanding of the financial landscape of residential development projects. Additionally, the study underscores the importance of standardisation within the construction sector, advocating for consistent methodologies in cost estimation and project execution. Through this integrated approach, the Total Development Cost Study seeks to furnish stakeholders with valuable insights that can inform decision-making processes and promote efficiency and transparency within the industry.

The Housing Agency has considerable experience in assessing the development of rental properties through its role in administering Cost Rental funding schemes. To inform this review, the Agency has prepared a number of sample models which set out an estimate of the likely rent levels required in new build properties for the scheme to be viable. The models are based on typical schemes considered by the Agency, with construction costs based on the level of costs being seen by the Agency in the administration of the Cost Rental schemes. The models include assumptions that the level of maintenance costs and vacancy levels are at

industry norms.

Given the focus on increased density and the fact that the majority of new rental supply will be required in the Dublin and other cities, the models are focussed on sample apartment developments in the Dublin region. Two of the three models prepared by the Agency relate to typical private developments with the third an AHB development, with the rent calculation based on a development where no State subsidy is provided. The table below sets out the three examples for a two-bedroom apartment.

Model	Construction Cost (2-Bed Apartment)	Net Yield	Rent (monthly)
Private development 1	€530,000	4.8%	€2,800
Private development 2	€510,000	5.2%	€2,832
AHB development	€462,000	5%	€2,555

Ultimately, the level of construction costs, investment return required and the market rent will vary from scheme to scheme. Nevertheless, this modelling highlights the challenge of delivering new rental properties that are affordable to those seeking rental properties. If developers are not confident that there is a market for properties, there is a major challenge to increase supply to required levels. This viability challenge underscores the importance of reducing development costs and the importance of delivering many of the measures set out in *Housing for All* aimed at reducing costs.

Development costs also highlight the importance of continued investment in Cost Rental, to ensure that there is an increased supply of homes at more affordable rental levels.

On the 18 June 2024, the Department of Finance published a report on the Availability, Composition and the Flow of Finance for Residential Development. To support this report the Department of Finance conducted a review and a remodelling exercise which adjusted for increases in costs related to housing delivery costs. The Report estimates that the total development funding required to meet the Housing for All

6. <https://www.gov.ie/en/publication/7a4b7-project-emerald-residential-funding-report/>

average target of 33,000 homes has increased to €13.6bn. With the review of the National Planning Framework, the Housing for All targets are set to be revised and the Department of Finance will produce a new development finance model encapsulating the revised targets. The report looks at a scenario involving a target of 50,000 homes per year. An increase in targets would involve an increased funding requirement of €20.4b per annum.

The Land Development Agency (LDA) was created in 2018 to improve the supply of affordable homes through the development of State and other lands. It has received capital commitments of approximately €1.25bn, with a mandate to raise a further €1.25bn from private sources. Under *Housing for All*, a commitment has been made to seek a further €1bn from private sources but this is subject to further approvals at a State level. In addition, as part of Project Tosaigh which was launched in December 2021, the LDA is actively seeking to acquire approximately 5,000 residential units by 2026 from third party developers under forward purchase contracts. These units will be released to the market as affordable housing either through shared equity sales or through affordable rental. As a result, the LDA is both a significant developer in the market and a significant investor.

Institutional investment is a critical piece of this overall investment – indeed, it is a well-established and normal facet of housing investment in our European neighbours and beyond. Without it, activity in the housing market would be much reduced and the pressure already facing renters and prospective home-owners would increase significantly. The overriding purpose in attracting this private capital is to increase the supply of housing. Suggestions that institutional investors are crowding out prospective owner-occupiers doesn't appear to be supported by official data which show institutional investors still comprise a relatively small proportion of residential properties purchased annually. Moreover, data for 2022 show the flow of housing from households to non-households (institutional investors, State bodies and others) is relatively modest, with a greater number actually flowing from non-households to households. A recent research Technical Paper on Institutional Investment and Residential Rental Market Dynamics, estimated that institutional

investors held 12,600 units at the end of 2019, of which they purchased 9,900 as existing properties (78%). Institutional investors represent a small portion of the rental market and are most likely focussed on Dublin and other high population urban centres⁷.

To combat concerns that first time buyers were being denied the opportunity to purchase a home, the Government introduced measures in May 2021 to disincentivise and prohibit the inappropriate bulk purchasing of certain homes. These measures included a higher 10% stamp duty levy on the cumulative purchase of 10 or more residential properties, excluding apartments, in a 12-month period. According to Revenue and CSO data, the higher stamp duty rate has applied to less than 1% of residential property transactions in the May 2021 to October 2023 period, and has applied to less than 2% of total new dwellings completed from when the higher rate applied.

3.2 Security of tenure

Tenure should not be a source of disadvantage for renting households, therefore tenure security in the rental sector must be sufficient. This may be of particular importance for vulnerable households. In recognition of the importance of security of tenure for those renting the Government has in recent times made significant legislative changes that increase security of tenure.

These changes include, setting out defined grounds for termination of tenancies in section 34 of the Residential Tenancies Act where after 6 months, a landlord may not serve a Notice of Termination (NoT) except in very clearly defined circumstances. The Act provides that the landlord must state in the NoT the reason the tenancy is being terminated and the NoT will be invalid unless that reason relates to one or more of the following:

- the tenant has failed to comply with the obligations (other than the obligation to pay rent) of the tenancy;
- the tenant has failed to comply with the obligation to pay rent under the tenancy;
- the dwelling is no longer suited to the needs of the occupying household;

7. https://www.centralbank.ie/docs/default-source/publications/research-technical-papers/institutional-investment-and-residential-rental-market-dynamics.pdf?sfvrsn=4796621a_5

- the landlord intends to sell the dwelling within the next 9 months;
- the landlord requires the dwelling for own or family member occupation;
- vacant possession is required for substantial refurbishment of the dwelling; and/or
- the landlord intends to change the use of the dwelling.

Since June 2019, where a landlord terminates a tenancy because they intend to sell the property, a contract for sale must be entered into within 9 months of the termination date and, if not, the property must be offered back to the former tenant.

The 2019 Act also provides that where a landlord terminates a tenancy because they need vacant possession to substantially refurbish/renovate the property, that property must be offered back to the former tenant who provides their contact details, upon completion of the works. Also, such a termination notice must contain or be accompanied by a written certificate of a registered professional under the Building Control Act 2007, such as an architect or surveyor, stating that the proposed substantial refurbishment/renovation works would pose a health and safety risk necessitating vacation by the tenants and that such a risk would be likely to exist for at least three weeks.

From July 2022, legislation was enacted which extended notice periods, by approximately two months, to be given to tenants by landlords serving a NoT (where there has been no breach of tenant obligations) in tenancies of less than three years' duration.

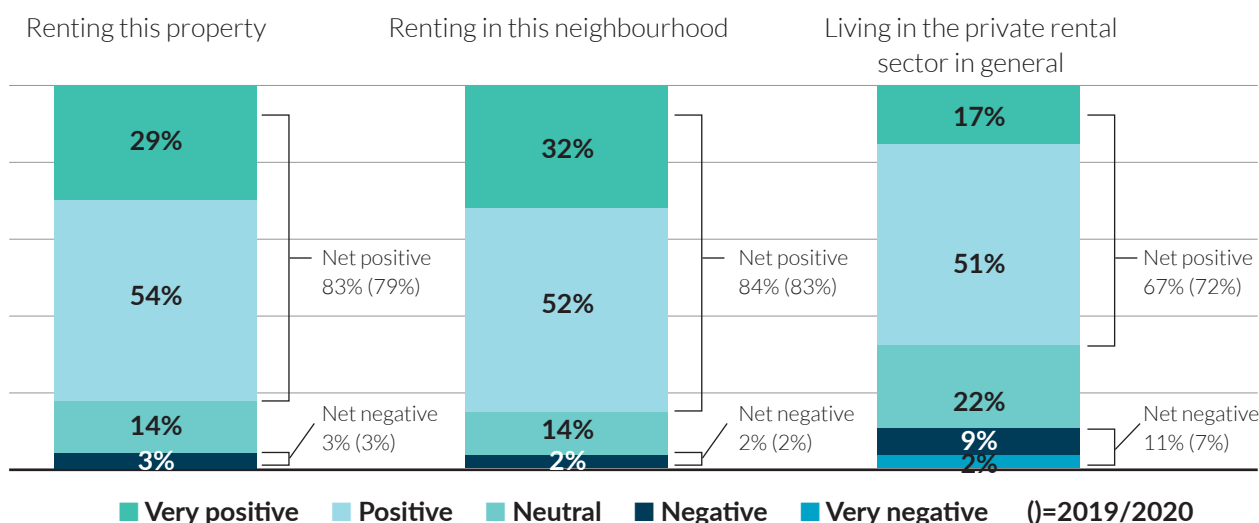
Duration of Tenancy	Notice Periods for NoTs served after 06 July 2022
Less than 6 months	90 days
Not less than 6 months but less than one year	152 days
Not less than one year but less than 3 years	180 days
Not less than 3 years but less than 7 years	180 days
Not less than 7 years but less than 8 years	196 days
Not less than 8 years	224 days

Furthermore, section 35A of the Residential Tenancies Acts (known as the 'Tyrrelstown amendment') provides that where a landlord proposes to sell 10 or more units within a single development at the same time, that sale is subject to the existing tenants remaining in situ, other than in exceptional circumstances. The 'Tyrrelstown amendment' was carefully drafted to promote security of tenure in the interest of the common social good.

Subsequently, legislation enacted in 2022 provided for tenancies of unlimited duration. All new tenancies created on or after 11 June 2022 will become tenancies of unlimited duration after six consecutive months in occupation under the tenancy, without a valid notice of termination having been served. As existing Part 4/further Part 4 tenancies terminate/expire over time or are renewed, it will involve the creation of a new tenancy of unlimited duration in respect of any such a rented dwelling. The Residential Tenancies (Amendment) Act 2021 also provides that a landlord may grant his or her consent to any existing tenancy being treated as a tenancy of unlimited duration. Whereas the introduction of tenancies of unlimited duration and narrowing grounds for terminating a tenancy has minimised this disadvantage when compared to owning one's own home, additional strides could be made to further increase security of tenure if it were deemed to provide an important social objective. Where landlords, including institutional investors, own larger numbers of properties, there may be grounds to reduce the reasons why a tenancy may be terminated in cases of no-fault evictions and instead include provision for sales with a tenant in situ, particular for professional landlords with multiple properties. More restrictive grounds for the termination of tenancies in properties by large landlords would need to have regard to a clear intention for the property to be part of the rental market in advance of its acquisition /development by the owner.

The removal of existing grounds to end a tenancy, which currently include situations where a landlord requires the property for their own use or for a family member or where they intend to sell a property may have an impact on the value of the property. As such, any change in policy or legislation

Graph 9: Rating of overall experience of renting this property, renting in this neighbourhood & living in private rental sector in general



Source: RTB/Amárach Rental Sector Research Survey 2023

will need to be carefully evaluated. Measures to increase security of tenure must also be balanced with the protection of landlord rights, including in relation to the payment of rent. Any changes in this area would also have to be carefully monitored as this option could, over time, have implications for homeownership levels and choice for first-time and other buyers, and would reduce the focus on generating additional rental supply and preserving the existing stock.

Recent RTB research published in 2023 found that 83% of respondents living in the rental market were 'positive/very positive' about renting their current property. However, this research also highlighted that a sense of insecurity was also present and this was added to by the lack of available properties.

3.3 Affordability

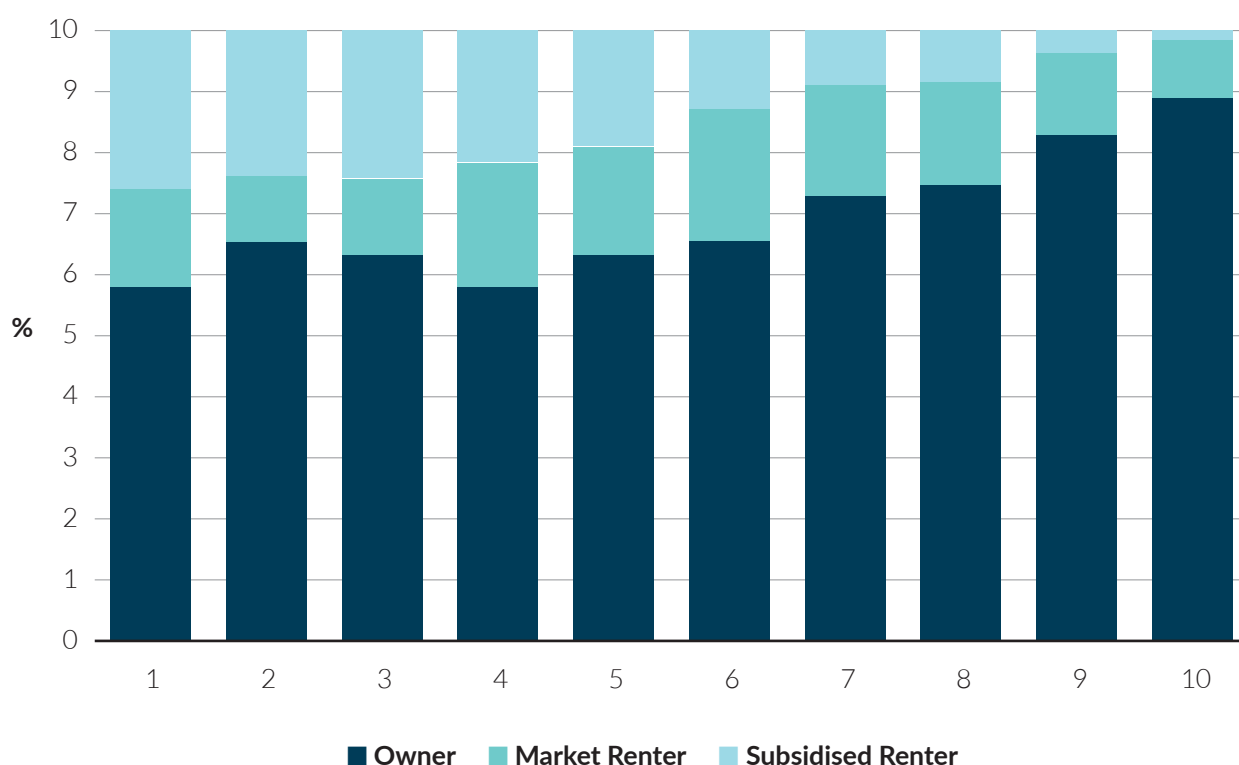
Given the increasing level of rents in the private rental market, there is a need to consider further measures to protect low and moderate income households, renting in the private market from unsustainably high housing costs. Analysis carried

out in 2018 found that from 2005 to 2015, low income households who lived in the private rental sector consistently faced high housing payments, which implies that affordability challenges are a structural rather than a cyclical issue. The Eurostat measure of housing cost overburden found that 10.6% of Irish tenants renting at market price experienced housing cost overburden in 2021, the lowest value observed among the participating countries and considerably below the EU-27 2021 rate of 21.2%.⁸

Successive generations of research concerning the costs of rental payments have identified that cohorts in the private rental sector experience among the most severe housing affordability difficulties.⁹ High housing costs can have very detrimental consequences for those households on low or moderate incomes. As housing costs increase, such households may be forced to sacrifice expenditure in other areas, including basic necessities, with obvious negative consequences for household wellbeing. High housing costs can have very detrimental consequences for those households on low or moderate incomes.

8. Eurostat, [Housing cost overburden rate by tenure status - EU-SILC survey, online data code: ILC_LVHO07C](#). Data downloaded on 27 April 2023. Eurostat defines housing cost overburden as spending 40% or more of household disposable income on housing.

9. Corrigan, E., Foley, D., McQuinn, K., O'Toole, C. and Slaymaker, R., (2019), *Exploring Affordability in the Irish Housing Market*, The Economic and Social Review, Vol. 50, issue 1.

Graph 10: Household Income Deciles and Tenure, 2019

The graph above provides a breakdown of how households in the three principal tenure groups, that is, owner occupation, market rental and subsidised rental¹⁰, are located in the ten deciles of household disposable income, based on analysis of 2019 survey data from the Central Statistics Office. Each bar in the graph represents one-tenth of all households organised by their disposable income in 2019, arranged from the lowest on the left to highest on the right. The gold bar represents market renters, a cohort which is fairly equally represented across all deciles.

Assisting vulnerable, low income households has been a core objective of housing policy for many decades. High housing costs, relative to household income, raise risks of poverty, social exclusion and homelessness. A National study of Housing

Experiences, Attitudes and Aspirations in Ireland¹¹ conducted by the Housing Agency found that 74% of private renters surveyed found their housing cost to be burdensome. This study also found that 28% of private renters had difficulty paying their rent each month. A differentiation is made in the Housing Agencies research between social renters and private renters. Similar to some of the responses received during the public consultation for this review, there were renters who felt priced out of homeownership and would be satisfied in renting into the future if they felt they had long-term security of tenure and affordable rents.

A striking change in the composition of households in the private rental sector has been the increase in the numbers of households with children.¹² There has also been an increase in the share of older

10. Including local authority-owned social housing and households in receipt of a subsidy, such as the Housing Assistance payment of Rental Accommodation Scheme.

11. National Study of Housing Experiences, Attitudes and Aspirations in Ireland (2023) Available online at <https://www.housingagency.ie/sites/default/files/2024-04/Residential%20Satisfaction%20in%20Ireland%202023.pdf>

12. Disch, W. and Slaymaker, R. (2023) *Housing affordability: Ireland in a cross-country context*. Economic and Social Research Institute Research Series No. 164. Available online [here](#).

people households renting in the market.¹³ Based on Census 2022 the absolute number of those age 65 and older which are renting from a private landlord has nearly doubled between 2016 and 2022 from 9,300 to 17,000. Aside from higher housing costs, households with dependents also have higher non-housing costs, such as food, utilities and so forth. Such households are most exposed to the disruptive effects of tenancy cessation induced by high rental costs, including loss of access to family support and education networks.¹⁴

As set out previously, significant Exchequer funding is provided to support social housing tenants in the private rental market, with almost 75,000 households supported in a HAP or RAS tenancy at the end of Q3 2023. Over €630m in funding was allocated by Budget 2024 to fund these schemes in 2024.

A central policy element of *Housing for All* is to increase the supply of affordable housing for rent and purchase. An increased supply of affordable rental is being supported by the creation of the new Cost Rental tenure, which provides homes for rent significantly below market price (generally at least 25% below market rent). The core principle of Cost Rental is that the rents cover the development, management, and maintenance costs of the homes, so that the long-term future of the homes is financially secure, but that rents are not subject to the pressures of the open market. Rents will increase only in line with consumer inflation, remaining stable in real terms while continuing to cover ongoing costs. Cost Rental homes also come with the added advantage of long-term, secure tenancies regulated by the Affordable Housing Act 2021. However, this model requires monitoring to ensure that rents do not become unaffordable to those potential tenants in the relevant income bands.

As highlighted in section 3.1, the Housing Agency has prepared a number of sample models which set out an estimate of the likely rent levels required in

new build properties for the scheme to be viable. The sample models, which look at the likely rent levels for a two-bedroom apartment (where no subsidy is provided) indicate rents ranging between €2,555 for an AHB development to approximately €2,800 for a privately developed scheme.

The nature of the Cost Rental model means that, unlike differential rents in social housing for low-income households, the rent is not set according to the income of the tenant. Cost Rental homes are advertised and made available at a certain rent level, which is needed to cover the costs of delivery and provision and so ensure the long-term future of the homes in the sector. What proportion of net income a particular rent represents will vary between households, but Cost Rental is offered as a more affordable option in comparison to the private market. Where new Cost Rental homes receive State funding, projects are planned and managed so as to achieve starting rents which both cover costs and are also at least 25% below comparable homes in the local private rental market.

In their report the Housing Commission has recommended that Cost Rental needs to be delivered at an enhanced scale and also recommended a transition to Cost Rental as the main form for supply for both affordable and social rented accommodation. An associated action also calls for rents in the Cost Rental Sector to be determined solely on the cost of provision, management and maintenance of the accommodation.

The primary eligibility condition for accessing Cost Rental housing is a maximum net annual household income (less income tax, PRSI, USC, and superannuation contributions). This was originally set, for the whole country, in December 2021 at €53,000, these limits were adjusted to €66,000 in Dublin and €59,000 elsewhere in August 2023, acknowledging changing economic circumstances. *Housing for All* includes a target to deliver 18,000 Cost Rental homes over the period to 2030, and

13. Based on Census 2022 the absolute number of those age 65 and older which are group renting from a private landlord has nearly doubled between 2016 and 2022 (9.3k to 17k) while the share of private market renters in the 65 and older cohort has increased from 2.4% to 3.5% between 2016 and 2022

14. Laurence, J., Russell, H. and Smyth, E. (2003) *Housing adequacy and child outcomes in early and middle childhood*. Economic and Social Research Institute Research Series No. 154.

significant funding is being made available to support provision by Approved Housing Bodies (AHBs), local authorities, the Land Development Agency (LDA), and now also private providers under the new Secure Tenancy Affordable Rental (STAR) investment scheme. STAR is intended to support the delivery of cost rental dwellings at scale and at rents which are more affordable, assisting households who are experiencing acute affordability pressures in the private rental sector, particularly in urban centres. The actual level of rental discount in an approved scheme will vary depending on a number of variables, including the absolute level of local market rents, the typology of units, and will generally range from 25% to 33% below market rents according to the terms of the scheme. The scheme aims to support approximately 4,000 homes and is open to private market operators, including the Land Development Agency.

3.4 Appropriate Standards for Rental Properties

The standards for rental accommodation are prescribed in the Housing (Standards for Rented Houses) Regulations 2019 and specify requirements in relation to a range of matters, such as structural repair, sanitary facilities, heating, ventilation, natural light, fire safety and the safety of gas, oil and electrical supplies. These Regulations apply to all properties let or available for let. All landlords have a legal obligation to ensure that their rented properties comply with the standards set down in the Regulations. Responsibility for the enforcement of the Regulations in the private rental sector rests with the relevant local authority, while the RTB also has a key role to play through its disputes and communications functions. *Housing for All* sets a private rental inspection target of 25% of tenancies per year and €9m in Exchequer funding is being made available in 2024 to help local authorities meet their inspection obligations.

Housing for All also includes an action to introduce a minimum BER energy rating for rental properties, where feasible, commencing in 2025. The Economic and Social Research Institute is currently conducting research for DHLGH in this area, to examine the costs and financial capacity of Ireland's buy-to-let landlords to meet the typical costs required for energy efficiency investments. The

challenges identified to date include the fact that rented property owners face disincentives to invest in energy efficiency technology, in face of competing demands, due to the split incentive, where owners invest in the property but the energy efficiency gains accrue to the tenant.

The research also aims to quantify the investment requirements for energy efficiency upgrades in the Irish rental sector. This report will be based on a sample of RTB data from landlord self-reported BER certificate values and cross referenced with SEAI data. The collection of some of this data only commenced as recently as April 2022 and is not extensive. Robust recording of BER certificate values will be important to establish firm baselines for future investment. This ESRI research is expected to be completed later this year.

Highlighting the potential scale of the work to come, in 2022 the CSO carried out an analysis of properties with HAP tenancies that hold a Building Energy Rating (BER) rating. It found that 50% could be matched to a BER between A and C, 38% had a rating of D or E and 12% had an F rating.

3.5 Ensuring Appropriate and Effective Regulation

The RTB plays an important role in ensuring appropriate and effective regulation that serves to protect the rights of tenants and landlords. As well as being a quasi-judicial body, which operates several channels for the resolution of landlord-tenant disputes, namely telephone mediation involving an independent mediator, evidence-based adjudication by an independent adjudicator, and appeal to a tenancy tribunal, it has a central role in disseminating easily digested information to tenants and landlords, to prevent disputes from occurring in the first place.

In general, regulators in any industry must make difficult choices between offering stability to allow businesses to plan investments and activities, while being responsive and adaptive to market conditions. Regulatory activity can encourage innovation and address imperfections, but can also create regulatory turbulence which can discourage investment. In crucial respects, the regulation of the rental sector in recent years has redressed an



imbalance by, for instance, introducing clear rules around advance payments by tenants to landlords when beginning tenancies.

Other enduring legislative changes include the extension of notice periods, where there has been no breach in tenant obligations, new tenancies from June 2022 become tenancies of unlimited duration once the tenancy has lasted six months or more and new procedures to be followed in the context of rent arrears warnings and associated tenancy terminations. As such, regulations currently provide for a sector with high standards, which is safe and provides an improved balance of protections. The current balance sits well with evidence from other jurisdictions indicating a positive association between rental sector regulation and investment conditions. Highly regulated markets with highly protected renters are associated with higher net operating income along with higher income growth and lower delinquency rates for investors in multi-family housing. The Housing Commission has recommended that a balancing of rights and responsibilities for both tenants and landlords through a programme of legislative and regulatory reforms is required to make the private rental sector more attractive to both parties.

The Rent Pressure Zone system was amongst the foremost topics raised during the public consultation responses, and also a topic in respect of which a consensus was absent. Submissions to the public consultation also described how RPZs act as a disincentive to investment, which creates difficulties for both landlords and tenants. Many respondents called for the retention of the current system, or a system with a strengthened price effect. Other respondents noted that the current 2% cap does not allow rents to maintain pace with inflation in the rest of the economy, and stated that if rents can't track inflation, unlike costs such as repair, the sector becomes unviable.

There is a large body of international research which has found negative consequences of rental price controls, which include lack of efficacy, reduced supply, lowered maintenance levels, an inequity between existing and future tenants, reduced labour market mobility, reduced regulatory compliance, and increased homelessness.¹⁵ However, research undertaken by the ESRI indicates that without current RPZs rental prices would most likely be higher. The OECD, when recommending policy changes across countries, have called for rent control measures with greater

15. Grimes, P.W. and Chressanthis, G.A. (1995) *Assessing the effects of rent controls on homelessness*. Journal of Urban Economics. Vol. 41.

flexibility, with a view to encouraging investment, reducing supply-demand mismatches and lowering barriers to residential mobility. The IMF, in their Staff Concluding Statement (3 November 2023) advocate the replacement of rent caps with more targeted housing support for poor households, which they feel would help increase rental housing supply. As price controls persist and deepen in a given market and the controlled rent prices fall ever further below what would be market determined prices, the concern is that such risks grow in magnitude. The greater the positive impact in terms of preserving affordability, the greater the risk of negative consequences, as the regulated rent price moves further from what would be the market price in the absence of the controls. A complication is that the downsides of price controls are difficult to observe while price controls are in effect. For instance, it is not possible to directly observe the residential units which would have been built or the maintenance which would have occurred in the absence of the controls. Notwithstanding that such effects may be unobservable, it seems likely that difficult to detect, marginal changes such as under-investment in maintenance are occurring annually, which may build up over time to become major challenges for the rental sector,¹⁶ particularly given the current calibration of the Rent Pressure Zone system.

However, it is important to be cautious when considering the transferability of literature from other jurisdictions, especially given that rent controls vary considerably and that it is very difficult to disentangle such controls from other aspects of housing systems elsewhere, including market conditions and the institutional setting, such as the degree of tenure security and the extent of price control enforcement. It is also important to note that there is considerable debate concerning the technical aspects of many rent control studies, crucially regarding the underlying econometric models used to estimate the impacts of rent control and whether those models are sufficiently realistic given the nature of housing. Some housing economists tend to emphasise that housing markets are far from the frictionless, competitive models often assumed, and are noted for a high degree of



It seems, therefore, that it is very difficult to make a comprehensive judgement as to the overall efficacy of the price control system derived from the international literature.

friction, delayed supply responses, and a tendency towards disequilibrium.

It seems, therefore, that it is very difficult to make a comprehensive judgement as to the overall efficacy of the price control system derived from the international literature. It is also difficult to assess the Rent Pressure Zone system purely based on the Irish literature.

It is, however, clear that the calibration of the Rent Pressure Zone system is imperfect in certain respects. Firstly, price controls were introduced as an emergency measure in 2016 during a period of particularly stable and low inflation. Currently, rental prices subject to the Rent Pressure Zone controls may not increase by more than 2% per annum. This price is considerably lower than general inflation, as measured by the Consumer Price Index. Assuming that income growth among households renting in the private sector and general inflation are closely associated then, in real terms, controlled rents are decreasing relative to other prices and relative to incomes. By, in effect, imposing non-trivial real price cuts, the controls would seem to unambiguously raise risks such as landlord non-compliance and the migration of units to the shadow market, under investment in maintenance, and the market exit of units. Other models of price control allow rents to keep pace with either general inflation, often known as rent stabilisation measures. This is used in parts of the United States such as in California under the Tenant Protection Act of 2019 which caps annual rent increases at 5% plus regional CPI. There are also the French and German models which use indices of market rental prices.

16. Gibb et al (2022) note that a negative impact on maintenance can be addressed by a price control system which includes embedded maintenance incentives with a strong compliance and enforcement culture.

Secondly, the system uses a reference standardised average rent to determine whether an area is designated as a Rent Pressure Zone, which results in an uneven application of the controls, even if rental inflation is high and sustained for a protracted period of time in a given area. Lastly, the current system depends on local standardised rents, but the legislative framework does not adequately reflect that standardised rents are statistical estimates and that the statistical robustness of an estimate for a given area is very much dependent on the number of observations in a given period of time. Concepts such as statistical significance, and the difference between point estimates and confidence intervals, are important when considering price estimates produced by hedonic indices, such as standardised rental prices.

It is appropriate to acknowledge the importance of the authentic deliberation and reflection that the political system and wider civil society have undertaken in introducing and operating the Rent Pressure Zone system. It is also appropriate to consider that withdrawal of price controls could penalise vulnerable incumbent tenants in the short term, which would raise the question of compensatory measures, particularly for vulnerable households.

This review is recommending a detailed review of the operation of rent control measures, which will be led by the Housing Agency. The review

will examine, what model if any, of rent control measures should continue, following the expiration of current measures at the end of 2025.

There is also a need to ensure that regulations which apply to the private rental sector are well understood and actively enforced without undue delays. Effective and accessible dispute resolution mechanisms must be in place. It is vital that tenants, landlords and third parties have faith in the regulatory framework which addresses among other issues, disputes and infringements concerning breaches of standards, unlawful termination of tenancies, the withholding of rent and deposits, over holding, anti-social behaviour, maintenance of dwellings and legal standards.

This necessitates ensuring adequate public infrastructure which oversees and operates the regulation of the private rental sector with appropriate legislative, financial and other resources. Expanding the data-sharing arrangements between the RTB and the Revenue Commissioners will assist the RTB with its statutory regulatory functions regarding registration enforcement, helping to ensure that all tenancies are registered annually. The preparation of legislation required to support this objective was approved by the Government in October 2023 and the Residential Tenancies (Right to Purchase) Bill is currently being drafted by the Office of the Attorney General.



An aerial photograph of a suburban residential street. The houses are two-story, light-colored with dark roofs. A white car is parked on the left, and a dark car is parked further down the street. A green lawn and a stone wall are visible in the foreground. The sky is blue with white clouds. A large white number '4' is overlaid on the right side of the image, set against a teal background that covers the bottom half of the page.

4

Potential Avenues for Policy Change

This section presents potential policy mechanisms which could help address the sectoral policy objectives listed above. The potential policy mechanisms respond to the policy objectives outlined in the previous chapter.

4.1 Incentivise investment in the rental sector

Decisions to invest in new, and current, private rental stock rest with the private sector, that is, with profit-oriented enterprises. It is very clear that additional investment in new and existing stock is required and that this investment will benefit all of society by dampening price inflation, improving quality standards, improving the energy efficiency of the sector, directing new supply to compact urban areas and ensuring that our society has sufficient housing stock to meet future needs. Support for efforts to increase supply was a recurring theme among public consultation responses. A related theme was encouraging investment behaviours which signal a long-term commitment to the sector, as opposed to approaches which could be characterised as short-term and extractive. Future housing supply needs are currently being examined under the review of the National Planning Framework and associated work on the Housing Needs Demand Assessment review, however it is clear that future supply requirements will be elevated relative to current levels, perhaps substantially so. Additional private investment will be required and, as such, there is a strong case for State incentivisation of private investment in the rental stock, particularly those forms of investment which constitute a long-term commitment.

It is important to acknowledge that property investment incentives are implicated among the factors which led to a poorly managed housing boom and a disastrous economic contraction in our very recent past. There are risks associated with poorly targeted, pro-cyclical approaches.

Work carried out by the Investment Working Group has identified a significant requirement to attract capital investment to meet the level of residential output envisaged by *Housing for All*. Investment to support additional rental properties

forms a subset of this investment requirement and should form part of the overall investment strategy required to meet residential housing targets. Consideration should be given to how long-term capital investment in the private market can be incentivised. There are a range of other factors which impact on investment decisions, including construction costs and viability, as well as broader considerations around construction sector capacity and skills shortages. The implantation of the wider work programme under *Housing for All* to address these issues will also be critical to supporting increased investment in the sector.

4.2 Support Affordability

Affordability was a topic which was highlighted throughout the review's consultative process. Each household which must meet a housing cost must do so from its income. As such, housing affordability is a function of housing costs and of household income and therefore can be addressed by either reducing costs or boosting income.

Budget 2023 introduced a tax credit for renters, which was increased to €750 per individual and €1,500 per jointly assessed couple in Budget 2024; the latter increases will apply to 2024 and 2025. The tax credits are an important general measure for households renting in the private rental sector, however concerns have been voiced regarding the targeting and effectiveness of the credits.

There is a need to accelerate the supply of cost rental homes, to provide more affordable rental solutions for households within the relevant income thresholds. At present cost rents are set by reference to being at least 25% below market rents. As overall construction costs and market rents rise, the level of rents required for schemes has risen. There is a need to ensure that there is a supply of Cost Rental properties that can continue to be accessed by households in income cohorts immediately above the income limits for social housing.

Ensuring lower rental costs can help recipient households access their tenure of choice, whether that means continuing to rent in the market or accruing a deposit and becoming homeowners. This would align with draft OECD policy recommendations on housing which encourage housing policy strategies that promote access to affordable housing across all income levels and avoid segregation.

This review is also cognisant of the ongoing revision of the Affordable Housing Strategy which updates Pathway 1 of *Housing for All*, following the review of the National Planning Framework (NPF). The revised strategy will consider the new targets stemming from the review of the NPF, the potential requirement for additional funding if they increase, a review of capacity/resourcing and who will carry out this work, how the existing suite of interventions are working and is there a need for amendments or interventions. In summary, and alongside any overarching policy considerations which will be threaded throughout the revision, the key thematic areas for examination will be:

- Capital supports for investment of an Affordable Housing Programme;
- Timeline for delivery of supports/programmes over the lifetime of revised NPF/NDP;
- Capacity and resources required to support same;
- Delivery of newly defined targets and by which methods and options;

4.3 Review Rental Regulation

Ireland is not alone in introducing regulation of rental prices; international research indicates that many developed countries deploy rental price controls.¹⁷ Recent Irish research has found that the Rent Pressure Zone (RPZ) system has had positive impacts; for instance researchers from the Economic and Social Research Institute have found evidence that the RPZ system provided some degree of price stabilisation in the rental sector and acted to support affordable rents.¹⁸ Irish research has also, however, found that the effects are not uniform and, in some instances, RPZ price limits seem to have created a target price, as opposed to a price ceiling.¹⁹



17. Organisation for Economic Co-operation and Development (2021) PH6.1 *Rental Regulation*.

Available online here: <https://www.oecd.org/els/family/PH6-1-Rental-regulation.pdf>

18. Coffey, C. et al (2022) *Rental inflation and stabilisation policies: international evidence and the Irish experience*. ESRI research series No. 136. Available online [here](#).

19. O'Toole, C. Martinez-Cillero, M. and Ahrens, A. (2021) *Price regulation, inflation, and nominal rigidity in housing rents*. *Journal of Housing Economics*, Vol. 52.

In light of the prevailing pressures on rent levels and the impending expiry on 31 December 2024 of the current RPZs, the Government decided on 12 May 2024 to extend the application of existing rent controls by 1 year until 31 December 2025. In doing so, the Government agreed that an early announcement of these measures would provide some measure of comfort for renters who likely continue to face considerable cost of living challenges, along with giving the sector foresight and certainty of their extended application. It was noted that a recommendation to review the measures would likely be made in this review.

The report of the Housing Commission calls on the market rents to be regulated fairly and effectively by reforming the current system of rent regulation and establishing a system of 'Reference Rents'. It states this reform should be informed by evidence based reviews on the impact of regulated market rents on rented housing supply. As such, this recommendation of the Commission will be addressed in the RPZ examination.

The review recommends a comprehensive examination of the current RPZ system in light of market changes and experience in other jurisdictions, in advance of their expiration date. The examination of the RPZ system would consider whether they should be continued, removed or modified. A further consideration is whether the incomes of tenant households are growing relative to inflation in line with the 2% per annum cap on rent increases when HICP (Harmonised Index of Consumer Prices) is higher than this.

4.4 Undertake Periodic Critical Review of the RTB

It is vital that tenants, landlords and third parties have faith in the regulatory framework which addresses disputes and infringements concerning unlawful termination of tenancies, the withholding of rent and deposits, over holding, anti-social behaviour, maintenance of dwelling, legal standards etc.

In providing sufficient public infrastructure which oversees and operates the regulation of the private rental sector with the necessary legislative, financial and other resources. The role the RTB plays is

pivotal. As well as being a quasi-judicial body, which operates several channels for the resolution of landlord-tenant disputes, it has a central role in disseminating information to tenants and landlords to prevent disputes occurring in the first place.

This year, the RTB will be operation for 20 years and a number of respondents to the consultation questioned clarity on its purpose within the private rental market. The organisation has undergone significant transformation in recent years and now that it has completed the introduction of a new executive structure, it is recommended that the RTB's role and how it is undertaken should be reviewed, to ensure that it is operating in the most efficient and robust manner for all stakeholders in the sector. Therefore, it is recommended that a periodic critical review (PCR) be undertaken as the most efficient manner in which to highlight potential areas for improvement within the RTB. This should be prioritised for the organisation, to the benefit of all its stakeholders. The overarching objective of the PCR process is primarily to secure improvements in accountability, efficiency and effectiveness, but also to scrutinise objectively the case for rationalisation and consolidation of public bodies in light of changing requirements, demands and priorities. The PCR should take into account the external environment (economic, political, legislative, stakeholder, and technological), organisational capacity (governance, financial management, process management, other organisational linkages, human resource management) and organisational performance (relevance, financial viability, economy, efficiency, effectiveness). The PCR should be evidence based and, where possible, compare actual performance against targets and/or external benchmarks. A PCR for the RTB presents an excellent opportunity for both the RTB and its parent Department, DHLGH, to review and reflect on strategic and operational strengths and challenges.

The report of the Housing Commission calls on reforms to be implemented to ensure a more effective enforcement model for the rental sector that works for both tenants and landlords. This recommendation of the Commission will be considered in the undertaking of a PCR, as recommended by this review.

4.5 Rental Standards

Responsibility for the enforcement of the rental standards Regulations in the private rental sector rests with local government. *Housing for All* sets a private rental inspection target of 25% of tenancies per year and €9 million in Exchequer funding is being made available this year to help local authorities meet their inspection obligations.

From 2005 to 2017 the number of inspections of private rented dwellings conducted by local authorities averaged about 20,000 per year. Since then, with the Department setting inspection targets for local authorities and providing an Exchequer subvention, the number of inspections undertaken has risen considerably. Over 49,000 inspections were conducted in 2022 and an all-time high of circa 63,000 in 2023.

Nonetheless, the number of rented dwellings found to be non-compliant with the standards upon initial inspection remains high. A contributing factor is a lack of awareness on the part of some landlords about the Regulations. Many non-compliance issues can be quickly and inexpensively resolved without the need for a re-inspection. This lack of awareness was raised in both the public consultation and the stakeholder feedback, with calls for a promotional campaign in the media or via the RTB.

While local government has responsibility for inspections of private rental properties, the RTB has a key role to play through its disputes and communications functions e.g. its role in publishing relevant information for landlords and tenants. Given its regular engagement with landlords due to the introduction of the annual registration of tenancies, it is uniquely placed to reach the target audience in a cost-efficient manner and to educate landlords about the minimum rental standards including any future changes to the standards, such as the introduction of a minimum energy efficiency rating for rental properties. The RTB website contains good content on the rental standards, but a landlord would need to be already aware of the standards and be sufficiently pro-active to seek this content out. Information on rental standards should be given directly to landlords upon registration of a tenancy. The RTB therefore are recommended to take a more active and dynamic approach in respect of raising landlord awareness of the minimum



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rental standards regulations, with the objective of helping improve compliance rates. This also has the potential to reduce the number of disputes requiring resolution.

Furthermore, the Government needs to be cognisant of the increasing requirements of standards which may be introduced in the coming years and therefore, continued landlord investment in rental properties will be required. Measures introduced in Budget 2023 with regard to energy efficiency should be maintained and it is recommended that consideration be given to extending such measures in the coming years to meet emerging rental standards.

A photograph of a row of red brick Victorian houses with white window frames and arched doorways. A palm tree stands in the foreground, and a stone staircase with a black metal railing leads up to one of the houses. The image is overlaid with a teal gradient that transitions into a white section at the bottom.

5

Conclusion

This Review sets out a number of important policy objectives to support the ongoing development of sustainable rental market which balances the interests of renters and property providers. The Review also sets out a number of a set of potential avenues for policy change.

Quick, inexpensive fixes for the housing system are implausible. What is required is a sustained programme of work to ensure that the rental sector is one where landlords are happy to invest and tenants have access to suitable, affordable properties with increased security of tenure.

Notwithstanding the very considerable difficulties facing many households renting in the private market, the policy challenges should not be overstated. Ireland compares very well against other EU countries in the research against some key indicators. Recent research indicates that:

- By and large, households renting in the private market are living in good quality units that are not overcrowded;
- Overall housing costs are typically lower in Ireland than in peer economies, according to

research carried out by the ESRI in 2023²⁰, Irish households pay around one-fifth of their net income on their housing payment costs²¹ and renters in Ireland have the lowest rent-to-income ratios among counterpart renters when compared to 14 other EU countries. There are marginal differences for renters, however, in the fourth and fifth income quintiles who face rent-to-income ratios 2 to 3 percentage points higher than their European peers.²²

- Overcrowding, as measured by the OECD and EU-SILC,²³ is relatively low, although the measured rate has been increasing in recent years. For instance, the most recent (2022) rate of overcrowding among tenants renting at a market price was measured by EU_SILC at 12.3% in Ireland, compared to 23.4% across the EU-27 countries.



20. <https://www.esri.ie/news/housing-affordability-across-europe-mixed-picture-for-ireland>

21. Organisation for Economic Co-operation and Development (2021) *Brick by brick: building better housing policies*. OECD Publishing: Paris.

22. Disch, W. and Slaymaker, R. (2023) *Housing affordability: Ireland in a cross-country context*. Economic and Social Research Institute Research Series No. 164. Available online [here](#).

23. 'Overcrowding rate by tenure status – total population – EU-SILC Survey' (online data code: ILC_LVHO05C) which is available online [here](#).

Policy responses should be measured, targeted and cognisant of the range of current interventions which successive Governments have put in place low income supports such as HAP, RAS, Working Family Payment and Rent Supplement which provide support for low income families, as well as new initiatives under *Housing for All*.

It is important to recognise that housing outcomes, in the rental sector and otherwise, often result from a set of complex inter-related forces including broader developments in the macro-economy, income distribution and so forth.

Housing policy interventions can have diverse impacts, such as on environmental sustainability, labour mobility or financial and economic resilience. Often a policy which contributes to one dimension can, potentially at least, detract from another. The intersection between minimum standards and affordability is, perhaps, the most obvious example as accommodation and increased energy standards will at the aggregate level likely increase costs, some or all of which may be passed to the households occupying those units. As Ireland has become wealthier and as the climate change crises has deepened it is right to expect that our citizens should be entitled to good standards of accommodation and that we should seek to increase energy efficiency. It is important though to recognise the trade-offs and to put in place compensatory measures. Overall policy must seek a balance between competing policy goals, and also reflect the interests of diverse groups in society. A further dimension is to ensure a balance between demand and supply-side policy interventions. Given the dynamic trends in the rental market, market trends and the effectiveness of policy responses will be monitored on an ongoing basis.



Appendices

i. Recent Legislative Changes in the Rental Market 2016– 2022

Planning and Development (Housing) and Residential Tenancies Act 2016 (No. 17 of 2016)	An Act to facilitate the implementation of the document entitled “Rebuilding Ireland - Action Plan for Housing and Homelessness” that was published by the Government on 19 July 2016, and for that and other purposes to amend the Residential Tenancies Acts 2004 to 2015 and to provide for connected matters including: rent predictability measures to limit rent increases within designated Rent Pressure Zones (RPZs); measures to prevent large numbers of residents in a single development from being simultaneously served with termination notices; enhancements to the Residential Tenancies Board’s (RTB’s) enforcement and dispute resolution powers; abolition of a landlord’s right, during the first 6 months of a further Part 4 tenancy, to terminate that tenancy for no stated ground and the duration of ‘Part 4 tenancies’ was increased from 4 to 6 years.
Residential Tenancies (Amendment) Act 2019 (No. 14 of 2019)	An Act to amend the Residential Tenancies Acts 2004 to 2016; to provide for powers to carry out investigations of improper conduct by landlords and impose administrative sanctions; to provide for offences in relation to non-compliance with rent increase restrictions in rent pressure zones; to increase the notice periods to be provided in the case of termination of a tenancy by a landlord; to provide for annual registration by landlords of tenancies and to amend the registration process; to provide for the mandatory publication of sanctions imposed by the RTB; to apply relevant obligations and rights under the Acts to both tenancy and licence agreements in student-specific accommodation; and to provide for related matters.
Local Government Rates and other Matters Act 2019 (No. 24 of 2019)	The Act provides for technical amendments to the Residential Tenancies Act 2004 and the Residential Tenancies (Amendment) Act 2019 in relation to the once-off exemption from the rent increase restriction in Rent Pressure Zones (RPZs) post substantial refurbishment/renovation works and the application of the Residential Tenancies Acts to student licences in student-specific accommodation.
Part 2 of the Emergency Measures in the Public Interest (Covid-19) Act 2020 (No. 2 of 2020)	Part 2 of the Emergency Measures in the Public Interest (Covid-19) Act 2020 provided for a temporary moratorium on tenancy terminations, other than in exceptional and limited cases, and on all increases in rent during the emergency period from 27 March to 1 August 2020.
Residential Tenancies and Valuation Act 2020 (No. 7 of 2020)	The Act amends the Residential Tenancies Act 2004 and the Emergency Measures in the Public Interest (Covid-19) Act 2020 to increase notice periods in relation to notices of termination served on tenants during the period from 1 August 2020 to 10 January 2021 for failure to pay rent due and to prohibit increases in rents on tenancies of dwellings during that period; to make permanent provision in relation to the giving of notifications, and notices of termination, by landlords to tenants and the RTB in relation to arrears of rent and requiring the provision of information by the RTB to the tenant to enable him or her to get advice from the Money and Budgeting Advice Service (MABS); and to provide for matters connected therewith.

Residential Tenancies Act 2020 (No. 17 of 2020)	The Act modifies the operation of the Residential Tenancies Acts 2004-2020 to prevent any notices of termination served by landlords, in all but limited cases such as anti-social behaviour, from taking effect in geographical locations and during periods specified by the Minister for Health in Regulations made by him under section 31A of the Health Act 1947 in respect of which a restriction applies on the movement of people outside a 5 km radius of their place of residence. These tenancy protections also apply during the 10 days directly following the period specified by the Minister for Health in the aforementioned Regulations; and to provide for related matters.
Part 3 of the Planning and Development, and Residential Tenancies, Act 2020 (No. 27 of 2020)	Part 3 of the Planning and Development, and Residential Tenancies, Act 2020 (the PDRTA) provides for temporary modifications to the operation of the Residential Tenancies Act 2004. Subject to certain conditions, where a tenant was in rent arrears due to Covid-19 and at risk of losing their tenancy during the period from 11 January to 12 April 2021, a 90-day (rather than the usual 28 days) termination notice period applied where the tenancy could not be sustained. The earliest termination date allowed in such circumstances was 13 April 2021. In addition, for relevant tenancies, rent increases were prohibited until 13 April 2021, with no back-dating allowed.
Residential Tenancies Act 2021 (No. 5 of 2021)	The Residential Tenancies Act 2021 provides technical amendments to the Planning and Development, and Residential Tenancies, Act 2020 (the PDRTA) to extend the application of its enhanced tenancy protections for a further 3 months from 13 April 2021 to 12 July 2021. The Act also provides for technical amendments to enhance the interoperability of the PDRTA with the Residential Tenancies Act 2020; and to provide for matters connected therewith.
Residential Tenancies (No. 2) Act 2021 (No. 17 of 2021)	The Act amended the Residential Tenancies Act 2004, the Residential Tenancies (Amendment) Act 2019 and the Planning and Development, and Residential Tenancies, Act 2020 (PDRTA). The Act provided for an extension of the enhanced protections under the PDRTA until 12 January 2022. The Act also introduced measures in July 2021 to better protect tenants with affordability challenges by extending the operation of Rent Pressure Zones (RPZs) until the end of 2024 and prohibiting any necessary rent increase in a RPZ from exceeding general inflation, as recorded by the Harmonised Index of Consumer Prices (HICP). The Act also restricts payments required to be made by tenants in respect of advance rent payments and deposit to secure a tenancy; and to provide for matters connected therewith.
Residential Tenancies (Amendment) Act 2021 (No. 39 of 2021)	The Act amended the Residential Tenancies Act 2004 to provide that from 11 December 2021, when setting the rent at the start of a tenancy in an RPZ or when carrying out a rent review in an RPZ, rent increases are capped at 2% per year on a pro rata basis, where HICP inflation is higher. The Act also provides that all new tenancies created on or after 11 June 2022 will become tenancies of unlimited duration once the tenancy has lasted more than six months and no notice of termination has been validly served on the tenant. Transitional measures are provided in relation to the conversion of existing tenancies to tenancies of unlimited duration; and to provide for matters connected therewith.

Part 11 of the Regulation of Providers of Building Works and Miscellaneous Provisions Act 2022 (No. 15 of 2022)	Part 11 amends the Residential Tenancies Act 2004 by providing for an increase to the notice periods for the termination of certain tenancies, a requirement for landlords to serve a copy of any notice of termination on the RTB, and to remove the requirement on a tenant to provide their contact details to their landlord as a condition for a re-letting offer to be made, where certain circumstances arise.
Residential Tenancies (Deferment of Termination Dates of Certain Tenancies) Act 2022 (No. 34 of 2022)	An Act to make emergency provision to defer the termination dates of certain tenancies that fall, or would fall, during the period from 30 October 2022 to 31 March 2023 in order to mitigate the risk that persons whose tenancies would otherwise be terminated during that period would be unable to obtain alternative accommodation. Provision is made for the deferral of the giving of effect to certain notices of termination where they have been served by a landlord on or before 29 October 2022 and specify a termination date that falls during the 'winter emergency period'. Provision is made for such terminations to take effect after the winter, in accordance with the Act, over the period from 1 April to 18 June 2023; to assist in managing demands on housing services as a result of such deferred termination. The Act also provides for related matters.

There has been significant legislative change in the Rental Market over the past 7 years with the Residential Tenancies Act 2004 (RTA) being modified 10 times from 2016 to 2022. Half of these bills were enacted between March 2020 and March 2021, to give temporary protection for tenants during the Covid-19 pandemic, a measure that has since been reversed.

Enduring changes include:

- Rent predictability measures to limit rent increases in RPZs (currently RPZ's will be operational until 31 December 2024).
- Conditional sales for landlord wishing to sell 10 or more properties in a single development at the same time (tenants can remain in situ).
- New procedures to be followed in the context of rent arrears warnings and associated tenancy terminations.
- RTB is empowered to investigate improper conduct by landlords and to impose sanctions, where appropriate, with effect from 1 July 2019.
- Annual Registration of tenancies from 4 April 2022, with temporary registration waiver fee for certain 'further Part 4' tenancies already in place on that date.
- Relevant obligations and rights under residential tenancies legislation to apply to tenancy and licence agreements in student-specific accommodation.
- RPZ rent review capped at 2% per year on a pro rata basis, where HICP inflation is higher.
- New tenancies from 11 June 2022 become Tenancies of Unlimited Duration once the tenancy has lasted 6 months or more.
- Notice of Termination periods extended for all tenancies, with reviews built in, where there has been no breach of tenant obligations.
- Landlords must offer a "re-let" in certain cases when they have ended tenancies.

ii. Legislative Changes in Other Areas:

HAP Legislative Changes

The Housing Assistance Payment (HAP) is a form of social housing support available for people who have a long-term housing need. Any household assessed as eligible for social housing is immediately eligible for HAP. Eligible households can source their own accommodation in the private rental sector which should be within the HAP rent limits provided to them by the local authority.

The HAP scheme is underpinned by the Housing (Miscellaneous Provisions) Act 2014. Under this legislation the Minister may by regulation make

certain changes to the operation of the HAP scheme which could have an impact on the overall private rental market. The following changes to the HAP scheme have been introduced by statutory instrument since 2016.

The HAP scheme is commenced in specified housing authority areas by way of regulations made under Section 50 of Part 4 of the Act of 2014. HAP was introduced in a phased roll out across local authorities over a number of years, commencing in 2014 and being made available in all local authorities in 2017.

Commencement of HAP in specified housing authority areas			
S.I. NO. / YEAR	COMMENCED	REGULATION TITLE	HOUSING AUTHORITY AREA COMMENCED
38 of 2016	1st February 2016	Housing Assistance Payment (Section 50) Regulations 2016	Galway City Council
574 of 2016	1st December 2016	Housing Assistance Payment (Section 50) (No. 2) Regulations 2016	Cavan County Council
			Kerry County Council
			Laois County Council
			Leitrim County Council
			Longford County Council
			Roscommon County Council
			Westmeath County Council
			Wexford County Council
			Wicklow County Council
55 of 2017	1st March 2017	Housing Assistance Payment (Section 50) Regulations 2017	Dublin City Council
			Dún Laoghaire - Rathdown County Council
			Fingal County Council

While Homeless HAP has been available in all Dublin local authorities since 2015, the HAP scheme generally only became available in Dublin City, Fingal and Dun Laoghaire Rathdown in 2017.

Maximum rent limits for HAP are set down for specified housing authority areas by way of

regulations made under Section 43(2)(a) of the Act of 2014. As HAP is extended throughout the country, regulation 10 of the Housing Assistance Payment Regulations 2014 (S.I. 407 of 2014) is amended by substituting the Table of Maximum Monthly Rent Limits to that regulation.

Setting of Maximum Monthly Rent Limits for HAP in housing authority areas			
S.I. NO. / YEAR	COMMENCED	REGULATION TITLE	HOUSING AUTHORITY AREA
40 of 2016	1st February 2016	Housing Assistance Payment (Amendment) Regulations 2016	
Sets maximum rent limits for Galway City Council			
Introduces up to 20% flexibility in maximum rent limits for Cork City Council, Cork County Council, Galway City Council, Galway County Council, Kildare County Council and Meath County Council			
338 of 2016	1st July 2016	Housing Assistance Payment (Amendment) (no.2) Regulations 2016	All local authorities
Provides a new table of maximum rent limits applicable to all housing authority areas			
Introduces up to 20% flexibility in maximum rent limits for all housing authority areas			
354 of 2016	6th July 2016	Housing Assistance Payment (Amendment) (No. 3) Regulations 2016	All Dublin local authorities
Clarifies the continued availability of up to 50% above the maximum rent limits for homeless households in the housing authority areas of Dublin City Council, Dún Laoghaire Rathdown County Council, Fingal County Council			
Extends up to 50% flexibility for homeless households to South Dublin County Council			
575 of 2016	1st December 2016	Housing Assistance Payment (Amendment) (No. 4) Regulations 2016	
Cavan County Council, Kerry County Council, Laois County Council, Leitrim County Council, Longford County Council, Roscommon County Council, Westmeath County Council, Wexford County Council, Wicklow County Council			
Introduces up to 20% flexibility in maximum rent limits for the above housing authority areas			
56 of 2017	1st March 2017	Housing Assistance Payment (Amendment) Regulations 2017	Fingal County Council
New maximum rent limits that will apply for the purposes of the Housing Assistance Payment scheme in the administrative area of Fingal County Council			
Introduces up to 20% flexibility in maximum rent limits for all housing authority areas			
34 of 2022	11th July 2022	Housing Assistance Payment (Amendment) Regulations 2022	All local authorities
Increases flexibility in maximum rent limits for all housing authority areas from 20% to 35%			

As one of the mitigation measures on the lifting of the winter eviction moratorium, the HAP Landlord Payment Guarantee was introduced on 1 May 2023. From that date, should a HAP tenant default on their differential rent payment to the local authority, they will be offered the option of a payment plan to assist them in maintaining their tenancy and allow the HAP payment to the landlord to continue.

If the tenant defaults on payment of differential rent or the payment plan, under the Landlord Payment Guarantee, the HAP payment to the landlord will be guaranteed for a 12-month period or earlier if the tenancy ends. The Landlord Guarantee is only applicable to tenancies reaching suspension stage of the debt management process from the 1 May 2023.

The implementation of this measure should encourage landlords to remain in the private rental market and make properties available for HAP tenants.

Planning Legislation

The Planning and Development (Housing) and Residential Tenancies Act 2016 introduced new streamlined arrangements, for a limited time-period, to enable planning applications for Strategic Housing Developments (SHD) to be made directly to An Bord Pleanála for determination. These arrangements came into operation on 3 July 2017.

SHDs consisted of applications of 100 or more housing units, or student accommodation of 200 or more bed spaces, or shared accommodation developments of 200 or more bed spaces.

The primary purpose of the SHD arrangements was to speed up the planning decision-making process for housing projects of the prescribed scale.

The Planning and Development (Amendment) (Large-scale Residential Development) Act 2021 came into effect on 17 December 2021. The main purpose of the Act was to restore the two-stage planning process, with decision making for Large-scale Residential Development (LRD) type applications returning to the local planning authority in the first instance, with the subsequent

right of appeal to An Bord Pleanála, thereby delivering on the commitments in the Programme for Government as well as *Housing for All*.

LRDs consist of applications of 100 or more houses, or student accommodation of 200 or more bed spaces, or a combination of both where the threshold is met for either element.

The Act also included a number of transitional arrangements in relation to the expiry of the SHD arrangements and their replacement by the new LRD arrangements.

The Planning and Development (Amendment) (No. 2) Regulations 2018 provided for an exemption, up until the end of 2021, from the requirement to obtain planning permission in respect of the change of use of certain vacant commercial premises, including vacant or under-utilised areas over ground-floor shops and offices, to residential use.

The planning exemptions under the 2018 Regulations were subsequently extended until the end of 2025 by way of the Planning and Development (Exempted Development) Regulations 2022. These Regulations included a new and additional class of premises eligible to avail of the planning exemption, that of public houses capable of providing up to a maximum of 9 residential units.

Legislative reforms to regulate the short-term letting sector in areas designated as “rent pressure zones” (RPZs), were introduced under the Planning and Development Act 2000 (Exempted Development) (No. 2) Regulations 2019. The provisions only apply in areas designated as “rent pressure zones” under the Residential Tenancies Act 2004. The primary objective of the new reforms was to influence the bringing back of houses and apartments in designated “rent pressure zones” which were being used for short term letting purposes to the traditional long-term rental market.

Section 3A of the Planning and Development Act 2000 clarifies the position in respect of defining short term letting as a material change of use. It states “The use of a house or part of a house situated in a rent pressure zone for short term

letting purposes is a material change in use of the house or part thereof, as the case may be.”

Rental Standards-related secondary legislation enacted since 2016:

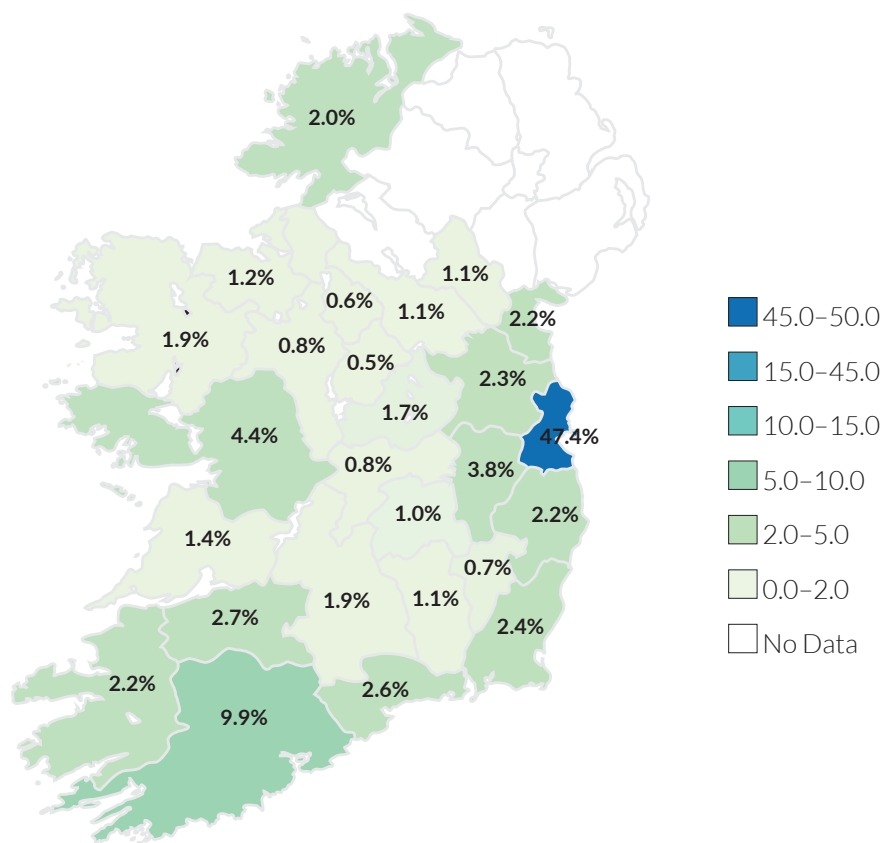
The Housing (Standards for Rented Houses Regulations) 2017 came into effect on 1 July 2017. They replaced the 2008 and 2009 regulations and introduced additional requirements for rented dwellings such as window restrictors to prevent children falling from upstairs windows, carbon monoxide alarms, adequate heating in bathrooms and that all heating appliances be maintained in a safe condition and in good working order and repair.

The Housing (Standards for Rented Houses) Regulations 2019 came into effect on the 1st of April 2019. They replaced the 2017 regulations and, in order to encourage and incentivise landlords to offer longer term leases and to encourage a transition to a model of longer term rental options for households, included an amendment such that landlords providing leases of 10 years or more, are no longer required to furnish such properties with certain white goods.

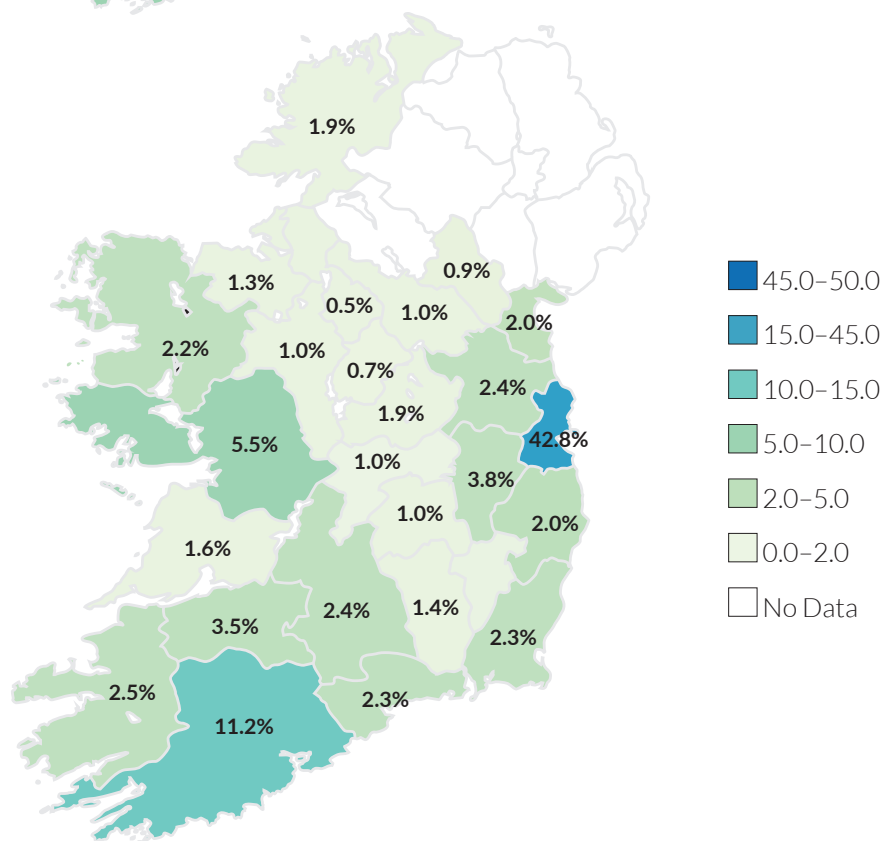
iii. Additional Information from Q4 2023 Rent Index

RTB Rent Index - Share of Tenancies (%) by County

A. New Tenancies



B. Exiting Tenancies



Permanent private households by nature of occupancy and county and city, 2011 to 2022

County and City	All types of occupancy	Owner occupied with loan or mortgage	Owner occupied without loan or mortgage	Rented from private landlord	Rented from a local authority	Rented from a voluntary body	Occupied free of rent	Not stated
State	1,836,728	531,207	679,718	330,632	153,192	29,880	31,864	80,235
Carlow	22,174	5,987	8,375	3,584	2,170	606	383	1,069
Dublin City	225,519	47,705	58,918	70,379	25,971	5,510	3,016	14,020
D-L-R	85,110	24,804	32,894	17,807	5,245	1,195	1,179	1,986
Fingal	107,599	41,377	30,673	21,230	7,133	1,844	951	4,391
South Dublin	100,262	34,625	32,058	15,730	10,957	2,284	921	3,687
Kildare	82,543	32,264	26,634	12,339	5,649	1,458	1,134	3,065
Kilkenny	36,685	10,831	15,425	4,647	3,102	716	718	1,246
Laois	31,112	10,509	11,602	4,003	2,634	715	554	1,095
Longford	16,206	3,631	6,214	2,807	2,035	219	273	1,027
Louth	49,332	15,891	16,985	7,443	4,992	1,137	705	2,179
Meath	72,549	30,191	24,331	9,079	4,361	782	1,181	2,624
Offaly	28,702	8,599	11,941	3,758	2,211	399	563	1,231
Westmeath	34,003	10,013	12,975	6,122	2,475	261	563	1,594
Wexford	59,081	16,222	24,998	8,269	5,076	864	1,323	2,329
Wicklow	54,059	18,424	20,049	7,191	4,970	601	919	1,905
Clare	46,441	13,187	20,188	6,457	2,929	574	940	2,166
Cork City and Cork County	210,918	59,148	80,370	37,618	18,346	3,237	3,807	8,392
Kerry	58,179	13,202	27,458	8,377	4,683	691	1,458	2,310
Limerick City and County	76,295	19,619	29,689	13,497	5,693	1,242	1,428	5,127
Tipperary	62,056	16,256	26,768	8,336	5,660	1,006	1,376	2,654
Waterford City and County	47,682	12,602	18,207	7,595	5,405	975	820	2,078
Galway City	30,872	5,963	8,256	10,898	2,715	807	457	1,776
Galway County	67,782	21,054	29,924	9,177	2,470	488	1,583	3,086
Leitrim	13,589	3,348	6,276	2,002	936	119	396	512
Mayo	51,996	12,950	24,929	7,885	2,533	533	1,248	1,918
Roscommon	25,975	6,850	12,395	3,563	1,484	150	508	1,025
Sligo	26,801	6,674	11,297	4,428	2,367	383	542	1,110
Cavan	28,776	8,184	11,735	4,614	2,124	244	618	1,257
Donegal	61,575	14,712	28,395	8,377	5,102	608	1,733	2,648
Monaghan	22,855	6,385	9,759	3,420	1,764	232	567	728

iv. Housing Commission Report Actions

Housing Commission Actions from Section 6 - Rental Market

Reco- mmendation No:	Recommendation	Area of Responsibility	Action:
#31	Balance the rights and responsibilities of both tenants and landlords through a programme of legislative and regulatory reforms to make the private rental sector more attractive to both parties	Rental Market	Review and consolidate the Residential Tenancies Act 2004 and the numerous amendments made to this legislation to enable more effective regulation of the private rental sector Revise, update and simplify the regulatory framework for the rental sector so that both tenants and landlords can understand it. This will support greater compliance. Reform the tax treatments of landlords to incentivise remaining in the sector and to encourage new entrants. Consideration needs to be given to further reforms and the introduction of a standard tax rate for rental income. This should be linked to properties remaining in the sector for longer periods of time and to energy efficiency upgrades. Enable and incentivise long-term letting to provide security of tenure for tenants and rent certainty Facilitate and normalise sales with the tenant in situ. Currently, to acquire a mortgage to buy a property, in most circumstances the property must be vacant. There is, therefore, no system to buy dwellings with tenants in situ with loan finance. To facilitate sales with tenants in situ, the rent regulations need to be reformed as rental valuations will be an important component in valuing the overall selling price of a property. In addition, mortgages for the purchase of private rented dwellings would need to allow purchases with the tenant in situ. The tax reforms referred to above would go some way towards normalising and valuing tenants rather than seeing them as a barrier to sale. It is important that appropriate enabling infrastructure be put in place to facilitate greater security of tenure.

Recommendation No:	Recommendation	Area of Responsibility	Action:
#32	Deliver cost-rental housing at scale and transition to cost rental as the main form of supply for both affordable and social rented accommodation to: f. address the challenges in maintaining the supply of rental housing; g. assist in addressing affordability challenges in the private rented sector; h. enable social housing providers to accommodate households with a wider mix of incomes in their housing developments.	Cost Rental	Determine rents in the cost-rental sector solely on the cost of provision, management and maintenance. Rents should not be linked to market rents. Cost-rental housing should only be provided by public and non-profit sector organisations, i.e. local authorities, AHBs and the Land Development Agency. Retain cost rental housing in state ownership. Maturation, whereby loans and debt are paid off, allows for more affordable cost-rental homes over the coming decades. Review and simplify the system of eligibility for and allocation of cost-rental homes. This prioritisation and allocation system should enable systemic change and foster inclusion by addressing specific social and economic needs. Review and evaluate the potential for social housing to migrate towards a cost-rental housing supply model.
#33	Regulate market rents fairly and effectively by reforming the current system of rent regulation and establishing a system of 'Reference Rents'. This reform should be informed by evidence-based reviews on the impact of regulated market rents on rented housing supply, accessibility and affordability. Such reviews should be conducted on a regular basis and rent regulations amended where appropriate.	Rental Market	Replace the existing system, whereby maximum annual market rent increases are linked to the Harmonised Indices of Consumer Prices (HICP) or a maximum (of 2%). This should be revised to a system that pegs rent increases to a reference rent for local dwellings of similar quality. This reference rent should be reviewed at regular intervals. Rent would not rise more than a certain percentage above this reference rent over a specific period. Unsubsidised market rental dwellings should solely inform reference rents. Percentage rent increase allowed should take account of relevant factors such as management and maintenance costs, interest rates, household incomes and affordability.

Reco- mmendation No:	Recommendation	Area of Responsibility	Action:
			Create a fair and effective system of rent regulation through the proposed reform of the system of rent regulation. a. This will provide tenants and landlords with greater certainty by linking rent increases to a composite benchmark that would take account of reference rents for similar properties locally, and other relevant factors. b. Where rents fall significantly below the relevant reference rent for a dwelling over time, landlords should be able to reset the rents in line with benchmark rents. Regulation of market rents should continue to transfer between tenancies, whereby if a tenancy ends the same regulations apply to the subsequent tenancy. This will discourage termination of tenancies that is designed to increase rental income. Undertake further research to understand the impact of new tenancies in rents charged for dwellings rented for the first time on overall rental inflation. Investigate how rents are being set for dwellings new to the rental market as part of this research. Arrangement for market rent regulation should make provision for their application to all parts of the country where this regulation is required.¹⁴² The implications of this in relation to other legislation and regulations, such as short-term letting, will need further consideration Establish a publicly available register of rents being charged.

Recommendation No:	Recommendation	Area of Responsibility	Action:
#34	Reform and consolidate standards for rented dwellings through a single, nationwide dwelling standards risk-based inspection process. This should include all forms of rented housing, including private, social and cost-rental.	Rental Standards	Adopt a risk-based approach, whereby inspections strategically target dwellings that are most likely to be substandard, and identify dwellings not registered with the regulator and ensure they are included in the inspection regime. Review the rental housing standards to ensure they are fit for purpose Implement a regime of inspections managed by the RTB, or by a new single regulatory authority when established, covering private, social and cost-rental dwellings. Inspections should be co-ordinated and overseen by the regulatory authority. Review and update the standards for rental dwellings, including the provision of clear guidance as to what constitutes overcrowding. Robust enforcement mechanisms should be in place for breaches in this area. Consider breaches of dwelling standards as 'improper conduct' under the RTB's regulatory framework. This reform would make a broader array of penalties for noncompliance available to authorities, and allow for a more modern system of regulation, whereby, along with improvement notices to make properties better, landlords can be sanctioned or fined for non-compliance on a proportionate basis.
#35	Amend the standards for rental accommodation in private and cost-rental homes to enable the letting of accommodation without white goods appliances.	Rental Standards	Amend the Housing (Standards for Rented Houses) Regulations 2019 that require private and cost-rental landlords to provide white goods such as cookers and washing machines for every rented dwelling. This would facilitate tenants to personalise their homes, promote the provision of more unfurnished accommodation and standardise requirements for private, social and cost-rental housing.

Reco- mmendation No:	Recommendation	Area of Responsibility	Action:
#36	Regulate the landlord functions of local authority-owned dwellings and formalise the local authority/tenant relationship.	Rental Market/Social Housing Policy	Amend legislation so that local authorities are required to register social housing tenancies with the Residential Tenancies Board (RTB). Amend legislation on a planned basis so that local authority social housing tenancies are regulated by the RTB. This is most important for dispute resolution and standards for rented housing
#37	Amalgamate regulatory agencies involved in regulating rental accommodation under the remit of a single regulatory authority, and strengthen the enforcement powers.	Rental Market	Ensure that the rights and responsibilities of tenants and landlords across the social, private and cost-rental tenures are protected Require all landlords to register their tenancies with this single housing regulatory authority The State must review the remit of agencies currently involved in the regulation of rented housing, identifying any overlaps and omissions between agencies. Where appropriate, amalgamate agencies to establish a larger organisation with the responsibility for regulating private, social and cost-rental tenancies. Ensure that adequate funding is provided to enable this organisation to carry out its responsibilities effectively and that its legal powers are strong enough to enable it to enforce any decisions made against both landlords and tenants quickly and effectively. Ensure that the enforcement powers are sufficiently strong and that they can be effectively implemented by the regulator.
#38	Implement reforms to ensure a more effective enforcement model for the rental sector that works for both tenants and landlords	Rental Market	Put in place, as a matter of urgency, an effective and proactive enforcement system that is proportionate and in line with the scale of the sector. The regulation of rent or other parts of the rental system will not be effective without effective enforcement. Use to their full effect the legislative provisions that were introduced to allow for investigations and sanctions of regulatory breaches and allow for proportionate regulation.

Reco- mmendation No:	Recommendation	Area of Responsibility	Action:
			Implement more effective enforcement of registration compliance, using the investigation and sanction powers to allow for a more effective, proactive and data-led approach to regulation. If rental properties are not registered, other breaches are very hard to detect. Enhance the publicly available register of rents to enable checking that rents are not increased above permissible levels. From an enforcement perspective, this would enable tenants to report breaches of rent regulations to the RTB150. To enable an effective and robust enforcement system, the current publicly available register of tenancies in the RTB needs to be much more comprehensive, to include current rent, tenancy address and dates of tenancies Review the extent of court supervision required in the enforcement of noncompliance or provide a fast-track system of access to the courts to ensure that the regulator can effectively act on breaches and that tenants and landlords can trust in an effective enforcement system if there are breaches. An effective system needs to be put in place for breaches to be dealt with swiftly and effectively. The enforcement model across the rental sector needs to be joined up. Breaches found by the local authority in relation to minimum standards should be classified as improper conduct within the regulatory framework. and multiple or repeated breaches of a serious or material nature should attract more significant sanctions or affect the ability to act as a landlord. Review the maximum level of damages in respect of disputes (currently €20,000) and sanctions (currently €15,000), considering the high levels of rent in Ireland. This is to enable appropriate compensation to victims of breaches in the case of disputes and to act as an appropriate deterrent to serious misconduct, while ensuring there is balanced and proportionate application of sanctions and damages

Reco- mmendation No:	Recommendation	Area of Responsibility	Action:
#39	Reform the Housing Assistance Payment and the Rental Accommodation Scheme, resetting them as short to medium-term support measures for households eligible for social housing. Such households must remain on the social housing list, except where their income levels increase above the eligibility criteria for social housing.	HAP/RAS	Comprehensively reform the arrangements for the financing, procurement, design and delivery of social housing so that this sector will in future be the main source of rented housing for low-income households Amend the Housing (Miscellaneous Provisions) Acts 2009 and 2014 to remove provisions that define the HAP and RAS as 'social housing support' and provisions that regard recipients' long-term social housing need as having been met if they receive these allowances. Include HAP recipients who wish to apply for social housing on the social housing waiting list, like all other applicants. Their priority on the waiting list should not be negatively affected by their use of this housing allowance. Annually review continued eligibility for HAP. The subsidy should be withdrawn if the claimant's income exceeds the eligibility criteria. Review the maximum subsidies available under HAP to ensure they reflect rent levels. Local authority payments should be sufficient for HAP tenants to rent an adequate dwelling in the local authority area. This is so that HAP tenants are not required to 'top up' their rent (unless they choose to rent a higher rental cost dwelling). The DHLGH should annually review the maximum subsidies and update them in line with increases or decreases in market rents in the relevant locality To ensure affordability, HAP tenants should continue to pay a contribution to their rent which reflects their level of income. However, there should be a review of the situation whereby a landlord's payment is discontinued when HAP tenants fail to pay their rental contribution to local authorities. Legally empower local authorities to require that HAP claimants' contribution to rent is deducted directly from social welfare benefits. This power was legislated for but has not been implemented. This would resolve issues of rent arrears occurring on HAP tenancies causing suspension of payment to landlords. This should apply to all local authority social housing tenancies.

Reco- mmendation No:	Recommendation	Area of Responsibility	Action:
#40	Initiate a review of the current legislation and regulations relating to Multi-Unit Developments.	Dept. of Justice	All relevant stakeholders must be included as part of this review Such review should be concluded within 12 months.

v. Key Findings from Stakeholder Feedback

Composition of the Sector

- Stakeholders have expressed that lifelong renting should be a tenure of choice for those who want it. However, the private rental sector is not and should not serve as an alternative to social and affordable housing. The Housing Assistance Payment (HAP) Scheme as a substitute for social housing provision is not sustainable. The provision of HAP is an expensive long-term alternative to the provision of secure public social housing. Stakeholders have also called for housing to be viewed as a basic need as opposed to simply an investment.
- The phased ending of HAP should be considered, along with revisions such as HAP recipients not being deemed as having their housing need met when they avail of HAP coupled with a scheme to purchase HAP properties and turn these properties into social stock.
- A stakeholder highlighted research that proposes two solutions to increase security of tenure, namely the removal or restriction of 'no fault' evictions from the Residential Tenancies Act and the establishment of long-term lease agreements, such as 10, 15 or 20+ year agreements in which a landlord could not issue a no-fault eviction, eliminating all grounds for termination other than rent arrears or undue damage to property. These measure were put forward as mechanisms to provide greater security of tenure.
- A lack of secure, stable and affordable rental options has been put forward by some stakeholders as a key barrier to lifelong renting.
- Stakeholders have stated that the PRS should be only utilised as the final option for people with social housing needs and call for accelerated delivery of social housing supports to replace this reliance on the PRS
- Grants should be reformed to allow both BER improvements and introduce Universal Design standards to allow people to age in place.
- Some Stakeholders have called for the right of housing to be inserted into the constitution.
- The establishment of long-term lease agreements has been called for by some stakeholders with the possibility of these leases being linked to tax incentives for participating landlords.
- Stakeholders have called for Improving the capital allowance regime from 12.5% wear and tear allowance to 33.3%. This change should be on the list of measures that the State should take in order to incentivise small-scale landlords to remain in the rental market.
- Enabling landlords to transfer property into a pension fund has been suggested as a measure to stop landlords from requiring to sell.
- Stakeholders have highlighted that the State has a dual role to play. It should incentivise further supply of high-quality units by institutional investors but at the same time it should work on solving the issues that are forcing small scale landlords to exit the rental market.
- An expansion of rent a room should be promoted increased through increased tax benefits to encourage the renting of rooms with homes, especially in areas of high need.
- Stakeholders have suggested that Digs style offerings should be reviewed to include better protections for participants in the scheme.
- Stakeholders have called for a scaling up of Cost rental. Providing both security of tenure and a form of affordability. Standardisation has been called for in relation to the application process with revisions to the information available to aid understanding of these schemes.
- Stakeholders have commented that the current Cost Rental policy outlines that rents charged must be 25% below comparable market rents. However, this does not always make it affordable for tenants. The Affordability rule based on housing standards is defined by paying no more than 30% of your income on rent. While Cost Rental targets a certain cohort of people, it does not support everyone in housing need. The rules around market discounts and the income thresholds mean that Cost Rental is only targeting a very small cohort of people and is not a solution for everyone struggling in the private rental sector.
- Secure Tenancy Affordable Rental investment Scheme has been broadly welcomed

The Cost of Renting

- Rental inflation was raised as a concern by some stakeholders an increased enforcement of RPZ laws has been called for.
- Campaigns to highlight RPZ were suggested to inform both tenants and landlords of their rights and responsibilities.
- It was also proposed to develop a process under the remit of the RTB through which a landlord may apply in hardship cases where the rent charged for their property has fallen significantly behind the standardised average rent for their area due to several consecutive years without allowable increases. This mechanism should only be available where a landlord can demonstrate hardship prior to a tenancy beginning, to ensure that existing tenants are not adversely hit with considerable inflation rates within their tenancy. Such a mechanism cannot be allowed to facilitate the eviction of tenants to circumvent RPZ regulations, and should involve RTB oversight.
- Some stakeholders have called for the removal of RPZ's or best case allow to be linked to CPI. Also it was stated that RPZ's restrict income without restricting costs.
- It has been put forward also that RPZ's do not ensure the affordability of rental properties and a register to check previous rents paid in a particular property may be beneficial to ensure an incoming tenant is not subject to an increase outside of what is allowed. A more nuanced form of rent control has also been called for, as the current controls are deemed ineffective and in fact may be causing a reduction in supply as a barrier to increased investment in the sector.
- Comments have been submitted around planning for RPZ step downs or alterations. With RPZ's due to end in 2024 there cannot be concluded without a comprehensive stepdown plan, to avoid a cliff edge.
- Stakeholders have drawn attention to the negative consequences of limiting rental prices below market rent. (reduced labour mobility, maintenance issues).
- One stakeholder commented that RTB resources are currently not allocated to cater for the most efficient handling of multiple tenancies, e.g., around processes, account management, customer service. Etc. This is particularly important in respect of mediation, but also, with the advent of annual lease registrations and the evolution of the RTB's online system. This sentiment was echoed by other contributions.
- It has also been expressed by some stakeholders that any policy measures to overly restrict operations and value of the market will reduce investors' appetite for large scale capital investment into the Irish housing market.
- Top up payments when paid by HAP tenants have been described as being overly burdensome on a vulnerable cohort of the PRS.
- Some stakeholders have called for the extension of the Renters Tax Credit.
- A stakeholder has also called for the creation of a Rent Register for tenants to ensure that they have the information available to them to ensure rules are being adhered to.

The Subsidisation of Households Renting Market Units

- Some stakeholders have called for incentivised pathways from HAP into affordable and Cost Rental housing and not just social housing, while also commenting that the state should reliance move away from looking to the private rental market to provide social housing.
- Stakeholders stated their opinion that there are inherent risks with delivering social housing using subsidised market rental units in that

the nature of the private rental market (PRM) does not provide the same security of tenure as local authority or Approved Housing Body social housing. Clients can spend years working to overcome personal and structural obstacles only to exit homelessness via the PRM and face further instability and risk returning to homelessness. However, while the supply of social housing is still so far away from meeting demand, it does offer a more immediate option for people to exit homelessness through.

- Stakeholders have also stated that social housing tenants and private homeowners should also be encouraged to consider to downsize into a home that is more suitable to the household size and their needs. This would, in turn, free up a lot more homes for families and individuals to live in.
- Stakeholders have commented that HAP and RAS are not a good use of public funds & government should instead invest in delivering Social Housing and Cost Rental homes at scale in partnership with AHBs, the NDA and Local Authorities. HAP recipients are not counted in HNDAs. There is a clear need for more affordable and social housing to offer that cohort greater security.
- Increased HAP levels have been called for as a medium/short term measure to address inequality and affordability issues, while a commitment to reduce reliance on HAP with an eventual end to the subsidy.
- An increase in the scale of Cost rental has been called for by some stakeholders, stating that Cost Rental provision will reduce reliance on the PRS and also contribute to affordability in the PRS.
- View have been put forward that Cost Rental housing, will not work everywhere. Cost Rental is best suited in urban centres where there is a long-term demand ensuring the schemes delivered are viable.
- Submissions from the AHB sector have stated that AHB managed Cost Rental housing also offers the benefit of a professional management service with Housing Officers, Tenancy Sustainment/Engagement teams maintenance services. The AHB sector also advocates for further changes to CREL.
- Indexation should be introduced to account for inflation to ensure that the scheme remains affordable and accessible.
- Stakeholders commented that there are risks associated with delivering social housing using subsidised market rental accommodation, but the benefits outweigh the risks.
- Good estate management and appropriate tenure mixes in developments could reduce the risks as a key marker. It would also be best to have large developments that are a mix of tenures, rather being all one tenure.

Quality of Homes

- Government promotional campaigns have been advocated for widely by all groups of respondents, in order to raise awareness of the requirement and benefits of compliance with the required standards.
- Update the Minimum Standards in Rented Accommodation regulations to include specific performance requirements based on IEQ (Indoor Environment Quality) best-practice standards.
- Stakeholders have stated that regulations have dramatically improved in recent years and any further increase would impact on viability and housing supply.
- Stakeholders have expressed that feel there is inconsistency across application of inspections across different LAs
- Stakeholders commented that the mechanisms that govern disputes among tenants and landlords concerning standards are cumbersome, lengthy and not working well. A Stakeholder highlighted that there were 17 stages involved in the removal of tenants who have failed to meet their obligations and stated that RTB process related to this represents a serious deterrent to investment and efficient running of the sector.
- Stakeholders have expressed difficulty in allowing for different property types, however feel that older properties should not be held to the exact same regulations as older properties. Some stakeholders are calling for incentives to improve older stock; this is in conflict with some stakeholders calling for this older stock to age out of the market.
- Stakeholders have set out 2 possible models to improve standards within rental properties. One model would require landlords to have the property inspected by a private professional who would issue a certificate when the required

minimum standards are met. The landlord would submit this to the RTB when registering the property and it would be available online for prospective tenants to check. The certificate would last for four years. The second model is based on local authority inspectors being overseen by a national body to ensure consistency of standards. In this model, the local authority inspector would issue the certificate when the standards are met, and this would also be made available online via the RTB.

- A better application Universal design has been called for as a key component of the quality of accommodation
- Adequate resources have been called for by some stakeholders and need to be provided for the inspection of accommodation and the enforcement of standards and regulations, across all accommodation types, particularly where these standards and regulations concern the needs of people who require or who are likely to require additional accessibility features.
- Improvements are required according to some stakeholders concerning fire safety as they are poorly understood and a consistent approach across all local authorities has been called for.
- A limited awareness of the standards is evident according to some stakeholders by some landlords and tenants.
- While an increased risk of landlords exiting the market exists due to increases in standards it has been put forward that this should be no reason to allow individuals to live in substandard accommodation.
- Any increase in BER requirements in the private rental sector should be phased in on a gradual basis, to avoid any loss of supply. Some stakeholders have also suggested that any improvements should be further linked to appropriate financial supports for landlords.
- A stakeholder has called for a Certificate of Fitness, move away from reactive inspections.
- Some stakeholders involved in the AHB sector proposed that there should be one standardised, consistent and effective approach to overseeing standards and regulations for LAs, the private rental sector and AHBs to ensure efficiency, effectiveness and standardisation across the board. This regulation and oversight should be through the RTB. Their remit should also extend to responsibility for OMCs.
- Stakeholders stated that they believe that the mechanisms which govern disputes among tenants and landlords concerning standards and regulations is not working as well as it could be.
- A Stakeholder is calling for this review to recommend mandatory testing for radon.
- There should be standalone provision in the regulations to address mould. Stakeholders have also called for an update to the standards relating to fire safety regulations and expanding them to enhance safety for residents.
- To help with overcrowding a stakeholder has called for the overcrowding housing bill 2018 to be progressed.
- Increase in LA funding has also been called for to strengthen inspections of HAP properties.

Supply and Investment, Institutional Investment, Subsidising Investors and Student Housing

- Contributions from stakeholders commented that the taxation of private landlords should be reformed to encourage them to stay in the market by putting them on the same footing as trading businesses. It was suggested that the existing Schedule D, Case V system of taxation of rental income, particularly in the context of professional or corporate property owners, is outdated and no longer fit for purpose. As

a result, it is less attractive for professional landlords to provide rental accommodation. The taxation of professional landlords should be reformed to ensure that active rental businesses are taxed like trades under Schedule D, Case I principles. This would allow landlords to deduct a broader range of rental expenses than is currently provided for under Section 97, TCA 1997 (including Local Property Tax).

- A stakeholder also suggested removing the close company surcharge from rental profits the

application of the close company surcharge to rental profits incentivises corporate landlords to distribute such profits. As a result, the surcharge discourages corporate landlords from reinvesting profits in the acquisition of additional rental units. Therefore, it was recommended that the elimination of the close company surcharge for active residential landlords.

- Stakeholders have suggested that a potential way of encouraging individual landlords to remain in the sector and of encouraging others to enter it would be to provide more favourable tax treatment of rental income for individual landlords. If more generous tax treatment of rental income were to be introduced, there is a case for linking this to more secure occupancy for tenants. Those who continue renting into old age would particularly benefit from enhanced long-term security of tenure. In order to retain smaller landlords in the market, there needs to be firm acknowledgement of the fact that their net take from gross rental income is proving to be not attractive enough or sustainable enough to stay in the market. Private rental properties require much more active management than they did in previous years, particularly in relation to building requirements and compliance with standards, which is wholly necessary. The tax treatment of smaller landlords should be revised significantly to retain them in the private rental market – for example a 20% tax rate rather than 41%.
- Local property tax should be available as a deduction against rental income. Expenses deductible under section 97 TCA 1997 should be aligned with Case I/II principles.
- Stakeholders stated that capital allowance rates for fixtures and fittings should be increased from 12.5% to 25% per annum.
- It was also discussed by stakeholders that landlords who retrofit a property to enhance the property's energy rating should be able to claim a 100% accelerated capital allowance where the renovations do not result in the termination of an existing tenancy and the property remains in the residential rental market for the following five years. The allowance should enable landlords to finance and undertake the project expeditiously.
- Stakeholders requested that consideration be given to encourage landlords to remain in the private rental market, Capital Gains Tax (CGT) relief of 4% per annum should accrue for the length of time the asset remains a rental property. This means the taxable gain is reduced by 4% for each year that it was held as a rental property. This was specifically examined in a report by the Department of Finance in 2017.
- A stakeholder stated that the rules legislating separately for non-resident landlords contained in section 1041 TCA 1997 should be abolished. The legislation currently requires tenants of non-resident landlords, or collection agents appointed by non-resident landlords, to withhold tax on rents paid to non-resident landlords and to file monthly rental notifications to Revenue, in addition to the requirement for a landlord to file an annual return. Increased administration of non-resident landlords and reduced cash flows could add further to the exodus of smaller private landlords and is contrary to government policy.
- Stakeholders have commented that the state should encourage older properties out of the market and encourage these properties to be replaced by new supply.
- STL measure should be followed through to increase supply. RTB should be resourced to support this.
- Stakeholders posed that the government should continue to actively encourage the provision of purpose built student accommodation as this will take students out of competing in the PRS and thus increase supply for longer term renters.
- A fair and equal RTB is essential to better incentivise small-scale landlords. Some stakeholders expressed concerns that the balance of findings appear to be against landlords.
- Stakeholders have called for a simplified set of RTB processes, it has been stated that RTB process are needlessly complex and which fuels LLs decisions to sell up. This point was made in contradiction to the claim that the legislation is overly cumbersome.

- Stakeholders stated that mortgage interest relief of 100% on residential rental accommodation, the same as applies for commercial accommodation. Also
 - Introduction of Section 23 type tax reliefs for a 3-year period on all rental income owned by investors on new rental accommodation supplied in targeted locations where there is demand for rental accommodation. Revival of 'Section 23 Relief': Reinstate 'Section 23 relief' exclusively for high demand, low-supply rental areas, and ensuring apartment developments in major cities become financially viable. Commitment to renting the property for 15 years (minimum) is a prerequisite for availing of incentives. For example, Cork City has not seen a development of Apartments built in the last 15 years (excluding social and student developments). There is currently a vacant site, with planning granted, on Horgan's Quay in the City Centre, however construction has stopped as it is not financially viable. Section 23 Relief example: An investor Intends to build a block of 60 apartments in a designated area (City Centre location) that qualifies for Section 23 relief. Under this relief, up to 80% of the build cost can be written off against rental income over the next 10 years. A condition of the relief would be that the units are rented for a minimum of 15 years. Without the relief the build would not be viable. Also, the level of relief can be adjusted depending on viability from an exchequer perspective.
 - A capital gains tax exemption for landlords in respect of residential property held & let out for 15- 20 years. This will encourage long term investment and longer leases. This should also be coupled with exemptions from income tax for longer term leases.
 - Treating rental income as a normal business for both income tax and corporate tax. This could encourage small companies to invest in residential property.
 - Have workable rules in place with regards small, self-administered pension funds and other pension schemes to incentivise investment in property. This could include having workable arrangements which allow cross collateralisation amongst properties under related ownership.
- The introduction of measures to bring parity to the taxation of corporate and individual professional landlords by introducing a flat rate of 25% on Case V income for small landlords who opted to become 'professional landlords' by waiving their rights under Section 34 of the Residential Tenancy Act (2014) giving additional security to their tenants was requested by landlords.
- Under-Rented Property, stakeholders requested that for properties rented at 50% below market value, introduce a tax-free allowance of €5,000 on rental income, with subsequent income taxed at a rate of 35%. In exchange for a commitment to remain in the market for a further 10 years.
- Professional landlords should be given access to succession reliefs (e.g., CGT retirement relief) to improve the long-term investment proposition of the residential rental business.
- Rent-A-Room' relief available under section 216A TCA 1997 should be increased to match the standardised average rent and index-linked to inflation. Also linking of the relief limit to Standardised average rent in new tenancies has been suggested as a supply booster.
- Commentary from a stakeholder suggested that local and national government has ignored for a number of years the fact that planning policy in urban and many suburban areas, especially with transport links, is weighted towards building apartments, yet apartments are not viable and are not being built in most parts of the country.
- A stakeholder stated that in the Irish context, REITs (Real Estate Investment Trust) provide a mechanism to attract and retain pension funds investment and retain capital. This capital requires transparent structures that have high governance and reporting standards applied. The REIT structure in Ireland requires review to make it competitive and aligned with other European countries.
- Stakeholders have recognised that high

construction costs are exacerbating the supply to the residential market.

- To enable property developers to manage cash-flow, a tax debt warehousing system could be developed for the construction sector deferring PAYE for example to match property sales more closely with property development.
- Stakeholders called for a temporary reduction in VAT rates for the sale of certain residential development in areas where the profitability of a property development is below a reasonable margin (taking into consideration what is a generally accepted margin below which a development would be reasonably considered unviable), with a super deduction for capital allowances of 130% could be made available for developers purchasing heavy plant and machinery for the purposes of a qualifying construction project.
- Stakeholders called for enhanced tax deductions for certain costs associated with training workers in the construction industry.
 - A tax credit for workers for the full cost of qualifying courses in designated specialist areas of particular need.
- An exemption from USC (Universal Social Charge) on the first €22,920 for the first three years of a new employment (i.e., an exemption from the first two tiers of USC).
- The Residential Stamp Duty Refund Scheme (SDRS) should be amended to allow for a stamp duty refund where the residential development meets either the 75% test, or where lower, it meets the proportion of residential units set out in the relevant Local Area Plan or city and county council development plans.
- Stakeholders discussed that the introduction of a tax depreciation deduction for construction costs. In this regard, it is believed that a tax depreciation deduction should be considered for the cost of construction of PRS and buy-to-let developments.. Such a measure would be of particular benefit for long-term leases as it would ensure that depreciation arising over the period of the long-term lease would be taken into account when calculating the amount of the landlord's overall return that is subject to Irish tax.

International Examples

- Examples of an elevated system of RPZs were proposed such as, France's Encadrement des Loyers (Rent Regulation) was implemented in 2015 in Paris to mitigate rising rents in the capital. The policy sets a maximum rent level that landlords can charge based on the area's rental market, property type, and other factors. It is a more sophisticated version of Ireland's RPZ regulations as it does not impose a single calculation for an area and is not based solely on existing rent plus an annual fixed percentage increase.
- Increase the penalty for non-compliance with RPZ also proposed.
- In Portugal, similar measures were utilised to address residential rental market stability. The use of tax incentives for landlords to encourage continued presence in the residential rental market was deployed in Portugal following the introduction of rent control measures in 2021. 'Extraordinary rent support tax benefit' established a tax coefficient which provided for reductions in tax on rental income of between 9% and 30%, which hinged upon on the property remaining in the market for a fixed period of between 2 and 20 years
- Restrict no-fault evictions: In Ireland, a landlord may end a tenancy if they or and or one of their family intend to occupy the dwelling for their own residential use. In Portugal, this can only occur if the landlord has no other residence in the same municipality. In Ireland, the landlord can also ask the tenant to leave if extensive renovation works will take place, with the property being offered back to the tenant on completion of the work. However, in Germany a tenant can only be evicted on this ground if the building is to be demolished. Additionally, landlords in Ireland may terminate tenancies if they plan to sell the home. Sale is not a ground for ending a tenancy in Germany where properties are normally sold with the tenant remaining in situ.



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