

# ***Housing & Homelessness Forum***

## ***31 March 2016***



## **Overview of the Private Rented Sector**

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# Profile of the Sector

## *Census 2011*

- Number renting from a private landlord more than doubled in the five years since 2006
- 305,377 households accommodating 770,375 tenants (PRTB – 319,609 registered tenancies at end 2015)
- 35.5% aged between 25 and 34
- 15% are aged between 35 and 44

## *DKM study (for PRTB)*

- Majority (65%) of landlords owned just one property
- 17% have two properties
- 9% own three properties
- Just 10% of landlords have more than three properties
- 70% have outstanding debt on the rental property
- For 71% the rental income received does not cover the mortgage loan repayments



# Recent Trends

## **PRTB Rent Index: Q4 - 2015**

- Rents were 9.8% higher nationally than in Q4 2014.
- 9.1% lower nationally than peak in Q4 2007 but 0.4% higher in Dublin.
- Outside Dublin more moderate growth - levels remain nearly 14.5% off their peak levels.

## **Average Rent**

- Average monthly rent nationally Q4 2015 €921 (€979 according to daft.ie).
- €1,315 in Dublin.
- €713 outside Dublin.

## **Daft Rent Report**

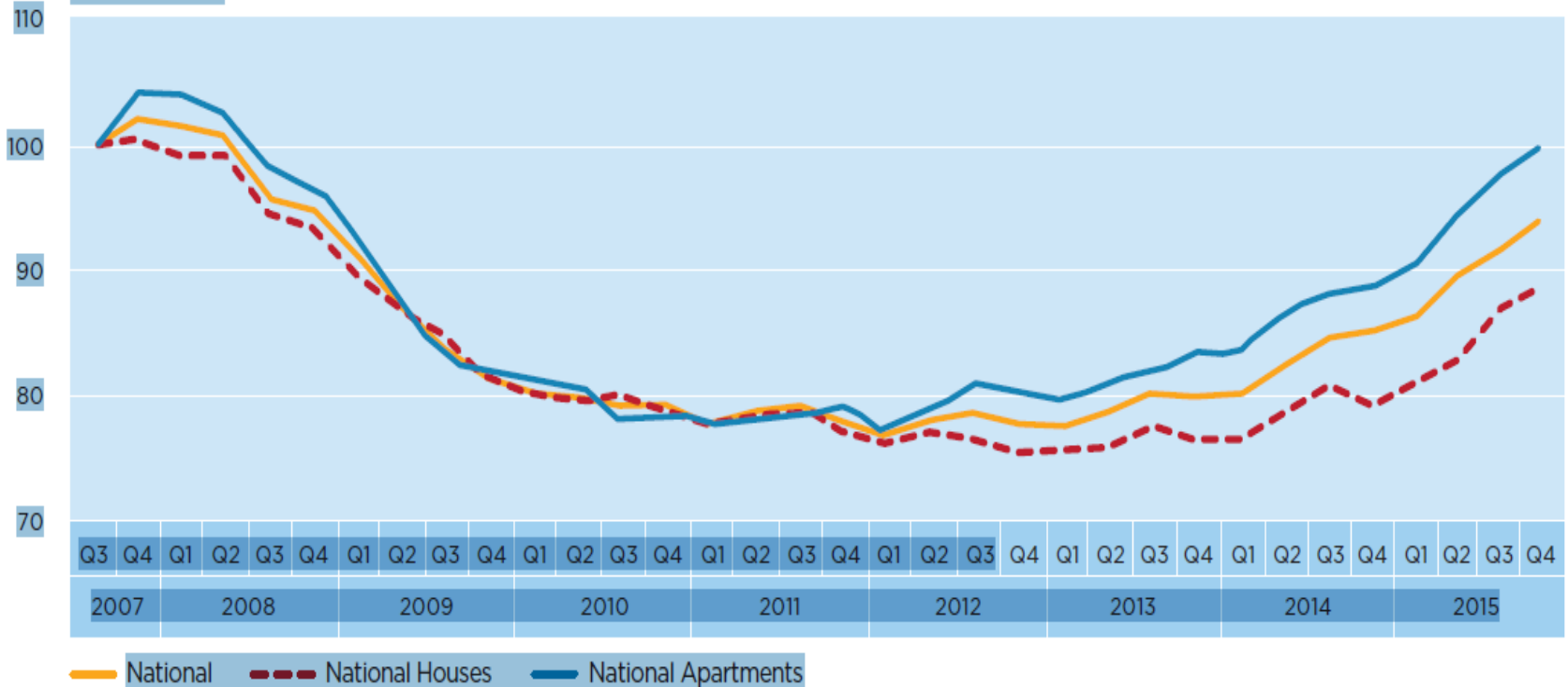
- Rents up 32% nationally since bottom in late 2011.
- 1,400 properties available to let in Dublin as of 1 February compared to 5,200 average between 2008 - 2012.
- 3,600 available nationally – lowest since series started in 2006



# Recent Trends

## NATIONAL

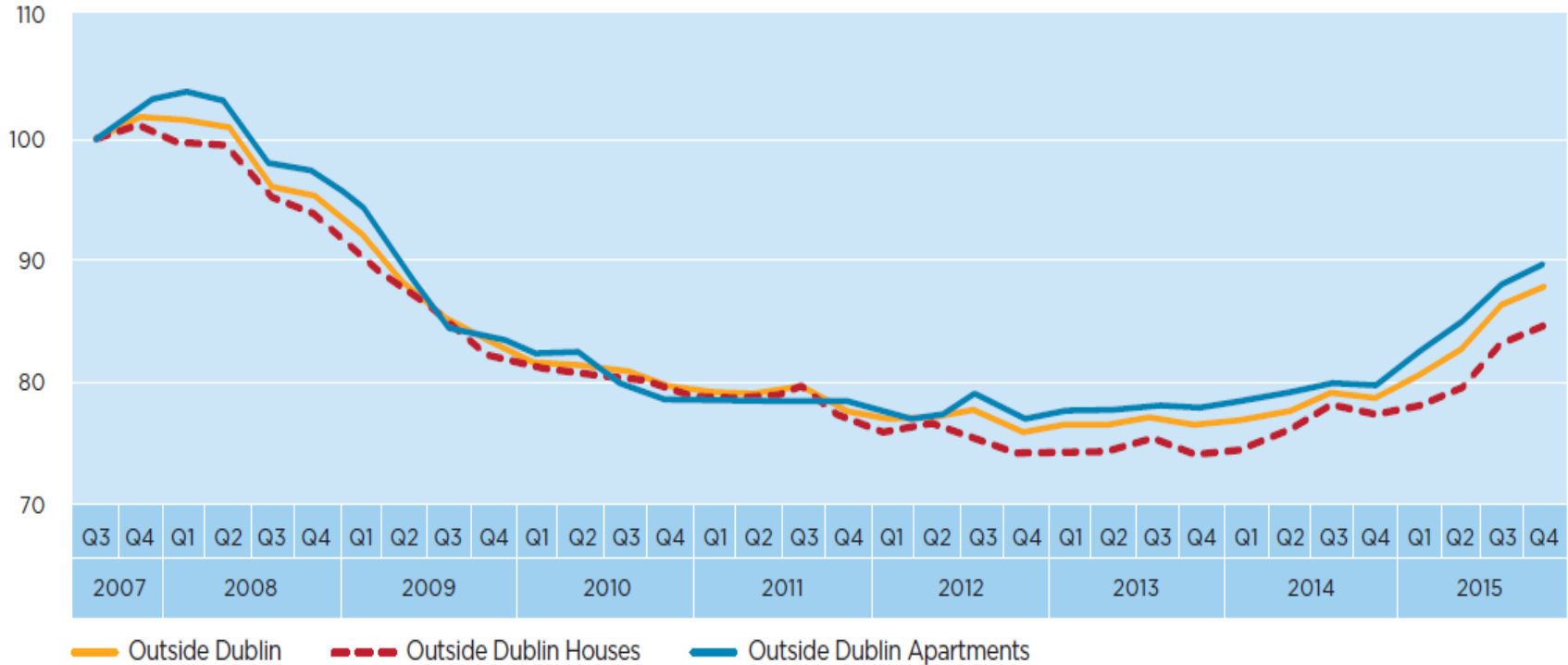
Q3 2007=100



# Recent Trends

## OUTSIDE DUBLIN

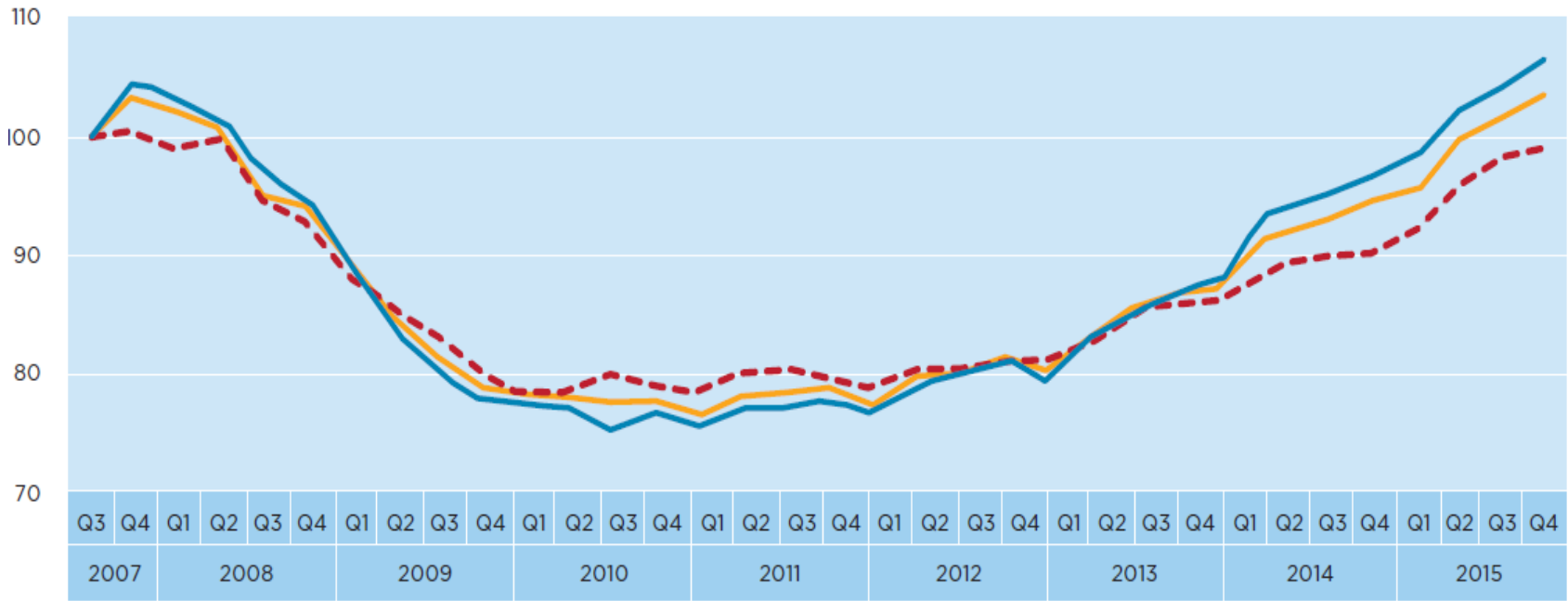
Q3 2007=100



# Recent Trends

## DUBLIN

Q3 2007=100



— Dublin    - - - Dublin Houses    — Dublin Apartments



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# Recent Trends

## Availability of rental homes at lowest level on record

There were fewer than 3,600 homes available to rent nationwide on February 1, the lowest total at any point since the start of the data series ten years ago.



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# Influences on growth in the Sector

- Decreased mobility for First time Buyers (2007 onwards)
- Rise in tenants from the EU27
- New household formation
- Pressures on social housing
- Lack of new supply – general challenge



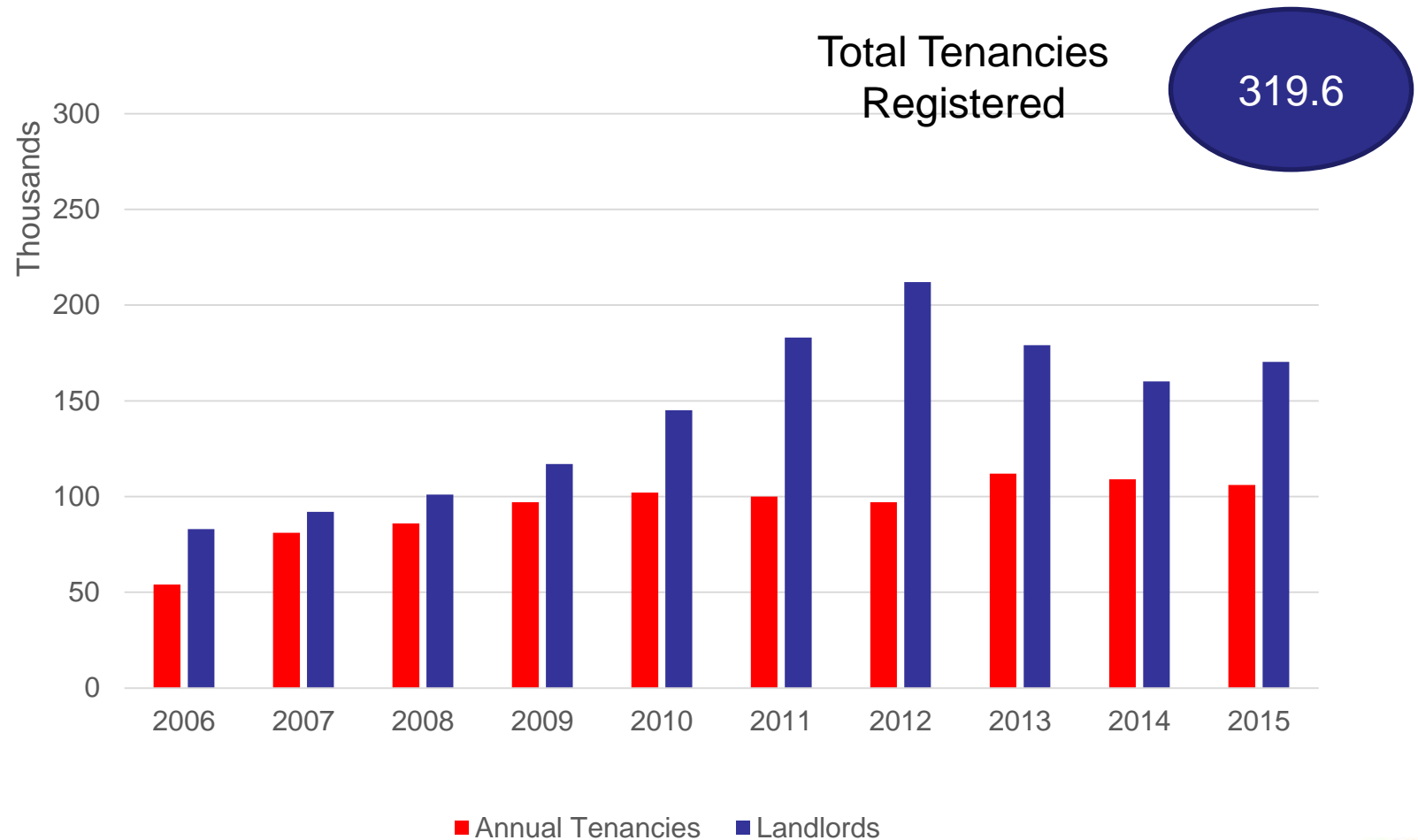


# Impacts for the PRTB

- Demand for Service
- Enforcement
- Role in collecting and providing information more important

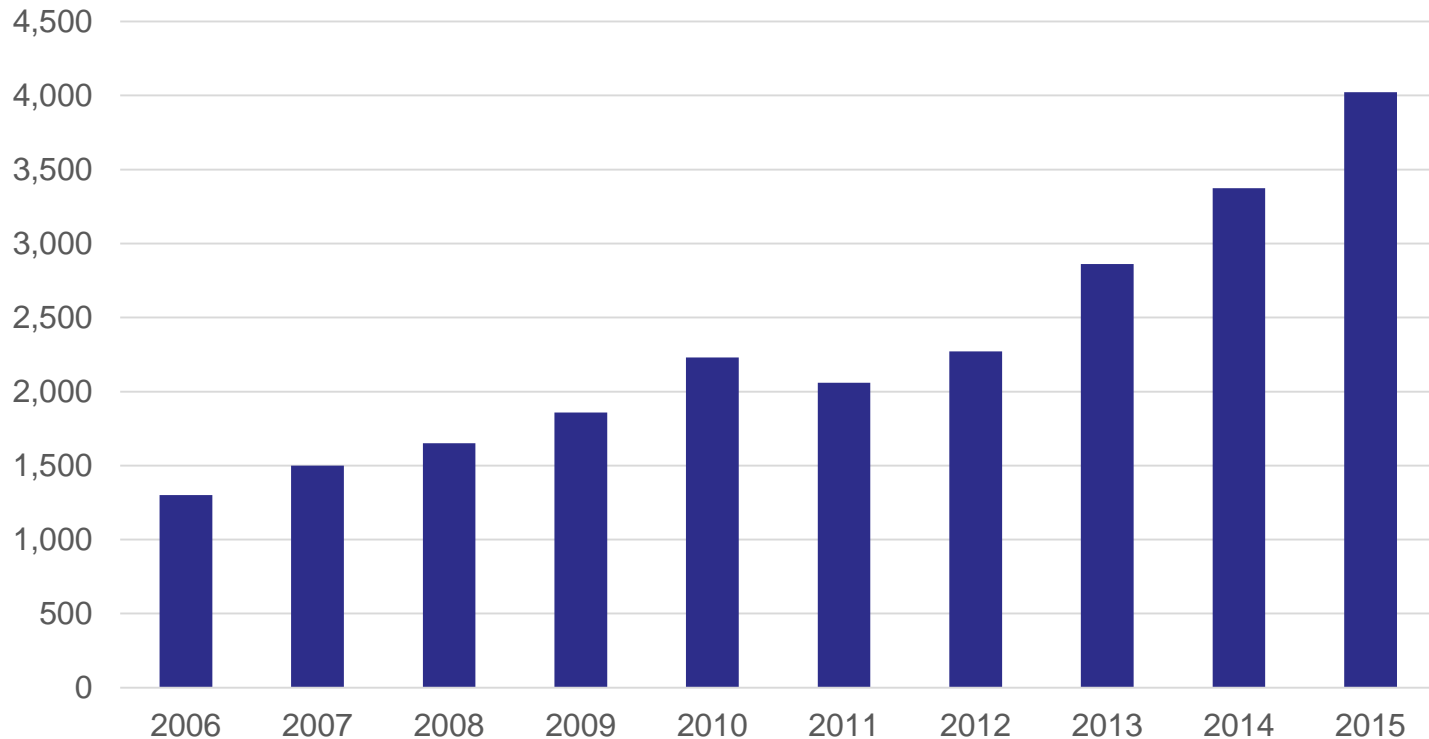


# Activity in the Sector – Tenancies & Landlords



# Activity in the Sector - Disputes

Dispute Cases



# RTA Changes New Measures and Developments - Rent Certainty

- Extension of Duration between rent reviews from 12 months to 24 months
- Extension of notice periods of new rent
- Details of rent in respect of 3 comparable dwellings
- Extension of Notice periods for longer term tenancies – up to 224 days for landlord
- Stronger verification arrangements in relation to the termination procedures
- Intention to sell remains a ground for termination but landlords must provide statutory declaration
- Constitutional property rights vs. social objectives common good **AND** practical impacts on supply in short / medium term



# Deposit Protection Scheme

- Landlords required to lodge tenancy deposits with the PRTB at the same time they register a tenancy.
- The PRTB will hold these deposits for duration of tenancy.
- If landlord agrees deposit repaid to tenant. Where no agreement the parties may apply for dispute resolution
- Expected operational date 2017 - 2016 priorities scheme set up



# Other developments

- Free Mediation Services
- Enforcement of PRTB determination orders through District Court instead of Circuit Court
- Equality (Miscellaneous Provisions) Act 2015 now prohibits discrimination against persons in receipt of rent supplement
- Code of Practice



# From Private Rental Sector to a Rental Sector

- AHBs under remit of PRTB in April
- PRTB will become the Residential Tenancies Board (RTB)
- AHBs to register all tenancies with RTB
- AHBs and their tenants will have access to the dispute resolution services of the RTB



# Social Housing Strategy – Whitepaper on the Rental Sector

## *Issues to be addressed*

- A vibrant rental sector – key national strategic goal
- Sector of Choice for both Landlords and Tenants
- Security – tenure and investment environment
- Supply – part of wider challenge
- Standards – how to drive improvement in standards and configure enforcement system most effectively
- Treatment of encumbered buy-to-lets – receiver / lender responsibilities
- Internal measures – to cope with increased demand
- Need to know more about impacts of measures already taken and expectations of landlords and tenants





# Thank You



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