Position and Role of the Private Rented Sector

Delivering Now, Managing Sustainability
Housing Practitioner Conference

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Overview

- Profile of the Sector
- Supporting a Functioning Market
- Rental Strategy and What’s new?
- Impacts
- Working Together?

Activity in the Sector – Tenancies & Landlords

346,156

322,731 Private

23,425 AHB

Total Number of Tenancies

720,000 Occupants

176,946

Total Number of landlords

70% own only one property

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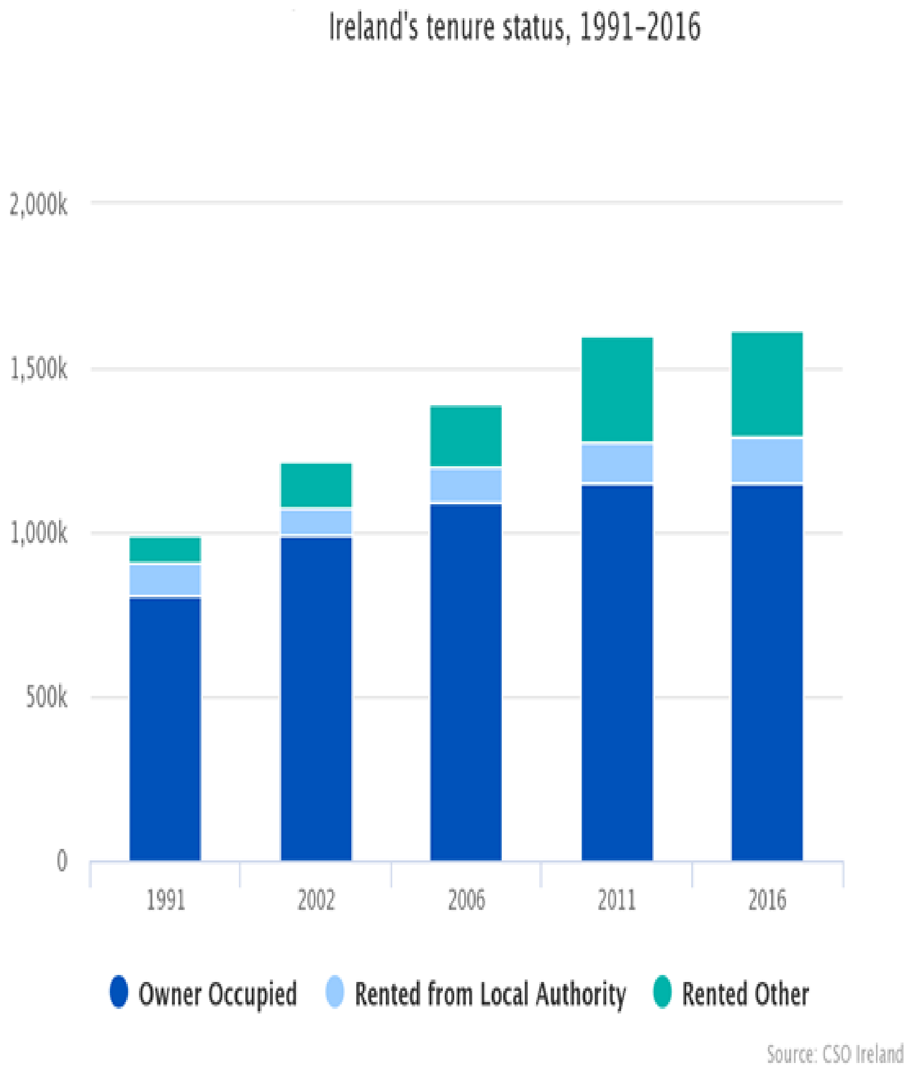
Sector Profile

- Renting was the tenure status for almost 30% of all occupied dwellings in census
- Renting from a local authority, the largest increase, up 11 %
- Renting has overtaken both homeownership categories to become the predominant tenure status in urban areas



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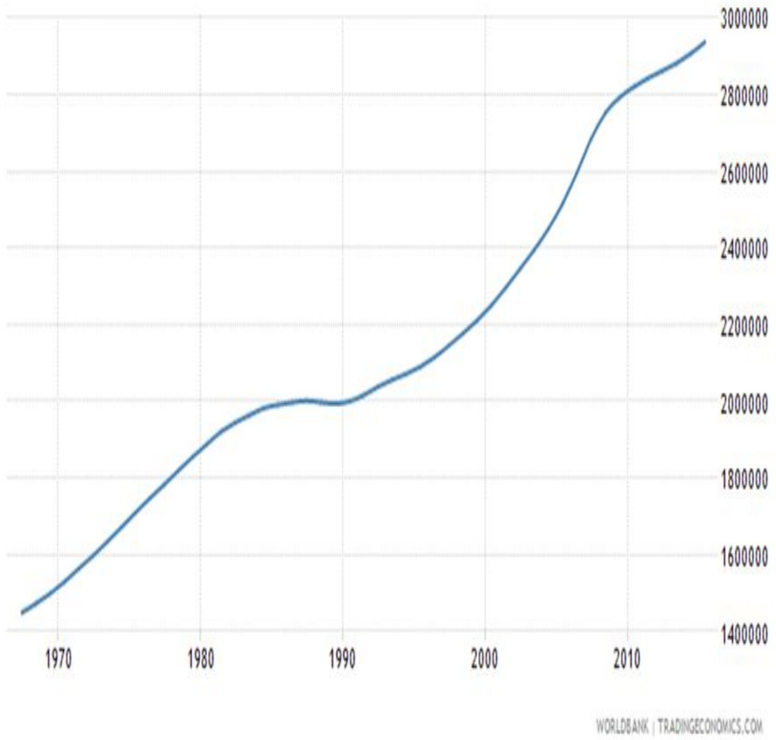
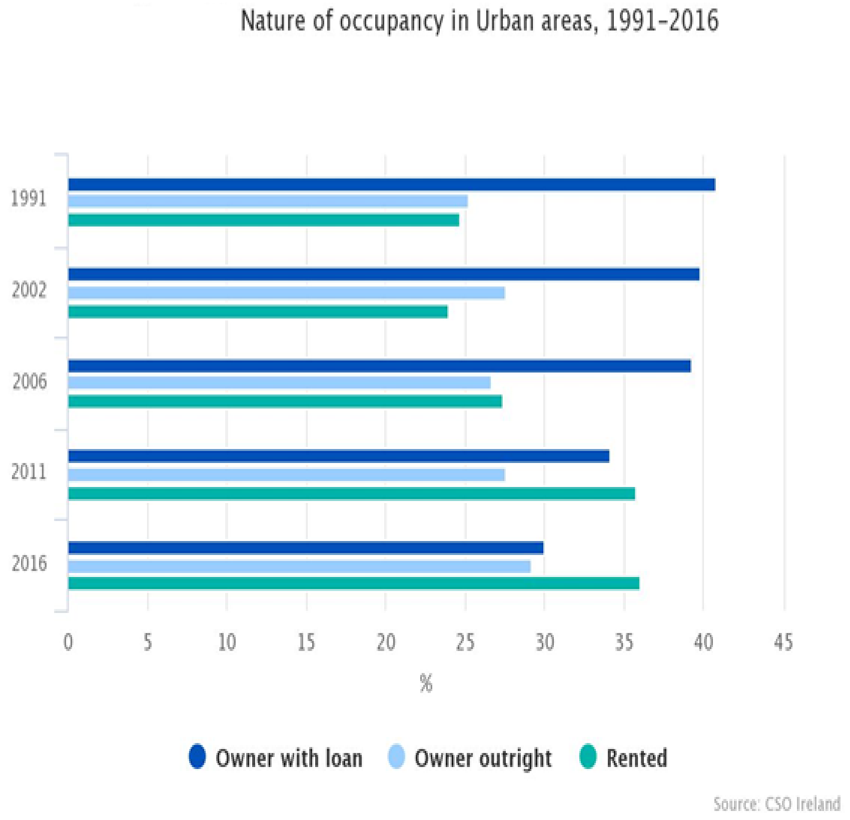
Sector Profile

As Ireland urbanises



The rental sector grows



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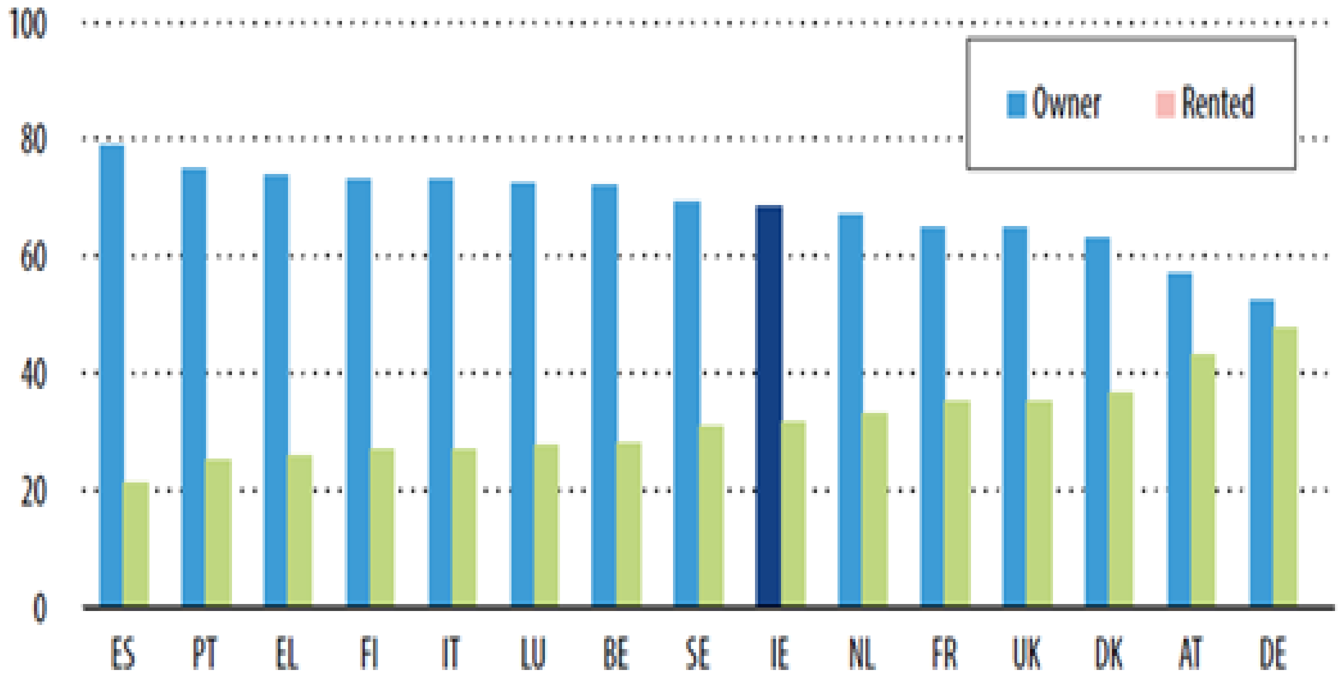
Sector Profile

- This shift to the rental sector over the past 25 years has brought Ireland broadly in line with the tenure mix across the EU 15 countries

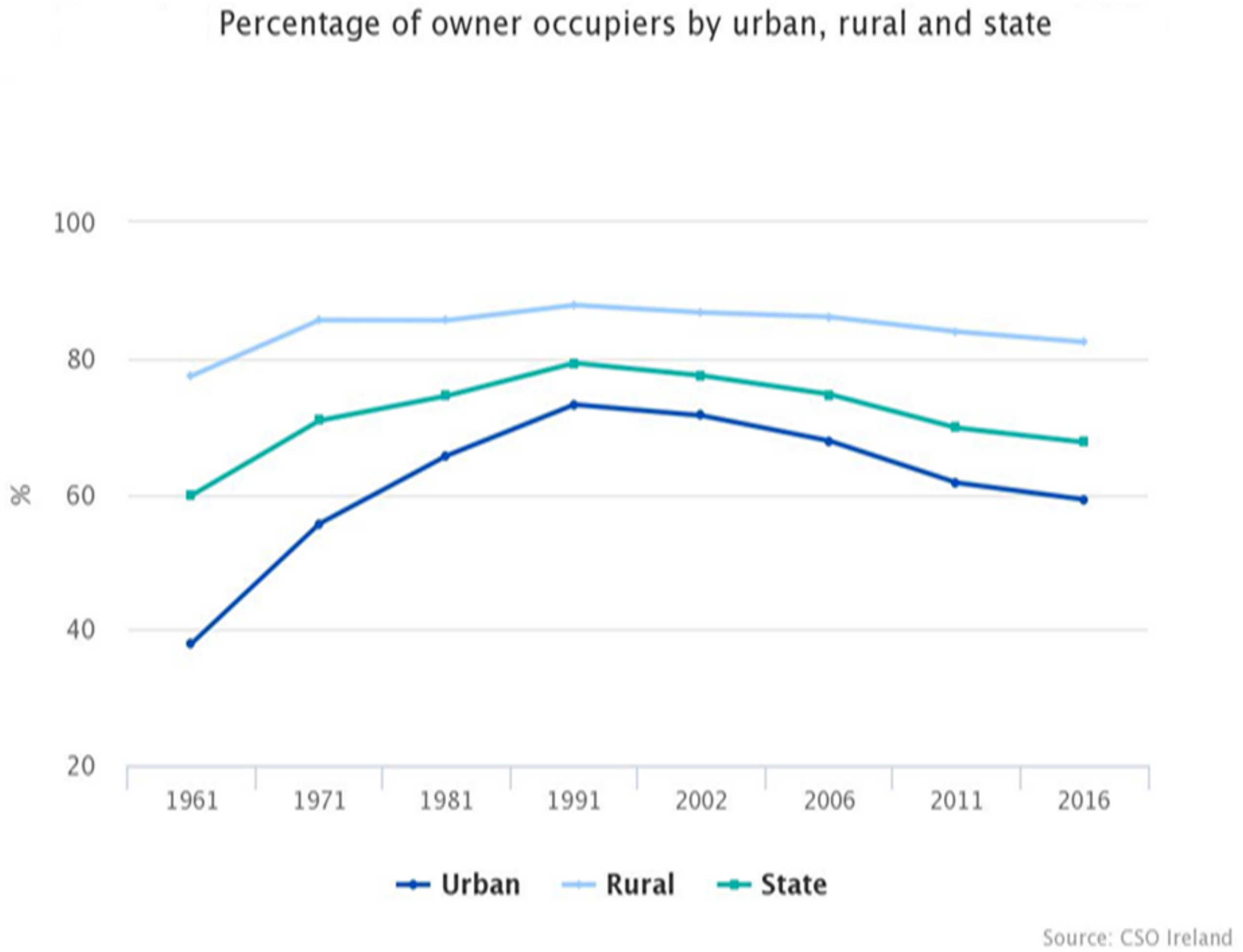
Comparison on tenure type across countries in the EU 15, 2014[26]



Source: European Commission, Eurostat, Survey on Income and Living Conditions 2014

Sector Profile

- There is a long term trend away from home ownership
- The home ownership rate has reached a level last seen in 1971
- Wider societal trends such as the financialisation of housing; student debt; and a shortfall in housing supply indicate this trend will continue



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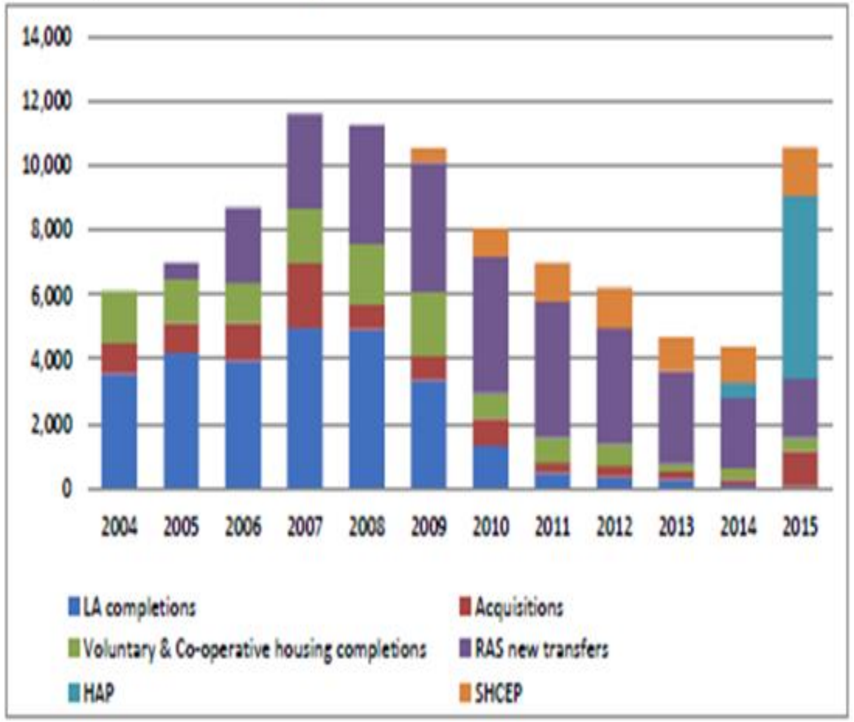
The PRS LAs & AHBs

- There is a growing interdependence between the private rental sector and the social rental sector

- Demand for social housing is being met by private landlords through a number of schemes administered by Local Authorities on behalf of the Government

Spectrum of Social Housing Provision, 2004-2015[1]



Source: DHPCLG (2016) statistics. *Report of the Committee on Housing and Homelessness, June 2016.*

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Q4 Summary Results

- Rents continue to increase
- Quarter on quarter increase of 2.7%
- Nationally rents are still below peak – 2.7%
- Growth rate in Dublin has picked up again – 3.8% or 9% annual growth
- Dublin rents now 8.3% above peak
- Outside of Dublin – growth 0.6% or 7.2% annual growth
- 11.1% below peak

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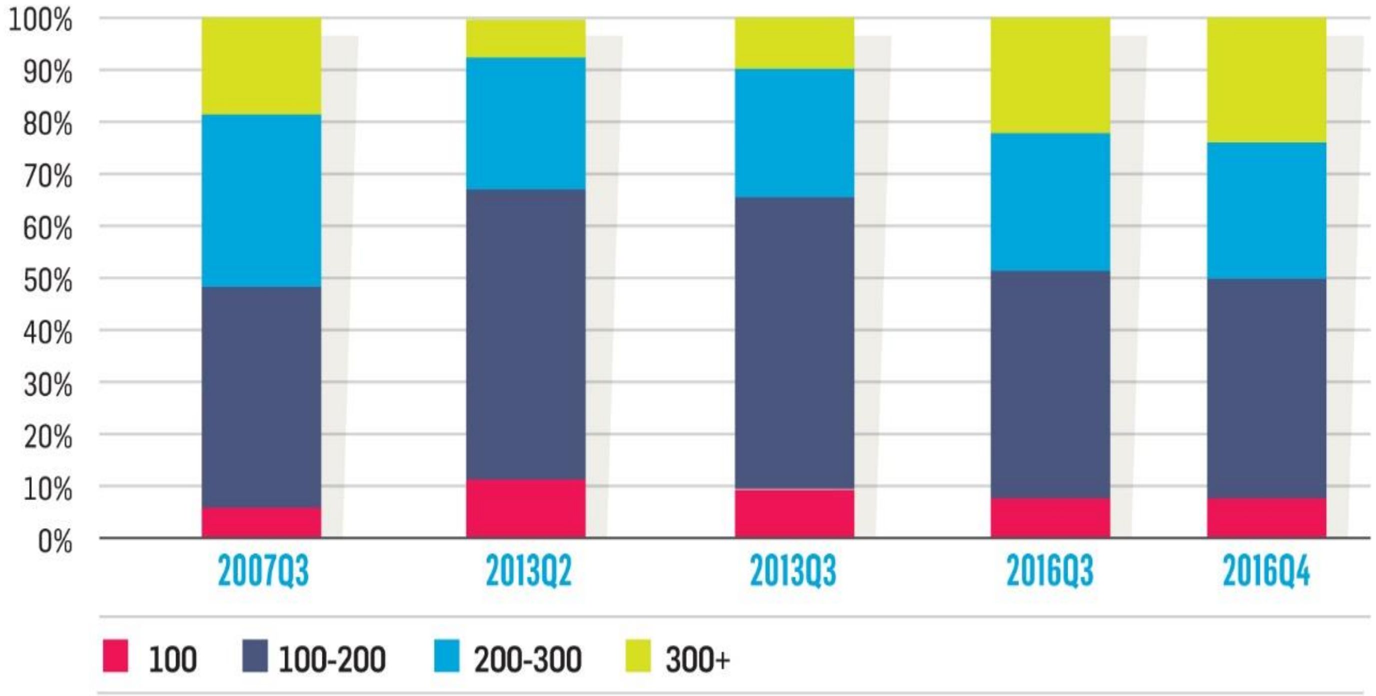
Q4 Summary Results

Figure 8: **Distribution of weekly rents nationally**



Source: RTB data and own calculations using CSO data.

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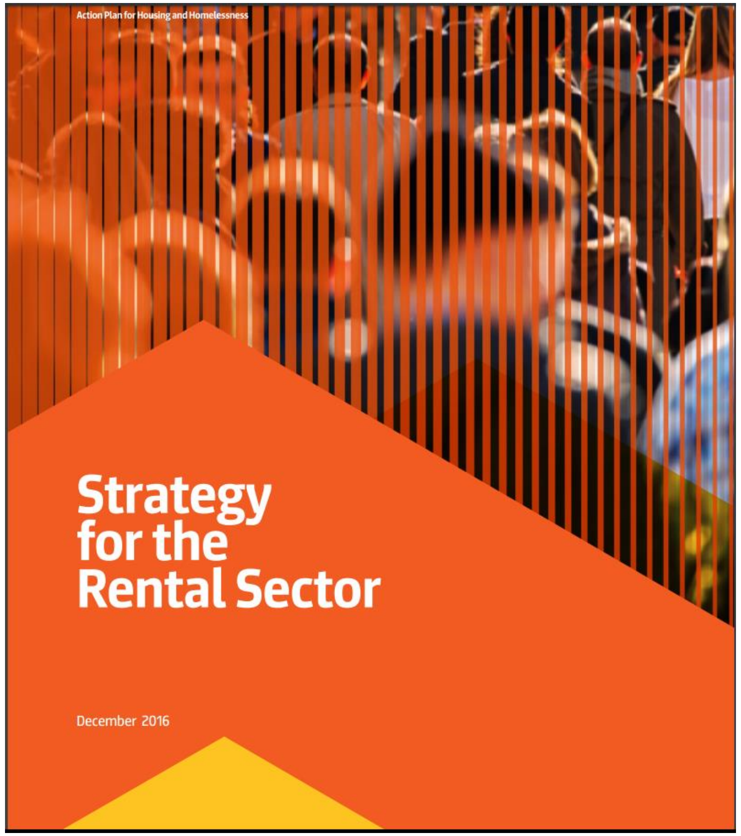
Strategy for the Rental Sector

Focus on 4 S:

- Security
- Supply
- Standards
- Services



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Rental Strategy Headlines

- **Rent Pressure Zones**
- **Tyrrelstown Amendment**
- **Improved Security of Tenure**

- Encourage unfurnished accommodation
- Review of Tax
- Release land in RPZ areas
- Build to Rent
- Voluntary Landlord Accreditation Scheme
- Simplification and One Stop Shop
- Improve enforcement

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Security of Tenure

Probational Periods

6 year cycles

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Rent Pressure Zones

- Restrict rent increase in areas of most pressure
- New and Existing tenancies
- Effect after you get your next rent review
- 2% backwards
- 4% forwards
- Rent Certainty Measures still apply outside of rent pressure zones

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Rent Pressure Zones

Criteria

- Annual rate of rent inflation is 7% or more in 4 of last 6 quarters, and average rent is above national average

Exemptions

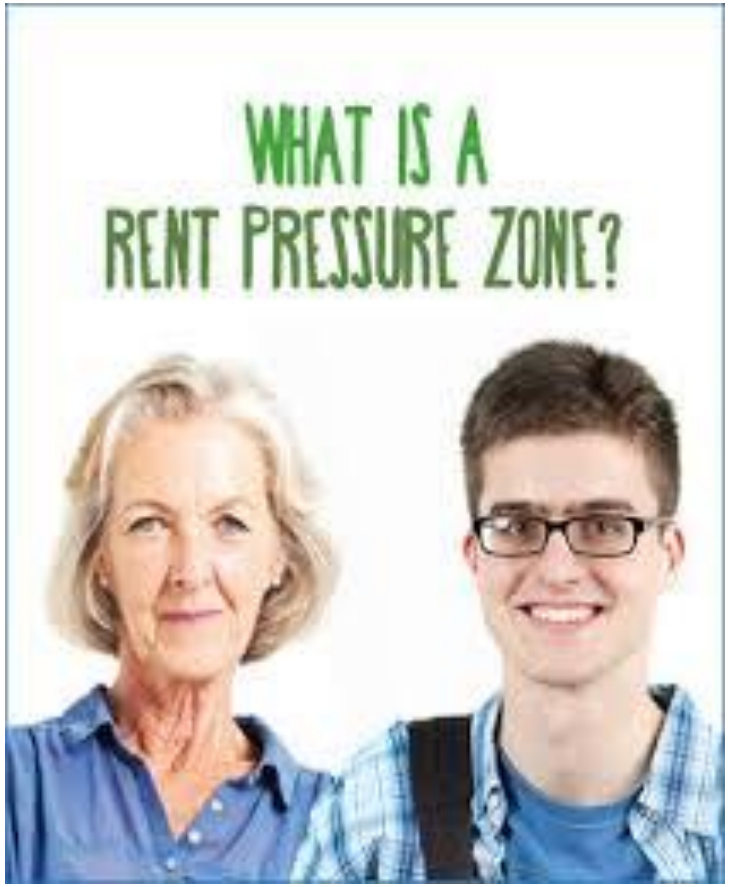
- New to the market

Exemptions

- Substantial Change

RPZ Impacts

- Over 55% of tenancies covered
- 14 LEAs and 4 LAs designated to date
- Review in June
- Issues arising



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2016 Dispute Statistics

Adjudications and Mediations

- 4,837 new applications in 2016
- 8,218 different complaints
- 2,111 cases settled and withdrawn
- 2,813 Hearings

Appeals

- 630 new applications in 2016
- Appeal rate -15% for Adjudication
- 12% for Telephone Mediation

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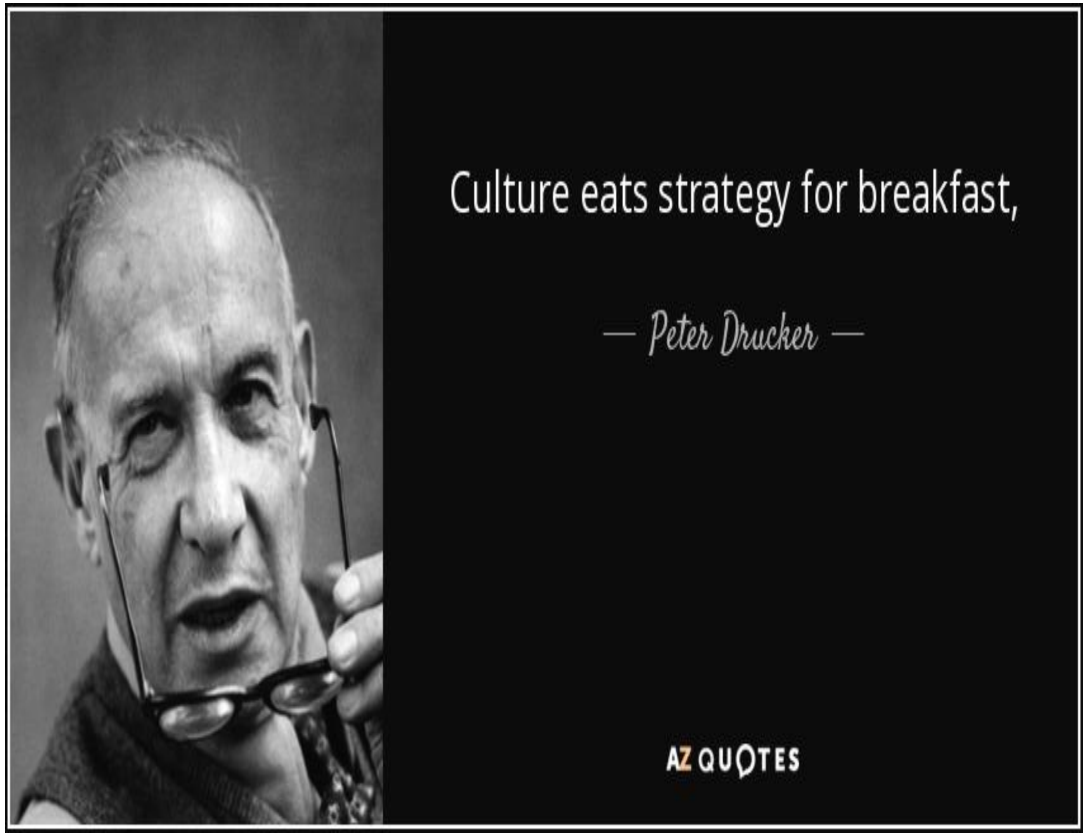
The role and position of the Sector?

- Regulation cannot be the only answer
- For every rule there is always someone who falls in or out
- Attractive investment which embraces security needs change of culture
- Sector of choice for landlords and tenants – changing culture, neutrality of language
- Security – tenure and investment environment
- Supply – part of wider challenge



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Common long term vision

- Vibrant rental sector – fair and accessible to all
- Sector of choice for landlords and tenants – changing culture, neutrality of language
- Driving improvement in standards
- Measuring the impact of measures of taken
- Recognise one size not fit all
- Recognise rental sector
- Recognise and support diversity
- Understand implications and bring certainty to market
- Long terms issues?

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Working Together

AHBs

HAP

Standards

Housing Applicants

- Language
- Information and education
- Data exchange
- Planning functions

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Thank You

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