



Tenants in focus

- Rising numbers of renters hit record levels
- Watchdog to take on more staff
- Questions on tenants rights
- Market movement in Dublin and Leinster



Record high as one in seven

Sharp rise due to lack of lending and shortage of properties

ALMOST one in seven of the population is now living in the private rented sector, the highest number on record.

A lack of mortgage lending and shortage of properties coming onto the market has resulted in a sharp rise in the numbers renting, with almost 700,000 living in leased houses, flats or apartments.

And there has been a surge in recent months, with 50,000 more people renting today compared with last December.

As many as one in three are reluctant tenants, and would prefer to live in their own home. The increase in the numbers renting comes as 'The Rent Report' from the *Irish Independent* reveals that prices in our main cities of Dublin, Cork and Galway have soared in the past five years, while prices have plummeted in the regions.

New figures from the Private Residential Tenancies Board (PRTB) show that just 455,000 lived in private rented housing in December 2013. This has risen to 695,646 today, meaning the number has increased by 52pc in just 18 months.

The growth comes as the number of houses being constructed remains stubbornly low and well below the level needed to meet demand.

The rise in prices means that many of these tenants are unlikely to be in a position to save a deposit which would allow them to secure a mortgage under tough Central Bank rules.

In addition, mortgage approvals have stalled, with just over 2,000 issued in March this year.

Paul Melia

Environment Editor



The figures come after Government policy advisers the National Economic and Social Council (NESC) recommended that tenants should be offered longer leases, and landlords offered similar tax reliefs as apply in the commercial sector, in a radical shake-up of the market.

The NESC said that one in three renting was unlikely to be able to purchase a home in the near future, and that they should be protected in the event that the property is sold.

In an interview with the *Irish Independent*, PRTB director Anne Marie Caulfield said the private rental sector had doubled in recent years for a variety of reasons.

"People are renting because they may not be able to access a mortgage," she said. "Research suggests some 30pc of tenants would buy if they could, but cannot get access to a mortgage or cannot save a deposit or their employment isn't secure.

"In a period with very little direct building, it is playing an important role. Roughly one-third have said it suits their needs because they can live in an area with family supports or where their children go to school. It also suits people on short-term (work) contracts."

But she warned that the sector faced serious issues, including the fact that some 40,000 buy-to-let mortgages were in serious mortgage arrears.

"If they were to be sold and the tenant was affected, that would be quite serious," she added. "Supply and increases in rent are the biggest issues. The NESC report talks about rent stability measures, whether the Government takes them on board is another matter."

A report commissioned by the PRTB last year said that rent controls might not be appropriate as they could affect supply.

But if landlords signed up for longer-term leases with tax incentives, it could result in rent certainty over the longer term. This would also level the playing field for those considering investing in residential or commercial developments.

Warning

It is believed that around 92pc of all tenancies are registered with the PRTB, and there are some 170,000 landlords in the market. In addition to the 700,000 living in the private rented sector, another 130,000 are local authority tenants.

Overall, there are some 323,000 tenancies registered, which are home to almost 700,000 people.

Ms Caulfield said that some 19,641 warning letters were sent to landlords in 2014 reminding them of their legal obligation to register a tenancy, which costs €90. Each new tenancy must be registered, and existing agreements updated every four years.

It is believed that around 9pc of tenancies are not registered. However, data from the Department of Social Protection – which pays the rent of around 100,000 people in private accommodation – is used to track offenders.

Failure to register incurs a €180 late registration fee. In recent years, two landlords have been forced to register 120 tenancies each over a period of time, incurring a bill of €21,600.

Ms Caulfield added that 17 summons were issued last year for non-registration, with seven landlords convicted. Fines and costs of €95,770 were awarded against these individuals.

The PRTB noted that landlords were not obliged to inform it when a tenancy lapsed, adding that a tenancy lasted for up to four years if one original tenant remained in the property.

However, these caveats would also have applied in previous years, when the number of registered tenancies were far lower.

The NESC report also said the PRTB, which is tasked with supporting the rental market and resolving disputes between landlords and tenants, should be given more resources.

The agency employs 30, and has been given sanction to recruit an extra 11 staff. However, there are plans to increase its workload whereby it will hold deposits on behalf of landlords, to be returned at the end of a tenancy. It will also take control of Approved Housing Bodies which provide accommodation to the elderly and those on low incomes.

NUMBER OF TENANTS AND HOW THE MARKET HAS GROWN



Deposit protection scheme on the way to help landlord-tenant disputes

Paul Melia
Environment Editor

THE Government is finalising plans for a deposit protection scheme to help protect tenants in the event of disputes.

The Private Residential Tenancies Board (PRTB), currently responsible for registering tenancies and adjudicating on disputes, will retain the deposits until both landlord and tenant agree it can be released.

The PRTB last year dealt with 801 cases of deposit retention, representing 15pc of all cases.

It has been given permission to increase its workforce from 30 at present to 42, in part to help administer the scheme.

Deposits typically represent one month's rent, and are currently retained by landlords.

In cases of undue wear and tear on a property, a portion – or all – of the deposit is held back by the landlord to make necessary repairs. However, in some cases, the money is never returned, leading to disputes.

The problem became particularly acute five years ago as the numbers of people emigrating rose due to the recession.

The move will affect almost 700,000 people living in the private rented sector. The PRTB says some 323,000 tenancies are currently registered.

PRTB director Anne Marie Caulfield said it had sanction to increase staffing numbers to cope with the workload.

"The size of the sector has doubled, the caseload has doubled, enforcement has gone up four-fold," she said.

"The key issue now is the rent arrears, but it used be deposits.

"Before, people would get the deposit back and move on. But now there's a shortage of properties for people to move on to."

It is expected that the scheme will be self-financing, with operational costs to be covered through income earned on deposit holdings. Given the size of the sector, the amounts to be retained would run into the tens of millions of euro.

The model being pursued is called a custodial scheme, whereby tenancy deposits are transferred to the scheme for the duration of the tenancy.

They are then repaid following agreement between the landlord and tenant, or following the outcome of a disputes resolution process.



ANNE MARIE CAULFIELD

ANALYSIS
Increasing rents are a growing concern for tenants – p14

How can I find private rented accommodation?

Do not rush in and take the first place you see, as this could lead to problems later. Instead, take the time to ensure that the property is right for you, the rent is affordable, it is in the right location and in good condition and that you are happy with the terms and conditions of the letting.

Can a landlord refuse me?

A landlord may not offer you a property provided the refusal is not based on one of the nine discriminatory grounds found in the Equal Status Acts 2000-2011. The Government is also proposing to make it unlawful to discriminate against tenants in receipt of rent supplement, housing assistance payments, or other social welfare payments.

Do I have to pay a deposit?

Normally you will be asked to pay a security deposit when renting

Q&A

with the National Housing Charity Threshold

which is held by the landlord. Do not hand over any money until you are happy with the property and the terms. Avoid paying in cash and always get a receipt.

Do I have to sign a lease?

There is no requirement for a written agreement such as a lease, but your landlord must give you a rent book which records the details of your tenancy and payments. If you are

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Where The Rent Report data comes from

By law, all tenancies must be registered with the Private Residential Tenancies Board (PRTB). Among the details it records is the monthly rent, and the type and location of the property being rented. The information is collated on behalf of the PRTB by the Economic and Social Research Institute (ESRI), and has been used to compile 'The Rent Report'. More than 30 individual property types must be registered in a given location before appearing on the database, and records of more than 400 locations are held.

Tomorrow: Landlords

- Paul Melia on the accidental landlord
- Market movement in Cork and Munster

lives in private rented home

RENTAL MARKET MOVEMENT: DUBLIN AND LEINSTER

(FIGURE IN BRACKETS REPRESENTS HOW COUNTY RANKS IN TERMS OF COST OF 'AVERAGE' HOME)

Number of tenancies registered

323,011
up from 303,574
in December 2014.



Number of new tenancies in 2014 -

112,873



Number of landlords as of December 2014 -

170,481



Number of letters sent to landlords advising them of the need to register in 2014

19,641



Number of official enforcement notices in relation to non-registration

9,212



Number of solicitor's warning letters -

403



DUBLIN (1)

The average cost of renting in Dublin stands at €1,142 per month, up 5.5pc - the highest increase in the country.

But prices for a three-bed semi-detached home range from €890 in the seaside town of Balbriggan, where rents have fallen, to €2,110 in Dublin 4. Some 113,000 homes are rented, almost 40pc of the national stock.

WICKLOW (2)

The rental market in Wicklow is quite small, just under 7,000 units, and the average price is €877, a drop of 3pc.

Families are drawn to the seaside at Greystones, where prices are highest for a three-bed semi-d at €1,229 per month. The cheapest location is Arklow.

KILDARE (3)

There has been no change in average rental costs in Kildare, home to major employers including Maynooth University, Intel and Hewlett Packard.

A home costs €836 per month, but a three-bed semi-detached has dropped 1pc to €866.

Rents are up in some parts, including Kildare town and Leixlip (7pc each). Maynooth is the most

expensive town in which to rent, at €1,029.

MEATH (6)

Rental prices have dropped by an average of 2pc, down to €719. Dunboyne is most expensive for a three-bed house, at €1,035, while a two-bed apartment costs €811 in Ratoath. Almost 7,300 homes are rented in the county, which is well-served by the M3 motorway to Dublin and the border.

LOUTH (7)

There's a stark difference between renting in Louth and neighbouring Meath, some €80 per month, despite the county being well-served by a road and rail network.

The average cost is €639, with Drogheda the most expensive town. A three-bed semi-d costs €717 per month, compared with €628 in Dundalk.

KILKENNY (9)

THE average rent in Kilkenny is €615, a 5.5pc drop. But this increases to €623 for a three-bed semi-d in the city, the most popular accommodation.

It's cheaper to rent a two-bed apartment in the county, at €600 per month. However, the rental market is focused in the city.

CARLOW (10)

The rent for an 'average' home stands at €597, an 8.5pc drop.

Landlords owning three-bed semi-ds have been badly hit in recent years - a home now rents for €606 per month, down 12pc, and is even lower in the towns of Carlow and Tullow.

This is despite a student population of more than 5,300 in Carlow IT, many of whom would require accommodation during term-time.

WEXFORD (12)

Average rents have dropped by 12pc to €546 per month, with two-bed apartments in Enniscorthy badly-hit - down 15pc to €442.

The cost of renting a three-bed home stands at €588, rising to €622 in Kilmuckridge, also known as Ford.

There is no data available on rental costs here from 2010, as fewer than 30 were rented.

LAOIS (14)

Rents have fallen 4.5pc in Laois, down to €541. But prices for apartments have fallen by far more, down 12pc in Mountmellick for a two-bed at €429, and 11pc in Portarlington to €438.

A three-bed semi-detached home costs €564 on average, but is at a low in Mountmellick at €518.

WESTMEATH (16)

Rental prices have dropped between 7pc and 9pc, with an average home now costing €537.

The most expensive town in which to rent is Athlone, at €558 for a three-bed semi-d. Interestingly, the same property in Athlone, but with a Roscommon address, fetches almost €40 more per month.

OFFALY (18)

The average cost of a home is €532, rising to €561 for a three-bed semi-detached. The lowest prices are in Clara, and the highest in Edenderry and Tullamore.

Two-bed apartments have dropped by 6pc across the county, and now cost €495 per month.

LONGFORD (26)

The cheapest county in the country in which to rent a home, average prices stand at €407, a drop of 16pc.

A three-bed semi-d costs €423, rising to €435 in Longford town and falling to €383 in Edgeworthstown, while a two-bed apartment is €350 on average.

given a lease, read it carefully and if necessary get advice.

Does my tenancy have to be registered?

Your landlord has one month within which to register a tenancy with the Private Residential Tenancies Board (PRTB). If your tenancy is not registered, you can report this to the PRTB.

What condition should the property be in?

Landlords must ensure that the property meets basic minimum standards, including being in a proper state of structural repair and free from damp.

Other requirements include: fixed heating appliances which the tenant controls; facilities for cooking, preparation and food storage, clothes washing and drying; adequate ventilation; fire blanket and fire alarms.

Report all repair issues immediately to your landlord.

There are no legal guidelines as to when repairs should be carried out, but Threshold recommends that emergency repairs should be carried out immediately where there is a danger to human life.

Urgent repairs should be carried out within 3-5 days.

Routine repairs should be carried out within 14 days.

If your landlord is not carrying out repairs, you cannot withhold rent, as this will put your tenancy at risk. But you should contact your local city or county council, who are responsible for inspecting private rented accommodation.

Is there a limit to how much my rent can be increased?

Your rent can normally only be reviewed once every 12 months. You must be given 28 days' written notice of the amount of the new rent and the date payment is to start from.

The rent cannot be more than the 'market rent' which you can

gauge from a number of sources including the PRTB rent index.

On average, rents have gone up 8pc in the past year.

If you wish to challenge the rent review, you can refer it to the PRTB within 28 days.

What will happen if I cannot pay the rent?

Inform the landlord immediately and try to reach a solution such as a repayment plan. Rent arrears potentially put your tenancy at risk and if your landlord wants to end the tenancy they must give you written notice of the rent arrears and, if after 14 days you do pay the rent, they can give a minimum of 28 days' notice of termination in writing.

Can my landlord end my tenancy if they are selling the property?

This will depend upon whether you have a current lease or not. Normally notice cannot be given

during a fixed-term agreement unless there is a break clause, there is a breach of obligations or both you and the landlord agree.

Where there is no fixed-term agreement, a valid notice of



termination must be given in writing. In the first six months, your landlord does not have to give you a reason but thereafter you automatically acquire additional rights (this is called a Part 4 Tenancy). The longer you are in a tenancy, the more notice you are entitled to, up to 112 days for four years or more.

If you have been given notice and wish to challenge it, you have 28 days to refer a dispute to the PRTB. Under no circumstances can a landlord take the law into their own hands and remove you or your belongings.

What do I do if the property has gone into receivership?

Where a receiver has taken over the property, it can be confusing for tenants but you are still entitled to your statutory rights. You should seek a deed of appointment and get clarification in relation to the return of your deposit, rent payments and

responsibility for the day to day management of the property.

Am I entitled to get my deposit back when I leave?

Your landlord does not have to return your deposit on the day you leave but it should be returned 'promptly'. Deductions may be made equivalent to any amount of arrears in rent, other charges or taxes payable, or damage above normal wear and tear.

At the end of the tenancy, ensure all rent and bills are paid, clean the property, remove all belongings and take photos of the condition the property has been left in. Return the keys. Request receipts for any deductions.

What can I do if I need further help?

If you require further advice, visit www.threshold.ie or phone 1890 334 334. Disputes may be referred to the PRTB online at www.prtb.ie.