

The RTB Rent Index shows 8.2% annual increase in national rents, but some signs of stabilisation in Dublin and Cork City

- *The Q3 2019 RTB Rent Index shows the national standardised average rent was €1,243 per month.*
- *The average rent for Dublin was €1,762, up 6.6% year-on-year the lowest annual increase in Dublin since Q4 2017.*
- *The average rent for Cork City was €1,192, up 1.4% year-on-year the lowest annual increase in Cork since Q3 2015.*
- *Report shows an 8.2% annual increase and a 3.3% quarter-on-quarter rise in national standardised average rent driven by increased inflation outside of Dublin.*
- *Based on the new Rent Pressure Zone criteria, four Local Electoral Areas are now designated as Rent Pressure Zones.*

Wednesday, 18 December 2019: The [Residential Tenancies Board](#) (RTB) has published the quarterly Rent Index, for the July-September period (Q3) of 2019. The standardised national average rent was €1,243 per month, up by about €94 from Q3 2018, and quarter-on-quarter rents grew nationally by 3.3% in Q3 2019.

The RTB Rent Index, which is compiled in conjunction with the [Economic and Social Research Institute](#) (ESRI), is the authoritative report on the Irish rental market. It is based on actual rents paid on 21,236 tenancies registered with the RTB in the quarter, which is made up of new housing stock to the rental sector, new tenancies and renewals of existing tenancies.

In Dublin, the standardised average rent is now €1,762 per month, up from €1,652 (€110) in the same quarter of 2018. This represents a 6.6% annual increase in rent. This has fallen from the annual growth rate of 9.6% in Q3 2018 and is the lowest increase seen in Dublin since Q4 2017. On a quarterly basis, the standardised average rent increased by €47 per month or 2.7% in comparison to Q2 2019. Similar trends were seen in Cork, where the standardised average rent for Cork City was €1,192, up 1.4% year-on-year the lowest annual increase in Cork City since Q3 2015. While affordability still remains an issue in Dublin, which represents about 40% of tenancies in Ireland, the fall in growth rate in Dublin and Cork is a sign that the pace of increase has fallen and may be stabilising in the areas which have been Rent Pressure Zones the longest.

Following referral from the Housing Agency and the Minister for Housing, Planning and Local Government, Eoghan Murphy TD, the RTB, using the Q3 2019 Rent Index, has confirmed to Minister Murphy that four Local Electoral Areas (LEAs), Baltinglass LEA (Wicklow), Piltown LEA (Kilkenny), Sligo-Strandhill LEA (Sligo) and Cobh LEA (Cork), meet the designation criteria. As a result, these LEAs will be designated Rent Pressure Zones as of today, 18th December 2019.

Commenting on the latest Rent Index Report, Rosalind Carroll, Director of the Residential Tenancies Board said;

“We are starting to see some evidence of stabilisation in key areas such as Dublin and Cork City. The pace of rental growth in the capital has reached its lowest point since Q4 2017 and in Cork City growth is the lowest since Q3 2015. Dublin and Cork City are the longest standing RPZs, so it is encouraging to see initial signs that RPZs are having a dampening effect on rents, and we hope to see similar stabilisation occur in other areas over time.

We also expect to see some stabilisation in future quarterly reports particularly outside Dublin, as this sample reflects recent legislative changes which now require landlords of student specific accommodation to register their tenancies with the RTB. To date, we have received over 27,000 registrations for student specific accommodation.

We have continued working with the ESRI to develop the Index to gain further insights into rental trends and the factors driving rent inflation. For example, since the last Index Report, we have included an analysis and breakdown of rent levels for both houses and apartments based on the number of bedrooms and where they're located.”

Outside of Dublin, the standardised average rent is considerably less, standing at €947 in Q3 2019. The quarter-on-quarter growth rate was 4.6% outside of Dublin in Q3 2019 while the year-on-year growth rate increased to 9.2%, its highest rate since Q2 2016.

As of Q3 2019, there were seven counties where the standardised average rent exceeds (or equals) €1,000 per month – Cork, Dublin, Galway, Kildare, Louth, Meath and Wicklow. While Limerick, Carlow and Kilkenny all have a standardised average rent between €900 and €999. The high rental levels in these areas relative to other counties reflect the concentration of demand close to the country's largest employment hubs.

RTB Director, Rosalind Carroll added;

“We recognise that affordability continues to be an issue in the rental sector with rents peaking over €1,700 in Dublin despite the increase in housing completions.

It is also important to be aware that since July 1 the RTB has increased powers to investigate and sanction breaches of rental law. To date, the RTB currently has 38 investigations in progress.

It is important that people use the new regulatory powers the RTB now has. If anyone has concerns they can contact us and call our investigations tip off line on 0818 776297 or 01 6753724, which is operational from 8:30am to 6:30pm Monday to Friday or visit www.rtb.ie.”

The full Q3 2019 RTB Rent Index Report and supporting info-graphic, can be downloaded here:

- [Q3 2019 RTB Rent Index Report](#)
- [Supporting infographic](#)

Accompanying photography can be downloaded [here](#).

ENDS

For more information or to arrange an interview with Rosalind Carroll, Director of the Residential Tenancies Board, please contact: Jillian Garvey, Carr Communications jgarvey@carrcommunications.ie / 083 8919 583.

NOTES TO EDITORS

*New Rent Pressure Zones

For an area to be designated as a Rent Pressure Zone, it must meet the following criteria:

- **Criteria 1:** The annual rate of rent inflation in the area must have been 7% or more in four of the last six quarters.
- **Criteria 2:** The rent is above comparison standardised average rent appropriate for that area.

Table 1: New Rent Pressure Zones Designated on the 17th December 2019

Local Electoral Area	County	Year-on-year Change in Rents Q3 2019	Number of Quarters >7% growth	Standardised average rent Q3 2019
Baltinglass LEA	Wicklow	20.20%	4	€1,117
Cobh LEA	Cork	7.36%	4	€1,111
Piltown LEA	Kilkenny	13.88%	4	€1,011
Sligo-Strandhill LEA	Sligo	21.18%	4	€937

**Please be advised that including the 4 new designations, there are now a total of 5 local authorities and 42 Local Electoral Areas which are RPZs in Ireland.*

Appendix 1: Q3 2019 RTB Rent Index Summary Results

The Dublin Market

- Dublin's rental market continues to be the largest in the country in Q3 2019, accounting for nearly two-in-five new tenancies that were registered with the RTB in the third Quarter of 2019.
- The standardised average rent for Dublin in Q3 2019 was €1,762, up from €1,652 in the same quarter in 2018.
- This represents a 6.6% annual increase in rent in the capital which represents the lowest in Dublin since Q4 2017. This has fallen from the annual growth rate of 9.6% witnessed in Q3 2018.
- On a quarterly basis the standardised average rent increased by €47 per month or 2.7% in comparison to Q2 2019.

Outside Dublin

- Outside of Dublin, the standardised average rent is considerably less than in the capital standing at €947 up from €905 in Q2 2019.

Greater Dublin Area (Meath, Kildare, Wicklow)

- The standardised average rent for the GDA (excluding Dublin) stood at €1,247 in Q3 2019 up from €1,144 the previous year, which represents a 9% increase.
- The quarter-on-quarter growth rate in the GDA (excluding Dublin) was 4.3% in Q3 2019, an acceleration from the 2.9% quarterly growth rate in Q2 2019.

Non-GDA

- Outside the GDA, the standardised average rent stood at €903 in Q3 2019, up from €827 the previous year.
- The quarter-on-quarter growth rate for outside the GDA increased from 2.2% in Q2 2019 to 5.1% in Q3 2019.
- On a year-on-year basis, rents outside the GDA were up by 9.2%.

Cities

- Elsewhere in the country, the second highest standardised average rents in Q3 2019 were in Galway City at €1,252 per month. Cork City's standardised average rents stood at €1,192 for Q3 2019, and the standardised average rent in Limerick City and Waterford City stood at €973 and €839, respectively.
- On an annualised basis, rents in Waterford City grew most rapidly at 16.4% in Q3 2019. This may partly be due to Waterford City having the lowest base rent level in comparison to the other major cities.
- Rents in Galway City grew 8.3% year-on-year while rents in Limerick City grew by 7.2%. On an annualised basis, rents in Cork City grew at the slowest rate of the 5 cities at 1.4%, the city's lowest annual increase since Q3 2015.

Rental Developments across Cities – Irish Cities Index Q3 2019

Table 7: RTB Rent Index – Irish Cities

	Index Q3 2019	Standardised Average Rent Q3 2019	Standardised Average Rent Q2 2019	Q-o-Q Change (%)	Standardised Average Rent Q3 2018	Y-on-Y Change (%)
Cork City	122	€1,192	€1,176	1.4%	€1,176	1.4%
Dublin City	138	€1,725	€1,689	2.1%	€1,612	7.0%
Galway City	130	€1,252	€1,121	11.6%	€1,156	8.3%
Limerick City	126	€973	€975	-0.2%	€908	7.2%
Waterford City	114	€839	€848	-1.0%	€721	16.4%

Due to a larger concentration of jobs and amenities within urban areas, the majority of the population is concentrated in cities and housing demand is highest in these areas. To provide more insight into rental developments across cities in Ireland, we present standardised average rents for each of the cities. The data is presented in Table 7. (See page 19 of the Q3 2019 RTB Rent Index for more information).

Rental Developments Across Counties

- The county with the lowest standardised average rent was Leitrim at €582 per month. This is €1,180 per month less expensive than rents in Dublin.
- In general, the border and midland counties had the lowest rents in Q3 2019, with Cavan, Leitrim, Donegal, Longford, Mayo, Monaghan and Roscommon all having standardised average rents below €700 per month.

- Eight counties (Galway, Kerry, Meath, Monaghan, Offaly, Sligo, Waterford and Westmeath) grew at double digit levels in Q3 2019, representing the fastest growing rents on a year-on-year basis.
- The growth rates for Kerry county on a year-on-year basis are affected considerably by the compositional change in registrations in the Tralee area due to changes in registration of student specific accommodation. The annual growth rate was lowest in Cork at 3.5% followed by Leitrim at 4.5%.
- A full county by county breakdown is available on page 21 of the Q3 2019 RTB Rent Index Report.

New versus Renewal Tenancies

- The standardised average rent published by the RTB and the ESRI on a quarterly basis covers all new registered tenancies within the quarter. Existing agreements which are not newly registered are not captured by this data. The report therefore only measures the cost of rents for new tenancies.
- The annual growth rate of standardised average rent for new tenancies increased by 7.4% to €1,294 in Q3 2019 while the part IV renewals increased by 6.3% to €1,026.
- Only 12.1% of the tenancies that were registered in Q3 2019 were renewals, which was down by 5.9 percentage points when compared to the previous quarter. The level of the standardised average rent remains higher for new tenancies relative to renewal tenancies.

Analysis of Apartments and Houses Types

- The standardised average national rent for houses stood at €1,221 in Q3 2019 which was an increase of €94 compared to Q3 2018.
- The quarter-on-quarter growth rate for houses also increased by 4.7% in Q3 2019, up 1.1% from 3.6% in the previous quarter. On a year-on-year basis, rents for houses increased by 8.3% in Q3 2019, 1% higher than the annual rate in Q2 2019.
- The standardised average rent for apartments also increased year-on-year, up by €87 to €1,275 in Q3 2019.
- The quarter-on-quarter growth rate for apartments declined marginally to 1.8%. Apartment rent prices increased by 7.4% in Q3 2019, an increase of 1.7% compared to Q2 2019.

Table 14: Apartment Standardised Average Rent Q3 2019 – National and Counties

	1 bedroom	2 bedrooms	3+ bedrooms
National	€1,167	€1,302	€1,281
Dublin Co.	€1,453	€1,793	€2,169
GDA	€990	€1,191	€1,479
Cork	€830	€1,123	€1,152
Galway	€877	€1,119	€1,310
Limerick	€735	€974	€783
Rest of Country	€614	€742	€815

Table 14: House Standardised Average Rent Q3 2019 – National and Counties

	1/2 bedrooms	3 bedrooms	4+ bedrooms
National	€1,137	€1,193	€1,378

Dublin Co.	€1,686	€1,902	€2,523
Cork	€981	€1,129	€1,338
Galway	€868	€1,121	€1,347
Limerick	€761	€1,026	€1,219

For more information on the breakdown of rent levels for both houses and apartments based on the number of bedrooms and where they are located, please see pages 43-52 of the Report.

Investigations and Sanctions

On 1 July 2019, the RTB was given new powers to directly investigate and sanction breaches of rental law. The RTB can start an investigation into the following matters:

- Failure to comply with the RPZ requirements or falsely relying on an RPZ exemption;
- Failing to register a tenancy;
- Failing to offer a tenant their tenancy back where it has been terminated; and
- Citing a false or misleading reason to end a tenancy.

If you are aware of a potential breach of rental law as outlined above, you can bring it to the attention of the Investigations and Sanctions unit in three ways, by:

- Calling us on 0818 776297 or 01 6753724.
- Emailing us at investigations@rtb.ie.
- Making a formal complaint by filling out and returning the RTB Sanctions and Alleged Breach Complaint form found on www.rtb.ie.

To learn more about the RTB's new Investigations and Sanctions Unit, please visit the RTB website [here](#).

Registrations

The Q3 Rent Index Report is based on 21,236 registrations which consists of new housing stock being made available, new tenancies and contract renewals of existing tenancies.

For more information, please visit www.rtb.ie.