

## **RTB's latest Rent Index shows national standardised average rent in Q1 2019 increased by 8.3% and 19 new Rent Pressure Zones announced**

- *The RTB Q1 2019 Rent Index shows the national standardised average rent €1,169 per month. This is an 8.3% increase (€90) annually and 2.1% quarter-on-quarter.*
- *Based on the new Rent Pressure Zone designation criteria, 19 new Local Electoral Areas across 11 counties are to become Rent Pressure Zones, including all of Co Meath and Co Louth and Limerick's metropolitan area.*
- *Important parts of the new rental legislation have commenced giving the RTB the power of investigation and sanctioning and requiring RPZ exemptions to be notified to the RTB.*

**Tuesday, 2 July 2019:** According to the latest Rent Index from the [Residential Tenancies Board](#) (RTB), in the January-March period (Q1) of 2019, the standardised national average rent was €1,169 per month, up from €1,079 one year earlier (€90 increase). This shows continued growth in rental inflation and affordability issues in the sector.

The year-on-year growth rate of the national standardised average rent rose to 8.3% in Q1 2019. On a quarter-on-quarter basis, rents grew by 2.1%. While growth remains high in Dublin with the standardised average rent of €1,662 per month, an increase of 8.5% (€70) on the previous year rental inflation has been highest in areas outside the Greater Dublin Area with an increase of 9.6% year on year.

It is important to note that there continues to be a divergence in rent growth between new and renewed tenancies with the standardised average rent for new tenancies €1,245 per month compared to €984 for renewed tenancies.

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

*“The RTB Rent Index is an important tool in helping understand and inform the rental market. It is clear that rising rents continue to put pressure on the market. There are a number of complex reasons behind this that policy makers will need to continue to monitor and consider.*

*Our role is to inform policy makers of these issues but while we cannot control rents themselves, we have increasing powers that assist us in ensuring that the rights and responsibilities of tenants and landlords are respected. This week the RTB have been given new powers by the Minister and have opened the investigations and sanctions unit and any one that wants to contact us can call or read further information and guidance on our website”.*

### **New Rent Pressure Zones and extension to existing Rent Pressure Zones**

The Residential Tenancies (Amendment) Act 2019 has brought changes to the criteria to assess whether an area can be designated as a Rent Pressure Zone. The new criteria means that areas can be compared to more regionally appropriate standardised average rents.

Following referral from the Housing Agency and the Minister for Housing, Planning and Local Government, Eoghan Murphy - the RTB, using the Quarter 1 2019 Rent Index have confirmed to Minister Murphy that 19 Local Electoral Areas (LEAs) meet the designation criteria.

Accordingly, the Minister with effect from 2<sup>nd</sup> July 2019 has designated 19 RPZs across 11 counties. Once an area becomes an RPZ, rents cannot be increased by more than 4% per year. This applies to new and existing tenancies (unless an exemption is being applied).

It should be noted that the legislation has also extended all existing Rent Pressure Zones to 31<sup>st</sup> December 2021.

**RTB Director Rosalind Carroll added;** *“It is really important that landlords and tenants go to [www.rtb.ie](http://www.rtb.ie) where they can check if their rental home is in a Rent Pressure Zone and what rent can be charged.”*

### **Investigations and sanctions in effect from 1<sup>st</sup> July 2019**

New legislation has provided the RTB with the power to directly investigate and sanction, where appropriate, specific breaches of Residential Tenancy Law. There are three areas where the RTB will be able to use these powers:

- Breaches in relation to Rent Pressure Zones
- False and misleading notices of termination or where properties have not been offered back to the tenant in accordance with the law
- New investigative powers for non-registration of a tenancy

The introduction of these new powers of investigation and the related sanctions regime, give the RTB a more active and direct regulatory role in the rental sector. Sanctions may range from a caution all the way up to a sanction of €15,000 with opportunities for people to remedy any potential breaches.

Commenting on the new powers for the RTB, Rosalind Carroll, Director said; *“We welcome this significant new role for the RTB within the rental market. The ultimate goal of these new powers is not about the sanction but to get to compliance and ultimately have a more effective and functioning rental sector. Further information is available by contacting the RTB or visiting [www.rtb.ie](http://www.rtb.ie).”*

### **Other legislative changes**

Another important change coming into effect on 1<sup>st</sup> July 2019 is a requirement for landlords using the Rent Pressure Zone exemption to notify the RTB. This change is significant in

getting a better understanding of rents and, in time, getting better information on the impact of these exemptions on the overall rental market.

The new legislation also requires that all notices of termination where the tenancy has been ended are required to be notified and copied to the RTB within 28 days of the tenancy ending. This, along with the information on exemptions, will give the RTB further insight into activity in the rental sector and assist with our regulatory powers.

The Residential Tenancies (Amendment) Act 2019 also brought in a number of other changes which are listed in the appendix below.

## **Appendix 1: Q1 2019 Rent Index Summary Results**

### ***The Dublin Market***

- Dublin's rental market continues to be the largest in the country in Q1 2019, accounting for nearly two-in-five new tenancies that were registered with the RTB.
- The standardised average rent in Dublin stood at €1,662 up from €1,532. This is an 8.5% increase annually. The quarter on quarter increase is 1.7%.
- The outside Dublin (non-Dublin) standardised average rent is €879, annual growth rate of 8.8% and quarter on quarter growth of 2.6%

### ***Greater Dublin Area (Meath, Kildare, Wicklow)***

- In Q1 2019 the standardised average rent in the GDA (excl Dublin) was €1,158 (up from €1,088 the previous year).
- This is annual growth of 6.4% and quarter on quarter growth of 0.6%, this is a deceleration from 1.2% quarterly growth in Q4 2018.

### ***Cities***

- Elsewhere in the country, the second highest standardised average rents in Q1 2019 were in Cork City at €1,158 per month, however Cork City experienced its slowest growth slowest out of the cities at 7.1%.
- Galway City standardised average rents stood at €1,093 for Q1 2019.
- Waterford had the fastest growth rate 13.7% annually – standardised average rent of €826.
- Rents in Limerick City increased 12.3% annually to €941.

### ***Rental Developments across counties***

- The county with the lowest standardised average rent was Leitrim at €537 per month.
- In general, the border and midlands counties had the lowest rents in Q1 2019, with Donegal, Leitrim and Longford all having standardised average rents below €600 euros per month.
- The annual growth rate was lowest in Kildare at 3.3% followed by Wexford at 4.1%.
- Nine counties (Cavan, Laois, Limerick, Louth, Meath, Offaly, Roscommon, Waterford, Westmeath) grew at double digit levels in Q1 2019, representing the fastest growing rents on a year-on-year basis.

### ***New versus Renewal Tenancies***

- The annual growth rate of standardised average rent for new tenancies increased by 8.7% to €1,245 compared to increase in renewal tenancies of 6.7% to €984.
- The year-on-year change was faster for new tenancies compared to tenancies being renewed with the RTB.

### Rental developments across cities RTB Rent Index – Irish Cities Index Q1 2019

RTB Rent Index – Irish Cities						
	Index Q1 2019	Standardised Average Rent Q1 2019	Standardised Average Rent Q4 2018	Q-o-Q Change (%)	Standardised Average Rent Q1 2018	Y-on-Y Change (%)
Cork City	119	1158	1133	2.2	1081	7.1
Dublin City	130	1618	1591	1.7	1483	9.1
Galway City	113	1093	1061	2.9	1016	7.6
Limerick City	121	941	895	5.2	838	12.3
Waterford City	112	826	774	6.7	727	13.7

A summary of the figures from the report are below. To access the full Rent Index Report Q1 2019 findings and supporting info-graphic, you can download the information via the links provided:

- Rent Index Report Q1 2019 – insert new link
- Supporting infographic – Insert new link

### Appendix 2: New Rent Pressure Zone areas

The full list of the 19 new LEAs across 11 counties are;

- **Meath:** Kells, Trim
- **Louth:** Ardee, Dundalk South, Dundalk - Carlingford
- **Wicklow:** Arklow
- **Galway:** Athenry/Ornamore, Gort/Kinvara
- **Wexford:** Gorey
- **Cork:** Midleton, Fermoy
- **Laois:** Portlaoise, Graiguecullen/Portarlinton
- **Waterford:** Waterford City East, Waterford City South
- **Westmeath:** Athlone
- **Limerick:** Limerick City West, Limerick City North
- **Kilkenny:** Kilkenny

To view how the latest LEAs met the new criteria, please refer to pages; 22 and 26-29 of the Rent Index Report Q1 2019.

### Photography

\*\*Accompanying photography can be downloaded [here](#)

### NOTES TO EDITOR:

Many Irish renters live in urban centres and prefer to live close to jobs and amenities. 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 20 of the RTB Rent Index Q1 2019).

### **The Residential Tenancies Board and the Rent Index Report**

The RTB Rent Index is the most accurate and authoritative rent report of its kind on the private accommodation sector in Ireland, as it is based on actual data from all new tenancy agreements registered with the RTB nationally in Q1 this year.

This regulatory data is more accurate than any other samples informing other reports or indices. The Residential Tenancies Board (RTB) is a public body set up to support and develops a well - functioning rental housing sector. Our remit covers both the private rental sector and not-for-profit housing providers also referred to as Approved Housing Bodies. Our role is to regulate the rental sector; provide information to tenants and landlords; maintain a national register of tenancies; resolve disputes between tenants and landlords; conduct research and provide information to inform policy.

### **Information, education and research**

We provide high quality information to tenants and landlords as well as to the general public to help them understand their rights and responsibilities.

We also provide accurate and authoritative research and data on the rental sector, such as the RTB Quarterly Rent Index, which allows us to monitor trends in the rental sector and also allows individuals to compare rents in particular locations.

### **Registrations**

All private residential landlords and Approved Housing Bodies are obliged to register their tenancies. A public register is available on our website. The registration of tenancies enables us to collect important data on the sector, and is also a key part of regulating and supporting the sector and ensuring landlords and tenants are aware of their rights and responsibilities.

### **Dispute resolution services**

Since 2004, we have replaced the courts in dealing with the majority of disputes between landlords and tenants through our Dispute Resolution Service. This service offers a choice of resolution types to parties – mediation or adjudication.

**For more information, please see; [www.rtb.ie](http://www.rtb.ie)**