



**An Roinn Tithíochta, Pleanála,
Pobail agus Rialtais Áitiúil**
Department of Housing, Planning,
Community and Local Government



Ministers Coveney and English launch Strategy for the Rental Sector

Strategy introduces Rent Pressure Zones to provide rent predictability in areas of unsustainable rental inflation

Mr. Simon Coveney T.D., Minister for Housing, Planning, Community and Local Government, and Mr. Damian English T.D. Minister of State with responsibility for Housing & Urban Renewal today (**13 December 2016**) published the 'Strategy for the Rental Sector' ([insert hyperlink](#)), following Government approval of the comprehensive and ambitious plan at today's Cabinet meeting.

The development and publication of a Strategy for the Rental Sector is the delivery of a commitment made under ***Rebuilding Ireland: Action Plan for Housing and Homelessness*** which was published in July 2016. With more and more people making a home in the rental sector the development of a viable and sustainable rental sector that can provide choice, quality and security for households and secure, attractive investment opportunities for landlords has never been more important.

Speaking at the press conference Minister Coveney highlighted that in many areas “rents are spiralling upwards and more people, many ordinary working families, are finding it more and more difficult to find accommodation they can afford. This situation is unsustainable it is causing uncertainty and hardship for many, it is contributing to homelessness and the high numbers of people in emergency accommodation and it is threatening our economic recovery by undermining competitiveness, driving up wage demands and making Ireland a less attractive investment destination.”

In response to spiralling rents especially in the urban areas the Minister announced that he is *“introducing with immediate effect a rent predictability measure that will moderate the rate of rent increase in those areas of the country where rents are highest and rising quickly.”* The measure is based on the concept of rent pressure zones; these are areas where rent increases have been at 7% or more in four of the last six quarters and where the rent levels are already above the national average. In these Rent Pressure Zones rent increases will be capped at 4% per annum for the next three years. The measure will be introduced with immediate effect in Dublin, for the four Dublin Local Authority areas and in Cork city.

Rent pressure zones will be designated for a maximum three years, by which time it is expected the new supply will have come on stream and demand will have eased. The Strategy also contains a number of measures to support supply by encouraging new investment and bringing unused capacity to the market. Measures include ‘Build to Rent’ developments and the accelerated roll out of ‘Repair and Leasing’ and ‘Buy and Renew’ Initiatives.

The Minister also announced the establishment of an Expert Group to explore the opportunities for developing viable cost rental model for Ireland and a larger and more dynamic not-for-profit and AHB sector. The group will examine the experience of other countries and develop a roadmap to build and attract new capacity for delivering cost rental options.

In addition to the rent predictability measure the Strategy sets out a range of measures under the headings of **Security, Supply, Standards and Services** which will address both immediate the long term issues affecting the supply, cost and accessibility of rental accommodation.

Speaking at the launch Minister English outlined that *“the Residential Tenancies Board is core to delivering on a daily basis the services that meet the needs of both tenants and landlords. The strategy puts forward a number of measures that will broaden and strengthen the role and powers of the Residential Tenancies Board (RTB) to more effectively provide key services to tenants and landlords”*. These measures include:

- **Accelerating Dispute Resolution timeframes** – by reducing time for appeals from 21 to 10 days and by providing for one person tribunals in certain cases; allowing the RTB to hold more tribunals.

- **Developing a One Stop Shop** within the RTB to improve access to information for tenants and landlords.
- The RTB will introduce a **voluntary landlord accreditation scheme** to support landlords in accessing best practice and promoting a comprehensive understanding of the statutory obligations.
- **Simplify the law and regulatory framework** through a new consolidated and streamlined Residential Tenancies Act.

Reducing risk and increasing security for both landlords and tenants is essential to the development of the residential rental sector as an attractive tenure choice for tenants and as a safe and viable investment choice for a range of investors. The strategy includes a range of measures aimed at enabling a shift towards secure and long-term tenancies which serve the interests of both landlords and tenants. Measures include;

- **Effective Termination Procedures** - changes to RTB procedure will be introduced to reduce the time taken to repossess a property when a tenant is not complying with their obligation to pay rent.
- Changes to the obligations of institutional landlords where multiple units are being sold, the **sale will be subject to the existing tenants remaining in situ**.
- Introduce **enhanced protections for tenants during receivership** of encumbered buy-to-lets.
- Encouraging **long term letting by providing for unfurnished lettings** where leases are 10 years or more.

The actions on standards for rental accommodation as set out in the Strategy will ensure that an effective regime of quality assurance is in place for the rented sector. Tenants will be reassured that the properties they are renting are safe, efficient, durable and comfortable. Landlords will be made fully aware of their obligations through a consistent and uniform approach by all local authorities in the State. Speaking at the launch Minister English expressed his confidence that *“increasing inspections being carried out in line with the standards regulations will provide a firm foundation for the continued development of the rented sector as an attractive, sustainable and well regulated housing option into the future.”*

The implementation of the Strategy is supported by 29 Actions under the headings of Security, Supply, Standards and Services. Timelines for the various actions are included, with immediate enactment being put forward for the rent predictability measure via the Planning and Development (Housing) and Residential Tenancies Bill 2016 which commences Committee Stage in the Dáil today.

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