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1. Introduction

SVP's submissions on the Review of the Private Rented Sector to the Department of Housing, Heritage and Local Government, is based on the experience of our 10,000 members across the country. We welcome this review, and have advocated this measure be undertaken on behalf of the people we support, particularly those reliant on state subsidies living in, and trying to access accommodation in the private rented sector.

Traditionally, our members would have conducted the majority of their visitations to tenants in local authority housing, now, visitation expands to private rented housing in much greater numbers than was previously the case. The private sector performs an important role within the wider housing system. However, the private rented sector has been and remains particularly open to critique on issues of affordability, accessibility, predictability and quality.

While the focus of this submission will not be on the issue of building more social and affordable homes, it is necessary this is done in tandem with improving how the private rented sector functions. It is concerning therefore, that the targets for new builds in social housing were missed in 2022 by over 1,000 social housing units.¹ We have also highlighted our disappointment in previous publications that new build social housing targets and bringing back into use vacant housing remain too low, given the scale of the housing and homeless crisis including hidden homeless.²

The targets for projected housing for both private rental and private ownership in the Housing for All strategy is considerable, beginning with a target new build of 11,500 in 2022 rising to 24,000 in 2030.³ It will be important that projected housing in the private rented sector is equipped to the changing profile of renters. For example, the data from Census 2022 shows the increase in the number of people renting into older age, with almost 17,000 households aged 65 years plus renting from a private landlord and, with close to 100,000

¹Housing Ireland Eolas Magazine July 2023 "Housing Minister Darragh O'Brien TD: 'No silver bullet on housing' [Housing Minister Darragh O'Brien TD: 'No silver bullet on housing' - Housing Ireland Magazine](#)

² SVP SEPTEMBER 2021 "COMBATTING HOUSING EXCLUSION IN IRELAND CAN 'HOUSING FOR ALL' DELIVER FOR THE PEOPLE SVP ASSIST" [Housing paper \(svp.ie\)](#)

³ Government of Ireland 2021 "Housing for All A New Housing Plan for Ireland Executive Summary" [gov.ie - Housing for All - a New Housing Plan for Ireland \(www.gov.ie\)](#)

households over the age of 45 years renting from a private landlord.⁴ It is concerning that more focused attention has not been given to the private rented sector in the strategy. It will be important therefore that recommendations arising from the review will be acted upon as a matter of priority.

As well as ensuring households have access to affordable, secure homes, SVP have advocated that low-income households living in the private rented sector should be protected from energy poverty and the negative affects of living in accommodation that is a risk to people's physical, mental and emotional wellbeing.⁵ In this submission we have put forward recommendations, that if implemented would improve the lives of the people we assist, who are living in damp, cold and expensive to heat accommodation in the private rented sector. There is also a case to provide tax incentives for small landlords alongside providing greater security of tenure for low-income tenants and review rent regulation measures as rents continue to rise nationally.

We have witnessed an increase in notices to quit from the private rented sector arising in some part from the lifting of the eviction ban. While policy and legislative changes have been introduced, homelessness continues to rise. It will be essential therefore that ambitious policy, legislative and budgetary responses are continued to be implemented.

2. Composition and Vision of the Private Rental Sector

“Private rental has become a major housing sector in Ireland, now accounting for approximately 18% of households. This represents a major change from 1991 when 8% of households resided in this sector”.⁶ The current rise in evictions from the private rented sector is very concerning for our members, which has led to an increase in individuals and families entering homeless accommodation.

There is a need to increase the overall level of supply of housing in the residential rental sector while at the same time reforming and regulating the sector and ensuring that the needs of tenants in terms of quality, supply and affordability can be met.

⁴ Central Statistics Office (2022) “Census of Population 2022 Profile 2-Housing in Ireland” [Census of Population 2022 Profile 2 - Housing in Ireland - CSO - Central Statistics Office](#)

⁵ SVP and Threshold September 2021 ‘Warm Housing for All? Strategies for Improving Energy Efficiency in the Private Rented Sector’ [Warm Housing for All 2021.pdf \(svp.ie\)](#)

⁶ NESCC February 2023 Private Rental In Ireland [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](#)

In a context where a high proportion of households will be unable to access owner occupation and the supply of social housing is set to continue to be far below what is required, SVP's vision is for a residential rental sector that:

Allows tenants to access affordable housing in reasonable proximity to their place of work, local services, transport hubs and amenities.

With improved security of tenure, particularly for households who will be living in the private rented sector for the duration of their lives, cognisant of aging and the potential to not earn the same income after retirement.

Fahey states "Long-term pressures on pensions are also likely to arise as households age into retirement and have to meet rent costs out of their pensions, a burden that is largely unknown for the current generation of pensioners".⁷

Which offers energy efficient homes to tenants, with energy standards in existing units to be progressively improved over time.

Which is an integrated, well developed component of the housing landscape, operating alongside other tenures in mixed communities of ownership, social rental and private rent.

In a 2014 NESC report, they argued the need for policies that both provide tenants with more secure occupancy and create supply-side supports to increase the availability of affordable rental accommodation.

The report identified four elements of a secure occupancy model for Ireland that could be achieved by:

- Introducing a system of rent regulation to provide greater certainty for tenants and landlords through a mechanism for disciplined market-sensitive rent adjustment.

- Changing the existing system of four-year leases to a regime in which leases are effectively indefinite.

- Removing sale of the property as a reason for vacant possession; and

- Improving the existing dispute resolution procedures.⁸

⁷ Fahey 2018 cited in NESC Publication February 2023 "Private Rental in Ireland" [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](#)

⁸ Cited in NESC Publication February 2023 "Private Rental in Ireland" [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](#)

3. The Cost of Renting

3.1 Questions

What changes, if any, should be made to the policy of price controls in the residential rental market?

The standardised monthly rent nationally in the second quarter of 2022 for *new* tenancies as measured by the RTB was €1,464. Since 2012, this monthly rate has increased by 94.1% compared with an increase in the consumer price index of just 11.6% over the same period.⁹ Affordability of rents depends on income as well as rents. Rents have grown much faster than income. Over the decade 2011 to 2021, standardised average rent for tenancies increased by 82.3%, while nominal median household income increased by 32%.¹⁰ In Dublin North Inner City LEA, over two-fifths of tenants spent over 35% of their disposable income on rent in 2019. In the same period, CSO statistics show that 35.8% of all tenants nationally had a total gross income of less than €20,000.¹¹

Research from the ESRI shows that the phased introduction of Rental Pressure Zones (RPZs) has impacted price inflation in the private rental sector as intended. Price inflation in RPZs has fallen relative to other areas since the introduction of the legislation. The moderation in inflation nationally has been in the order of 2-3 percentage points per annum when comparing the seven quarters since the policies to the seven quarter before.¹² However, this research, has shown that two-in-five tenants in RPZ still face rates of increase of 4% per annum. However, due to data gaps, it is not possible to determine whether this is due to non-compliance with scheme or high use of valid exemptions.¹³

Implementing a rent register would assist prospective tenants to have the required information on what the level of rent is for that location and type of accommodation. The Property Price Register provides a good example for the proposed rent register and would provide information to all tenants, irrespective of living in a RPZ or not.

⁹ NESC Publication February 2023 “Private Rental in Ireland” [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](#) page 22

¹⁰ *ibid*

¹¹ Central Statistics Office “The Rental Sector in Ireland 2021” [Tenants - CSO - Central Statistics Office](#)

¹² ESRI July 2019 “Trends in rental price inflation and the introduction of rent pressure zones in Ireland” [Trends in rental price inflation and the introduction of rent pressure zones in Ireland | ESRI](#)

¹³ *ibid*

3.2 Recommendations:

Improve monitoring and implementation of existing RPZ controls by the RTB to ensure adherence by landlords and increase understanding of the controls on the private rented sector.

Implement a national rent register to assist and enable tenants to view what the permitted rent is for that location and type of accommodation.

“Another trend we have noticed is families leaving the bigger towns in Kerry and moving to more rural areas in pursuit of cheaper accommodation. However, they have no links then to that area and feel very isolated as a result.” SVP Member,
South West Region 2023

4. The Subsidisation of Households Renting Market Units

4.1 Questions

- How best should the State deploy subsidies to assist those dependent on the private rental sector?
- Should subsidies be used to encourage households towards specific tenure types.
- Are there risks associated with delivering social housing using subsidized market rental units; if so, do the risks outweigh the benefits?
- Should the Cost Rental Scheme be scaled up across the country?
- If so, what changes/incentives could be made to support the expansion of this tenure of rental?

In 2021, the combined number of payments to households, through the Housing Assistance Payment scheme (HAP), Rental Accommodation Scheme (RAS), and Rent Supplement was 91,388.¹⁴ Low income households should be able to avail of housing supports and live in the private rented sector. This must be a choice for individual households, rather than the current situation whereby households cannot access more affordable accommodation such as social housing, and therefore have little choice but to seek accommodation in the private rented sector. Our members through their visitation work have stated that a growing number of people did not plan, choose or want to privately rent, but instead entered the sector due to no other alternatives available.

There are clear risks to delivering 'social housing using subsidized housing market rental units'. Holachan & McKee (2019: 23) find four groups are most likely to experience difficulty in the rental sector. These included: those reliant on welfare benefits or low/insecure incomes; families; migrant/seasonal workers; and young professionals and students. In the Irish context, research has noted that young people are at a higher risk of discrimination, poor standards, and overcrowding. Non-EU citizens are at a greater risk of overcrowding, while African migrants are more likely to report discrimination.¹⁵

In 2019, Threshold and SVP conducted a research report on the Housing Assistance Payment (HAP).¹⁶ It found that 20% of the tenants surveyed were paying more than the 30% limit, with 10% paying more than 40% of their net income on rent. Almost half (45%) of those paying a top-up said that they were struggling with paying utility bills, buying groceries, and covering childcare and school costs as a result. The report contains many examples of the difficulties HAP tenants face, including the discrimination experienced by some vulnerable households trying to access housing in the Private Rental Sector (PRS), who must compete with other prospective tenants who may be seen as more desirable by landlords.

A cross-country comparison does show the importance of subsidies in supporting households to rent in the private rented sector. It shows that in the absence of subsidies, on average these households would have paid nearly 43% of their income on their rent and

¹⁴ NESCF February 2023 "Private Rental in Ireland" [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](https://www.nesc.ie/en/publications/private-rental-in-ireland)

¹⁵ Grotti et al., 2018 Cited in Security and Agency in the Irish Private Rental Sector Threshold Research [security and agency in irish private rented sector july2020.pdf \(threshold.ie\) page 17](https://www.threshold.ie/publications/security-and-agency-in-irish-private-rented-sector-july2020.pdf)

¹⁶The Society of Saint Vincent De Paul & Threshold June 2019 'The Housing Assistance Payment (HAP): making the right impact?' [HAP Survey Report 2019 by SVP Ireland - Issuu](https://www.svp.ie/publications/hap-survey-report-2019)

nearly half would have faced an Rent To Income ratio above 40%¹⁷ however, there remains a lack of available and affordable private rented accommodation. Recent research by the Simon Communities of Ireland shows that 50 properties were available to rent within a discretionary rate of the HAP subsidy.¹⁸ While the amount of available properties is an increase of 31 from the previous snapshot in March 2023, just 5.4% of all properties available are within a HAP rate.

The Housing for All strategy commits to providing an additional 90,000 social homes to 2030. It is essential that the private rental sector functions effectively to meet the needs of households now and in the future. In the Housing for All document, it states “ The State will continue to support the over 60,000 households currently in Housing Assistance Payment (HAP) supported tenancies and to provide funding to support households on social housing waiting lists to secure a HAP supported tenancy, while we increase the levels of housing stock managed by Local Authorities and AHBs”. It also states “ As new build supply of social housing ramps up, there will be a reducing reliance on the Housing Assistance Payment (HAP) and the Rental Accommodation Scheme (RAS)”.¹⁹ The recommendations below to the HAP subsidy need to be reviewed and implemented, while it is positive that the Government anticipate there will be a reduced reliance on the subsidy, it is likely there will be a need for it beyond 2030.

The Government’s Housing for All plan commits to providing ‘an average of 2,000 new cost rental homes every year, with targets of rents being at least 25% below market level. The Cost rental model is a positive initiative introduced, however, SVP believe it should be scaled up to approximately 5,000 new homes until 2030. Recent research highlight the affordability difficulties for renters not in receipt of HAP and living in the private rented sector. ESRI research shows that one-in-three rental households not in receipt of state housing supports paying more than 30% of their net income on rent in 2021. This compares to only 7% of mortgaged households”.²⁰

¹⁷ ESRI July 2023 “Housing Affordability: Ireland in a Cross-Country Context [HOUSING AFFORDABILITY: IRELAND IN A CROSS-COUNTRY CONTEXT \(esri.ie\)](#) page xi

¹⁸ Simon Communities of Ireland June 2023 “Locked Out of the Market June 2023” [Locked-Out-of-the-Market-June-2023.pdf \(simon.ie\)](#)

¹⁹ Department of Housing, Local Government and Heritage (2021) Housing for All (2021) ‘Pathway to eradicating homelessness, increasing social housing delivery and supporting social inclusion’ [gov.ie - Pathway to eradicating homelessness, increasing social housing delivery and supporting social inclusion \(www.gov.ie\)](#)

²⁰ ESRI July 2023 “Housing Affordability: Ireland in a Cross-Country Context [HOUSING AFFORDABILITY: IRELAND IN A CROSS-COUNTRY CONTEXT \(esri.ie\)](#)

The Housing for All strategy states that “a properly functioning housing sector is dependent on the capacity of key State actors in the housing system and the wider construction sector”.²¹ It is important therefore that continued focus is put on addressing the shortage of skilled construction workers to build housing, particularly housing for the State. The private sector cannot be expected to address the shortages of social and affordable cost rental housing indefinitely and without further reforms implemented.

4.2 Recommendations:

HAP in Practice

A complete review of HAP and its interaction with the private rented sector is needed to ensure it can support households find and sustain accommodation, in tandem with an increased focus on increasing the provision of more social homes by LA and AHBs:

An implementation plan should follow to incorporate the following:

- The roll out of an information and awareness campaign to educate landlords on HAP and the equality legislation is recommended. An investigation into landlord and agent refusal to accept HAP should also be included in a review of HAP.
- The length of time to process applications, inadequate support to assist some households to fill out the HAP application form, the payment of rent from the date the application is processed as opposed the date the tenancy commenced and the payment of rent in arrears.
- Increase the Housing Assistance Payment (HAP) rates to the rents on new tenancies in the relevant Local Authority.²²
- Local Authorities should collect all the rent due (both the differential rent and any agreed top-up) and then the LA pass on the top-up to the landlord along with the HAP payment.

²¹ Government of Ireland 2021 “Housing for All A New Housing Plan for Ireland Executive Summary” [gov.ie](http://www.gov.ie) - [Housing for All - a New Housing Plan for Ireland \(www.gov.ie\)](http://www.gov.ie)

²² ESRI (2022) Low Income Renters and Housing Supports

- Allow HAP tenants to remain on the housing list (no transfer list) and for Local Authorities to provide support to source HAP accommodation.
- If a tenant, who is engaging with the local authority falls into arrears, a realistic repayment plan should be worked out to clear the arrears over time with the local authority (similar arrangements for LA tenants in rent arrears should be followed). The local authority should pay the arrears to the landlord to prevent the household entering homelessness.

Cost Rental

- Additional funding should be provided to increase the provision of new cost rental homes to 5,000 per year until 2030.
- AHBs and Local Authorities must be supported to directly employ their own employees to develop and construct housing on public land.

“Paula is in rent arrears of €4,950. This is because there has been a delay in processing her HAP application. We are liaising with the LA & CWO, but we have not received assurances these arrears will be paid. Meanwhile, the landlord has verbally threatened her with eviction for non-payment of rent. She and her family are fearful and scared for their future.” SVP Member, East Region

5.The Quality of Homes

5.1 Questions

-Should the standard regulations which currently apply be changed, and if so, why and how?

-Are landlords sufficiently aware of the standards and enforcement processes and, if not, how can awareness be raised?

-Is the inspection regime which local authorities operate to oversee standards and fire safety appropriate?

-Are the mechanisms which govern disputes among tenants and landlords concerning standards working well; if not; how and why should they be changed?

-Would increases to standards drive landlords to exit the market?

-Should standards be differentiated, depending on the scale of the landlord, the age of the dwelling and so forth?

-How should the private rental sector be supported to achieve minimal BER ratings?

-Which other changes should be made to improve the governance of the private rental sector?

The Society of St Vincent de Paul (SVP) supports many thousands of households each year living in energy poverty and poor quality accommodation. In 2021 SVP spent more than €5million assisting people with energy costs. As well as the immediate challenge of utility bills or being able to top up a Pay-As-You-Go meter, we support households who are dealing with substandard energy inefficient housing. Through home visitation to vulnerable and marginalised households, members have witnessed families using their low incomes to fund repairs in their homes while going without essentials such as food.

Just over 1 in every 8 people in Ireland are living in fuel poverty.²³ Private renters do not have the authority, autonomy or access to grants to make changes to their dwelling to ensure greater energy efficiency, reduce CO2 emissions or attain an increased level of thermal comfort. The risk is heightened for those on a low income, who are unemployed, with ill health, who are one parent household or are tenants.²⁴ This has long term implications for people's health, wellbeing and finances. A survey conducted on behalf of the Residential Tenancies Board (RTB) in 2021 show that 11% of households interviewed were concerned with damp or mould and 4% related to issues of lack of ventilation.²⁵

There are 69,211 properties listed as private letting on SEAI's BER database, this equates to approximately 23% of the number of tenancies registered with the Residential Tenancies Board (RTB) in 2020. This would suggest that there is a gap in the data available on housing standards and further research is needed to ascertain a clearer picture of the scale of private rented accommodation that require energy upgrades.

As of February 2021, 86% of landlords owned one or two properties accounting for 53% of registered rental properties²⁶. The small-scale operation of most landlords has implications for their financial capacity to undertake retrofitting projects, as well as awareness of and ability to navigate changing regulatory environments. One Stop Shops are a service, promoted at EU and national level, that support homeowners through the retrofitting process by providing a single point of contact. They can also enable aggregated retrofitting projects

²³ ²³ Tovar Reaños, M.A.,(2021) "Fuel for poverty: A model for the relationship between income and fuel poverty. Evidence from Irish microdata.", Energy Policy, Available online: <https://doi.org/10.1016/j.enpol.2021.112444>

²⁴ *ibid*

²⁵ Cited in NESC February 2023 "Private Rental in Ireland" [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](#)

²⁶ Data provided by the RTB on request

to bring efficiencies to both owners and contractors.²⁷ This initiative should be expanded to the private rented sector, providing benefits for both landlords and tenants.

Improving energy efficiency in the private rented sector has the potential to reduce the number of tenants experiencing energy poverty. Properties in the private rented sector should be eligible for funding equivalent to the Better Energy Warmer Homes scheme, based on a tenant receiving Housing Assistance Payments. This recommendation was originally outlined in the Strategy to Combat Energy Poverty 2016-2019 but has never been progressed²⁸. SVP recommend that eligibility should be contingent on the landlord providing a long-term lease, and access to the grants should be conditional on passing an inspection to ensure the property and landlord is compliant with the Housing (Standards for Rented Houses) Regulations 2019.

A CSO study in 2021 shows that approximately 35.6% of rental properties had either a D or E BER rating while 8.9% had an F or G, rating. According to NESC, this data suggests that achieving a minimum BER standard of E by 2025 for private rental properties in Ireland could require upgrading 9% of the rental stock within a short time frame.²⁹

Research in the UK suggests that the scale of ambition of retrofitting the private rented sector will not be successful if there is a perceived – or actual – lack of enforcement of standards.³⁰ Local Authorities have responsibility for carrying out inspections and enforcement of housing standards under the Housing Miscellaneous Provision Act 1992. The 2019 NOAC report shows that only one in ten of rental properties were inspected by Local Authorities and 93% of these failed to meet the minimum standards.³¹ Only 31% of these were brought up to meet the minimum standard in that year.

²⁷ SEAI National Home Retrofit Scheme 2021 (One Stop Shop Development Call) Available at: https://www.seai.ie/grants/national-home-retrofit/National-Home-Retrofit-Scheme-2021_Guidelines.pdf

²⁸ “DCENR will establish a pilot scheme in 2016 to provide energy efficiency grant supports to landlords or approved housing bodies who choose to participate in the new Housing Assistance Payment (HAP)” page 17 of The Strategy to Combat Energy Poverty. Available at: <https://www.gov.ie/en/publication/14e2b-strategy-to-combat-energy-poverty/>

²⁹ NESC February 2023 “Private Rental in Ireland” [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](https://www.nesc.ie/publications/private-rental-in-ireland)

³⁰ Sayce, S. and Hossain, S. M. (2020) ‘Minimum Energy Efficiency Standards: one year on, a progress report.’ Available at: <https://assets.henley.ac.uk/defaultUploads/MEES-RREF-Report.pdf>

³¹ NOAC (2018) Local Authority Performance Indicator Report 2018’. Available at: <https://noac.ie/wp-content/uploads/2019/10/NOAC-Performance-Indicator-Report-2018-1.pdf>

To improve the capacity of local authorities to enforce standards, SVP endorses the recommendation from Threshold national housing charity that an ‘NCT for housing’ which would be based on certification from approved professionals and allow the integration of fire safety, energy regulations, tax obligations and RTB registration. In their 2020 pre-budget submission, Threshold set out two possible models of how to establish a test for rental property based on the National Car Test (NCT). One model would require landlords to have the property inspected by a private professional who would issue a certificate when the required minimum standards are met. The landlord would submit this to the RTB when registering the property and it would be available online for prospective tenants to check. The certificate would last for four years. The second model is based on local authority inspectors being overseen by a national body in order to ensure consistency of standards. In this model, the local authority inspector would issue the certificate when the standards are met and this would also be made available online via the RTB. If the standards are not met initially, the inspector would engage with the landlord to bring the property up to standard. If the 25 per cent inspection rate target were achieved, then almost all properties would be inspected within four years. This would involve a phased introduction of a requirement to have a certificate. The model using private professionals could also be introduced on a phased basis.³²

The target in Housing for All is for 25% of properties to be inspected annually.³³ The lifting of the Covid-19 restrictions has seen an increase in inspections in 2022 with just over 36,500 inspections conducted to the end of the third quarter of 2022.³⁴ Capacity for Local Authority inspections of PRS accommodation must be brought back to pre-Covid levels in the short-term, and upscaled significantly to ensure homes do not go without inspection in the medium-term. Inspections should be completed in the first eight months of the tenant moving into the property and should be initiated by the Local Authority. Placing the responsibility of communicating standard compliance issues on the tenant is not an effective process, of the 113 tenants surveyed by Threshold who had reported outstanding repairs to the landlord, just 9% reported the necessary repairs being carried out, while some tenants cited fear of losing their home as the reason for not informing the landlord of poor standards.

³² Threshold 2020 “Home Safe Home-Renting in a Covid Era Threshold Pre-Budget Submission 2021 [pre_budget_submission_leaflet_final_2.pdf \(threshold.ie\)](#)

³³ Government of Ireland 2021 “Housing for All: A New Housing Plan for Ireland” [gov.ie - Housing for All - a New Housing Plan for Ireland \(www.gov.ie\)](#)

³⁴ NESCC February 2023 ‘Private Rental in Ireland’ [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](#)

The need for landlords to facilitate tenants in budgeting for their energy needs should also be reflected in legislation on improving the physical standards of housing. For example, landlords should be required to allow for the installation of hardship Pay As You Go electricity and gas meters, and should not be permitted to prevent tenants from switching energy provider during a tenancy.

SVP is concerned that if there is a move towards more and more unfurnished accommodation in the residential rental sector, low income tenants and those in receipt of the Housing Assistance Payment may struggle to afford to furnish their housing. It is not possible to get an Exceptional Needs Payment (ENP) from the Department of Social Protection to furnish private rented housing, however, a tenant in social rented housing may receive an ENP to help with the cost of white goods, beds, wardrobes, furniture and floor covering etc.

5.2 Recommendations:

Landlords should be required to allow tenants to choose whether they manage their energy through either Pay As You Go or credit meters with tenants able to switch between these and select their energy provider to best suit their own circumstances.

Minimum levels of furnishings should be reviewed and enforced to address the issue of landlords renting unfurnished units.
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Energy Efficient Standards

Further information is needed on the BER of properties. Research should be funded to establish and map the energy efficiency of the properties currently in the private rental sector as part of a National Housing Survey.

Pilot an initiative of Community Energy Advisors working in partnership with the Sustainable Energy Authority of Ireland to engage and inform landlords and tenants in the private rented sector.

Provide sufficient resources for an 'NCT model' so that local authorities can not only conduct inspections but also improve the standards of the country's rental stock.
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Retrofitting in the Private Rented Sector

In light of the commitment in Housing for All to implement minimum energy efficiency standards in the private rented sector, the Government should now publish a long term retrofit plan for the private rented sector with clear milestones, targets and funding, that incorporates realistic forecasted capacity of the construction sector.

Increase the capacity in the construction sector in accordance with this plan, including support for specialist skills development and certification, and Centres of Excellence. Public investment in retrofitting should be used to promote good work opportunities in local economies.

Properties in the private rented sector should be eligible for funding equivalent to the Better Energy Warmer Homes scheme, based on a tenant receiving the Housing Assistance Payment. Eligibility should be contingent on the landlord providing a long-term lease or indefinite lease to the tenant.

New standards could stipulate that by a particular date all units which are currently G should be improved to a D rating, those currently rated D should be improved to a B rated etc.

Enforcement of Existing Standards

Local Authorities must be sufficiently resourced to achieve the 25% inspection rate of private rented properties as outlined in Housing for All.

“Mary is a lone parent in receipt of social welfare, which is her only source of income. She has two teenage children, one of whom has special needs. She is paying €50 per week out of her limited income and that is on top of her differential rent contribution for an old, terraced house that has no heating as the gas boiler does not work and the landlord has refused to fix it” SVP Member East Region

6. Supply and Investment, Institutional Investment, Subsidising Investors & Student Housing

6.1 Questions

-Should the State play an active role in managing the size of the private rental sector and, if so, how?

-Which measures should be taken to incentivise small-scale landlords to remain in the sector, and why?

-How should rental income be taxed, and why should changes be made?

-Should general subsidies or tax measures to incentivise greater rental sector supply be considered? Should such measures be targeted at specific types of accommodation, specifications, locations or landlords such as small-scale or larger landlords?

Representatives of landlords point to tax and the frequent changes in regulation as the major reasons for landlords leaving the sector.³⁵ Research commissioned by the RTB has explored the reasons why landlords wish to sell their properties. “In a sample of 501 small landlords (one to two tenancies), 128 said that they intended to sell in the next 12 months/2 years/5 years. The largest share (45%) gave the generic answer of ‘No longer wish to be a landlord’. Tax is cited by 25% of landlords as a reason to sell while 13% identified regulation as a reason.³⁶ The research among small landlords demonstrated that tax and regulation are factors in selling- but not the only ones. The RTB research quoted here was conducted by Amárach Research in 2020. The property market is stronger now, and the rise in property prices may have become an important factor for landlords who had been in negative equity”.³⁷

NESC have recommended that a “potential way of encouraging individual landlords to remain in the sector and of encouraging others to enter it would be to provide more

³⁵ NESC February 2023 ‘Private Rental in Ireland’ [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](https://www.nesc.ie/publications/private-rental-in-ireland)

³⁶ Cited in NESC February 2023 ‘Private Rental in Ireland’ [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](https://www.nesc.ie/publications/private-rental-in-ireland)

³⁷ NESC February 2023 ‘Private Rental in Ireland’ [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](https://www.nesc.ie/publications/private-rental-in-ireland)

favourable tax treatment of rental income for individual landlords”³⁸ If more generous tax treatment of rental income were to be introduced there is a case for linking this to more secure occupancy for tenants. Those who continue renting into old age would particularly benefit from enhanced long-term security of tenure. Germany provides a possible model of how this can be achieved. Landlords in Germany benefit from generous tax treatment, while tenants have a high level of security of tenure. The taxation of rental income in Germany provides an annual allowance (2–2.5%) for depreciation based on the purchase cost of the building (excluding land), which reduces the effective tax rate. Rental investments are free from Capital Gains Tax (CGT) if held for at least 10 years. In terms of secure occupancy, sale of the property is not a ground for ending the tenancy in Germany and rental properties are normally sold with tenants remaining in situ.³⁹

6.2 Recommendations:

Relief from Capital Gains tax for Landlords who sell their property with tenants-in-situ to an Approved Housing Body or Local Authority. Tenants would be availing of HAP or RS and would then become social housing tenants.

Explore Tax options used in Germany to attract and retain landlords in the private rented sector.

“I had been discriminated against by my previous landlord when I asked her to complete my HAP forms and was evicted from the house” Individual seeking support, 2023

³⁸ Ibid page 37

³⁹ NESC February 2023 Private Rental in Ireland [Private Rental in Ireland | The National Economic and Social Council - Ireland \(nesc.ie\)](#)

7. International Examples

-What rental policies and policy measures used in other countries ought to be considered for Ireland?

7.1 Recommendations:

In Austria, social housing stock including Limited Profit Housing Associations (LPHA) units comprises 23.4% of the total housing stock, rising as high as 43% in Vienna. In comparison, social housing stock including both LA and AHB owned properties comprises approximately 10% of the total housing stock in Ireland.⁴⁰ Increasing Approved Housing Bodies and Local Authorities ownership of total housing stock to 20% through direct build and targeting vacancy will greatly increase access to secure and affordable housing, and is the most appropriate response to addressing the housing and homeless crisis.

In Germany, sale of a property is not a ground for ending a tenancy where properties are normally sold with the tenant in situ.⁴¹ This measure should be adopted fully in Ireland.

"I am in a very difficult situation at the moment. I lost my job recently and haven't been able to pay the full rental payment for the last two months. I have always paid my bills and have never been in arrears before. I don't know what to do, I am the sole carer for my seven year old daughter who has additional needs"

Family seeking support, 2023

⁴⁰ OECD (2020) 'Social housing: A key part of past and future housing policy', Employment, Labour and Social Affairs Policy Briefs', OECD, Paris [social-housing-policy-brief-2020.pdf \(oecd.org\)](https://www.oecd.org/els/social-housing-policy-brief-2020.pdf)

⁴¹ OECD "PH6.1 Rental Regulation" <http://www.oecd.org/els/family/PH6.1-Rental-regulation.pdf>

8. Conclusion

The experience of our members in visiting and supporting low-income households presents a number of common themes regarding the lower income end of the private rented sector. These include rent increases, accumulation of rent arrears, economic eviction, overcrowding, termination of tenancies leading to homelessness, poor standards, and the experiences of discrimination and powerlessness/lack of control over how and where they live. The feelings of stress and overwhelm for people in these situations cannot be overstated.

The private rented sector currently exposes tenants to difficulty securing suitable accommodation, uncertain rents, insecure tenure and in some cases poor quality housing. It also exposes the State to increases in market rents via Rent Supplement and Housing Assistance Payment (HAP). The forthcoming review for the private rented sector should address all these issues.

The targets for social housing in Housing for All is unlikely to clear the social housing waiting list. The current direction of Government policy means that many households who cannot access social housing will be reliant on the private rented sector (with supports) for their housing needs. The residential rented sector will also be required to meet a large proportion of long term social housing needs across the lifecycle – for individuals, families with children, people with disabilities and older people - as well as meeting the needs of other groups, such as young professionals, students, transient workers etc. who may not require long term rented accommodation.

While the Housing Assistance Payment and Rent Supplement- and the landlords who accept these payments- have supported many households out of homelessness and are providing a home for people to live in right now, the fact remains that these households are guaranteed neither affordability nor secure tenure in the long term. To provide a more stable private rental sector, it is necessary to provide more social housing owned and managed by Local Authorities and Approved Housing Bodies. Simultaneously, it is necessary to ensure that the HAP payment and the private rented sector is fit for purpose now and into the future.

The availability of properties within HAP limits, HAP limits and the operation of HAP in practice need to be prioritised as part of the review. We welcome the uplift in discretionary HAP limits, however, this measure alone is not sufficient and a comprehensive review and implementation plan must follow.

Alongside boosting household incomes, minimising energy prices for those who will struggle to pay, and promoting consumer protections, SVP recognises the fundamental importance of energy efficiency as a long-term route out of energy poverty and improving the wellbeing of households. Specific measures need to be introduced that will assist both landlords and tenants living in the private rented sector in energy inefficient homes.

There is a case to provide tax incentives to small landlords tied to improved security of tenure for tenants. Countries that have already implemented such measures such as Germany should be researched and explored further. There is also a case for increased monitoring of the RPZ's to ensure they are working effectively. However, tax measures and rent regulation such as RPZs should be a temporary measure until a sufficient level of affordable housing is provided and should not be the main focus in developing policy for the housing sector.

While many other European countries are also facing major housing and homelessness challenges, there are examples of good and proactive practices that should be explored for the Irish housing sector.

Accessible and affordable private rental accommodation is an essential part of an effective housing system. We look forward to continued engagement with the Department of Housing, and Minister for Housing on progressing our recommendations, ensuring that the private rented sector fulfills an important role in ensuring families and individuals can find and sustain a home.