

Simon Communities in Ireland



Submission to Inform the Private Rented Sector Strategy

November 2016

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Introduction

The Simon Communities welcome the opportunity to contribute to the development of the new Strategy for the Private Rented Sector. Prior to the publication of the *Rebuilding Ireland Action Plan for Housing and Homelessness (Action Plan)* Ireland's approach to housing provision was disconnected – home ownership, the private rented sector, social housing and homelessness were approached in isolation when in fact they are interconnected. The new Strategy for the Private Rented Sector must adopt a similar integrated approach to that taken in the *Action Plan* when addressing the complexities of the private rented sector.

As a starting point, the Strategy must address the spiralling rents and dwindling supply that have characterised the private rented sector in recent years. Increasingly, these factors are having a detrimental impact on people's ability to find and sustain affordable tenancies often leading to or perpetuating homelessness. An integrated private rented sector strategy must consider the growing pressure on the sector for the delivery of social housing supports particularly in light of limited social housing supply. Access to affordable housing through the Rent Supplement (RS) and Housing Assistant Payment (HAP) schemes must be prioritised with particular emphasis on monitoring and adjustment of RS/HAP limits on an ongoing basis. Security of tenure in the form of indefinite leasing and purpose built rent certainty models must be introduced to move some way towards the delivery of the goal of equity across tenures as committed to in the *Housing Policy Statement*¹ of 2011. The optimisation of current and future private rented sector stock can only be achieved through the introduction of detailed and enforceable standards for accommodation in combination with a regionalised system of inspection. The professionalisation of landlords will be a key factor in delivering higher standards in this regard. The commitment to introduce a new affordable rented scheme is welcome but must be considered the starting point for the further examination of affordable and cost rental models in the private rented sector.

This submission examines the current state of play in the private rented sector and where appropriate measures, targets and approaches to contribute to a sustainable sector, flexible to current and future housing need and supply are suggested. We make recommendations under the four headings identified in *Rebuilding Ireland* and outlined in the *Residential Rental Sector Strategy Stakeholder Consultation Document*².

- **Security** – bringing greater certainty to tenants and landlords.
- **Supply** – maintaining existing levels of rental stock and promoting additional supply through encouraging new investment and bringing unused capacity to the market.
- **Standards** – improving the quality and management of rental accommodation.
- **Services** – broadening and strengthening the role and powers of the Residential Tenancies Board (RTB) to more effectively provide key services to tenants and landlords.

¹ <https://www.housingagency.ie/Regulation/Housing-Policy-Statement-2011.pdf>

² <http://www.housing.gov.ie/housing/private-rented-housing/public-consultation-strategy-rented-sector>

Summary of Recommendations

Security

Security of tenure and Rent certainty

- In the absence of private rental supply and given increasing private market rents, rent certainty should be introduced with rents index linked to the Consumer Price Index (CPI).
- In the future as supply in the private rented sector increases, a purpose built system of rent certainty should be introduced reflective of the future diversity of the sector.
- Any incentives for landlords must be met with increased conditionality in terms of security of tenure and rent certainty.
- Put in place increased security of tenure for tenants by introducing indefinite leases, removing the 'continued Part 4' tenancy and six month probationary period for example long term or fixed leases of 10 years or more may be a viable option for long term landlords seeking secure tenants and guaranteed rental income for a fixed period of time.
- Landlords with more than three properties should not be able to invoke Section 34 of the RTA in order to issue notice of termination to tenants.
- The new strategy should take into account the goal of achieving equity across tenure for all, including those who wish to live in the sector in the longer term and those who wish to eventually transition to social housing or home ownership.
- The option of purchasing the rented property unit could be built into specific leases to allow landlords the opportunity to sell units without going to open market at end of long term lease. This could help address the issue of 'accidental' or 'unintended' landlords particularly those with distressed mortgages.
- Increase the Household Budget Scheme cap to allow greater weekly contributions towards utility bills for Private Rented Sector tenants.

Social housing support and the private rented sector

- Fast track resources for local authority construction of social housing to reduce pressure on an overburdened private rental sector.
- Those being assisted to move from emergency accommodation through HAP must be provided with the necessary assistance and resources to obtain a suitable tenancy and the necessary support services required including family support services, health, community integration, education and employment.
- Increase and maintain communication between DSP and DHPCLG to ensure tenants' seamless transition from RS to HAP including the provision of tenancy deposits where required.
- Continued monitoring and adjustment of RS/HAP limits on a bi-annual basis to ensure these vital payments meet private market rents.
- Consideration should be given of paying rent supplement directly to the landlord for all tenants.
- HAP/RS should be paid in advance not in arrears. Payment in arrears is negatively impacting uptake by landlords.
- Ensure that RS/HAP payments remain accessible to those that need them most, avoiding administrative delays that adversely impact a household's ability to secure or maintain a tenancy. In this regard, Homeless HAP should be extended throughout the country.
- Launch a public awareness campaign highlighting the benefits of HAP to potential landlords and applicants. This is particularly pertinent in the context of the wider rollout to remaining local authorities by Q4 2016 and Q1 2017.
- Support the roll out of HAP nationally for all types of housing including AHB's where differential rents could be collected through HAP payment

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Supply

- Implement NESCS (2015) recommendations for supply side initiatives and supports to increase the supply of affordable rental housing for low income and intermediate households. These include instruments to encourage provision of affordable rented accommodation such as low cost loans, access to state land on favourable terms, tax incentives and loan guarantees.
- Fast track the introduction of the affordable rental pilot scheme and examine the feasibility of its further rollout with the buy in of Approved Housing Bodies.
- Examine the feasibility of developer contributions for Build-to-Rent developments akin to Part V social housing contributions in addition to the feasibility of local authority partnership for the development of Build-to-Rent developments on State and Local Authority land.
- Explore the possibilities for new partnership approaches to provide affordable rented accommodation under the Build-to-Rent scheme for example Local Authority/Developer/AHB partnerships to develop Local Authority owned sites in key areas particularly for specialised accommodation for example targeting people who are older, people who are homeless and students.
- Introduce and resource Social Rental Agencies (SRA's).

Standards

- Introduce detailed revised standards for accommodation in the private rented sector including standards relating to energy efficiency, control of damp, occupancy rates and minimum health standards.
- Develop a new regional system of inspection for private rented accommodation. Inspections should be carried out on an annual basis and require landlords to undertake maintenance and repair where necessary.
- Annual inspections should examine key indicators identified in the revised standards in a similar manner to the National Car Test (NCT).
- Graduated professional obligations should be introduced for all landlords depending on the number of properties owned. At a minimum all landlords should respond in a timely fashion to maintenance and repair requests in addition to carrying out quarterly inspections in this regard.
- HAP properties should be inspected in advance of the commencement of the HAP tenancy to ensure they meet minimum standards. Local Authorities need to be resourced to undertake such inspections. Delayed inspections can result in the termination of tenancies post the agreement of the HAP payment which is not in anyone's interest.

Services

- The Deposit Protection Scheme which is provided for in the recent amendments to the Residential Tenancies Act should be implemented immediately.
- The RTB to develop and implement a graduated system of professionalisation of landlords.
- There should be a specific function with the RTB to advise and support first time or small landlords.
- Enhanced reporting and data dissemination is required by the RTB including data on disputes, mediation, adjudication and tribunals including dissemination of such data.

The Private Rented Sector: An Overview

Statistics and projections

The supply of rental properties nationwide is decreasing as demand continues to grow nationwide. Recent figures from the Residential Tenancies Board (RTB) show that the number of private rented households increased by 110% or 160,000 households between 2006 and 2011 to a total of 305,300 households. As a percentage of total households, private rented households accounted for 19% of all households nationwide in 2011.³ A number of recent publications point to dwindling supply in the private rented sector. The Daft.ie Q2 Rental Report showed that on August 1st there were only 3,600 properties available to rent nationwide.⁴ This is a decrease of 20%, or approximately 1,000 properties when compared to the corresponding report from 2015. According to Daft.ie, the total number of properties available to rent has decreased by approximately 80% since 2012.⁵ The reduction in supply has had an adverse impact on the price of rent in the private rented sector. The average nationwide rent now stands at €1,037 per month. Rents rose by an average of 3.9% between April and June, matching the biggest three-month increase in rent since early 2007.⁶ According to recent projections by estate agents Savills, dwindling supply is likely to lead to further increases in the price of rent. Modelling market supply and demand and using vacancy rates as a leading indicator, Savills project that there will be a compound growth in rent nationwide by 24.4% in the period between Q3 2016 and Q4 2018.⁷

Security

A key focus of the new strategy for the private rented sector must be increasing security of tenure and rent certainty for tenants. The new strategy needs to focus on short, medium and long term goals for the sector. To capture this vision, a purpose built and flexible system of tenure incorporating increased rent certainty for a diverse rental sector must be introduced. This system of tenure will create the conditions necessary to develop a stable and sustainable rental sector capable of meeting the current diversity of housing need in addition to providing a fair financial return on current and future investment.

Balancing benefits for tenant and landlord

A sustainable private rented sector requires ongoing investment by landlords in new and current properties. Favourable tax treatment for landlords alongside increased security and tenure and rent certainty for tenants should not be considered competing rights or benefits. Budget 2017 extended a number of incentives for landlords to encourage further investment and improvement in the sector. Mortgage interest deductibility for private residential landlords will be increased by 5% to 80% in 2017. Further increases of 5% will take place every year for four years thereafter until the deductible rate is 100%. The Home Renovation Incentive has been extended for homeowners and landlords for a further two years to the end of 2018. This incentive provides tax relief by way of a tax credit at 13.5% of qualifying expenditure incurred on repair, renovation or improvement work carried out on a premises. Unfortunately these significant incentives for landlords have not so far translated into advances in security of tenure and rent certainty for tenants in the private rented sector.

The recently announced Repair and Leasing Scheme launched as part of Pillar 2 of the *Action Plan* offers a sustainable model for linking conditionality on security of tenure to incentives for landlords and property owners. The provision of financial assistance to bring suitable properties back into the social housing stock

³ RTB Presentation at launch of Review of Residential Rental Sector, 20 October 2016.

⁴ Daft.ie Q2 Rental Report, <https://www.daft.ie/report/q2-2016-daft-report-rental.pdf>.

⁵ Daft.ie.

⁶ Ibid 2.

⁷ Savills Ireland, *A Rent Forecasting Model for the Private Rented Sector in Ireland*, <http://pdf.euro.savills.co.uk/ireland-research/a-rent-forecasting-model-for-the-private-rented-sector-in-ireland-hr-pages.pdf>

is balanced by the property owner signing up to a lease arrangement for a length that is linked to the value of the repairs but is a minimum of ten years. The value of the repairs will then be offset incrementally against the agreed income over a defined period within the lease.⁸ The introduction of a similar incentive based tenure condition should be introduced in the private rented sector. The benefits of increased security of tenure for both landlord and tenant are clear - greater income stability for landlords and greater housing stability for tenants.

Indefinite leases and rent certainty: Examples of international best practice

NESC argue ‘that a focus on a common goal of secure occupancy analogous to the focus on long term relationships in other business and social spheres, can serve renters, investors and the wider housing system more effectively’.⁹ Secure occupancy in this regard encompasses indefinite leases and rent certainty in addition to changes to conditions of sale and improved dispute resolution processes. A number of European jurisdictions have introduced indefinite leases in their respective rental sectors including the Netherlands, Germany and Sweden. The introduction of an indefinite lease model in Ireland would require the removal of current restrictions associated with Part 4 lease agreements. The current Part 4 tenancy means that after four years the tenancy can be ended for any reason within the subsequent six months. NESC argue that the ‘continuing Part 4’ provision should be modified so that all tenancies would be continuous and based on indefinite contracts. This change would bring Ireland in line with the abovementioned countries and in doing so significantly increase security of tenure for those in the private rented sector.

Existing rent stability measures in Ireland have done little to curb rising rents. A number of European jurisdictions have introduced varying rent certainty measures to reflect the realities of their private rental sectors. In Finland, which has a relatively liberal private rental market, rent is typically reviewed on an annual basis. Rent reviews are often included in tenancy contracts, stipulating the size of the rent increase which in most cases is linked to the cost of living index. In Germany, a number of rent review mechanisms are used to determine rental levels across the rental sector. The most commonly used is the *Mietspiegel* or ‘mirror rent’. This system is based on a rent guide for the rental area in question and is determined by four factors as follows:

1. The Economic Offences Act places a general ceiling on excessive rent increases.
2. The *Mietspiegel* covers rents in the area for the four previous years and not merely the immediate past.
3. If the two yearly update of the *Mietspiegel* is based on inflation, this may be less than the increase in rents in a rising market.
4. There is a limit of a 20% increase in rents over three years.

The German system of rent certainty must be viewed in the context of stable supply in that private rented sector. Given the current lack of supply in the Irish private rented sector index linking future rent increases to the Consumer Price Index (CPI) akin to the Finnish model should be prioritised. The strategy currently under development is tasked with providing a short, medium and long term vision for the private rented sector. With this in mind, advanced stable supply initiatives akin to the German model should be explored further.

In the aforementioned 2011 Government *Housing Policy Statement* there were ambitious objectives for the future of the housing sector based on choice, fairness, delivering quality outcomes for resources invested and equity across tenures. To date, equity across tenures or ‘tenure neutrality’ has not been delivered for

⁸ Minister Coveney Launches Pillar 2 under Rebuilding Ireland – Action Plan for Housing and Homelessness. <http://www.housing.gov.ie/housing/rebuilding-ireland/minister-coveney-launches-pillar-2-under-rebuilding-ireland-action-plan>.

⁹ NESC, *Ireland’s Rental Sector: Pathways to Secure Occupancy and Affordable Supply*, 2015, http://files.nesc.ie/nesc_reports/en/141_Irelands_Rental_Sector_MainReport.pdf.

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those whose home is in the private rental sector. People living in the PRS are facing continued insecurity from rising rents driven higher by dwindling supply. We encourage the Department to include tenure neutrality as an overarching objective in the new strategy for the PRS. This objective can be achieved by delivering enhanced security of tenure through indefinite leasing in addition to putting in place a purpose built system of rent certainty flexible to fluctuations in supply.

Overreliance on the private rented sector

The *Rebuilding Ireland: Action Plan for Housing and Homelessness (Action Plan)* aims to deal with all forms of housing provision in an integrated manner offering a huge opportunity to take into account the fact that a change in one area in relation to housing provision and supply can have a knock on effect on other areas. The private rented sector is under increasing pressure to deliver social housing units through the Rent Supplement (RS) and Housing Assistance Payment (HAP) schemes. The recent launch of Pillar 2 of the *Action Plan* committed to facilitating 3,000 exits from emergency accommodation in 2017 through rapid build programmes, mainstream social housing tenancies and HAP. Increased funding totalling €105 million announced as part of Budget 2017 is intended to enable 15,000 new HAP tenancies in 2017.¹⁰ These measures are very welcome but consideration must be given to the further pressure that will be placed on a private rented sector that is currently limited to a mere 3,600 available properties.¹¹ The introduction of the HAP scheme is welcome, particularly the removal of the restriction to work that currently limits the Rent Supplement scheme. There must however be a move away from continued over reliance on the private housing sector for the delivery of affordable housing for those on low incomes, and social housing for those with long term housing needs. It is essential that Local Authorities (LAs) get back into the business of building and acquiring social housing on the scale required to meet ever growing housing need with the support of Approved Housing bodies (AHBs).

The gap between RS/HAP limits and private market rents

The Simon Communities broadly welcomed the increases to RS/HAP limits that came into effect on the 1st of July 2016. Following these increases, in October 2016, the Simon Communities in Ireland published *Locked Out of the Market V – The Gap Between Rent Supplement/HAP Limits and Market Rents*.¹² This snapshot study tracked the number of properties available to rent within RS/HAP limits in ten representative areas nationwide. The study found that over 80% of properties available to rent on Daft.ie were above RS/HAP limits, and as such were out of reach of those in receipt of these payments. Availability of properties for single people within these limits was restricted to eight properties across the ten study areas including only two available properties across the four city centre study locations. The gap between RS/HAP limits for a single person and private market rents for a one bedroom property were on average 29% higher than RS/HAP limits for a single person. This ranged from 93% higher in Dublin city to 6% higher in Dundalk. Sligo Town was the only location in which RS/HAP limits for a single person were more than private market rents for a one bedroom property. Average rent for a two bedroom property was 3% higher than average RS/HAP limits for a couple and two children. This ranged from 27% higher in Cork City to 24% lower in Dundalk.

Discretionary uplifts of up to 20% are available in both the RS and HAP schemes made on a case by case basis by local Community Welfare Officers (CWOs). Although these payments are welcome and should be continued, people are not always aware of this option, therefore further information should be made available to applicants and recipients of both schemes. RS/HAP limits must be monitored and adjusted on

¹⁰ DHPCLG, *Coveney announces transformational housing budget*, <http://www.housing.gov.ie/corporate/finance/annual-budget/coveney-announces-transformational-housing-budget>.

¹¹ Ibid 2.

¹² Simon Communities in Ireland, *Locked Out Of The Market V – The Gap Between Rent Supplement/HAP Limits and Market Rents*, October 2016, <http://www.simon.ie/Portals/1/Locked%20Out%20of%20the%20Market%20V%20-%20The%20Gap%20Between%20Rent%20Supplement-HAP%20Limits%20and%20Market%20Rents%20%E2%80%93%20October%202016.pdf>.

an ongoing basis to ensure they can meet increasing private market rents. This is particularly pertinent given recent commitments and targets in relation to the fast track rollout of HAP nationwide in addition to recent projections of rising private market rents.¹³

Accessibility of social housing payments schemes

The accessibility of the RS and HAP schemes is crucial to the delivery of social housing commitments outlined in the *Action Plan*. Tenants and landlords can encounter administrative and payment challenges that make the schemes less attractive to landlords and adversely impact tenants access to affordable housing. The payment of HAP in arrears is negatively impacting upon uptake of the scheme by landlords. Tenant transfers from RS to HAP must be seamless to ensure there is no payment gap, thus reducing the likelihood of the accrual of rent arrears by the tenant. The payment of tenancy deposits by the Department of Social Protection (DSP) to facilitate new tenancies under the HAP scheme must be flexible and cognisant of time constraints faced by HAP applicants when attempting to secure a suitable tenancy. Increased communication and cooperation between the DSP and the Department of Housing, Planning, Community and Local Government (DHPCLG) is crucial in this regard. The nationwide rollout of the HAP scheme to the remaining Local Authorities by Q4 2016 and Q1 2017 must be accompanied by a national awareness campaign targeting potential landlords and tenants to communicate the benefits of signing up to the scheme.

Due to their histories and support needs many of those using Simon Communities services around the country are unemployed and in receipt of social housing payments and some have become homeless due to rent arrears. The Household Budget payment option via An Post is used by many of our services to collect rent and utilities charges to minimise the risk of rent arrears or people living without electricity/gas services in their accommodation. The Household Budget is currently capped at 25% of a person's income. For many clients in receipt of the Job Seekers Payment, their total weekly income is €188 (€5 increase for 2017) which means they can only pay charges of €47.25 per week. Increasing the Household Budget cap would allow people to pay more on a consistent basis and secure their accommodation and related services.

Supply

For a growing number of people the prospect of home ownership is becoming increasingly unlikely.¹⁴ What is required is a rental sector that embraces a selection of rental models that can meet the housing needs of low and intermediate income households in addition to those who consider renting a permanent long term housing goal. We welcome the commitment in the *Action Plan* to introduce a new affordable rental scheme on a pilot basis.

Supply side initiatives and supports

We support NESC's (2015) recommendations for supply side initiatives and supports to increase the supply of affordable rental housing for low income and intermediate households should be implemented which include but are not limited to:

- Instruments to encourage provision of affordable rented accommodation including low cost loans, access to state land on favourable terms, tax incentives and loan guarantees.
- Where state land is used for affordable housing, land ownership should be retained with a state body or a voluntary organisation with a long term commitment to provide affordable housing. Affordable rental accommodation could be provided by voluntary housing bodies or private sector in both cases the provision of a moderate level of subsidy in exchange for affordable rents should be provided.

¹³ Ibid 6.

¹⁴ Social Housing Strategy 2020, P. 17, http://www.merriionstreet.ie/en/ImageLibrary/Social_Strategy_Document_20141126.pdf.

Cost rental and affordable housing

The Cost Rental Model is a financially sustainable means of providing affordable housing to meet the needs of low and intermediate income households that struggle in the private rented sector but who may not be eligible for social housing or, even if they are eligible, are unlikely to be allocated it, given its scarcity.¹⁵ Cost renting refers to a situation in which rents cover only the actual incurred costs of providing the dwelling. Cost rental housing can ensure stable and affordable tenancies for low and intermediate income families. Cost rental insulates tenants from rising market rents that increase as the price of property rises. Equity in the cost rental stock accrues over time and is returned to the service of continued affordable housing provision. Such models have been rolled out in Austria with significant financial success whereby efficacy in the provision of housing units has led to an initial reduction relative to market rents that is greater than the level of subsidy provided.¹⁶ Such a model would be particularly suitable for delivery and management by Approved Housing Bodies.

Social Rental Agencies (SRA)

There is a need to resource and implement multisite SRA's. This model is effective in other parts of Europe and can play an important role in tackling homelessness. Such models are set out in the *Implementation Plan on the State's Response to Homelessness*¹⁷ (2014) and are based on a three way relationship between the landlord, tenant and services provider. The Cork Rentals Initiative is a good working example.

Build-to-Rent

We welcome the commitment to examine the standards, costs and feasibility of Build-to-Rent on a large scale. Build-to-Rent has the potential to rapidly increase the private rented sector stock and in doing so relieve existing pressure on private market rents. Build-to-Rent offers significant opportunities for the further provision of affordable rental and social housing. We encourage the Department to examine Build-to-Rent developer contributions whereby a percentage of the total housing units constructed as part of a development would revert to local authority use for affordable rental accommodation. An increased percentage contribution should be considered where Build-to-Rent developments are developed in partnership with State and Local Authorities through the use of State and Local Authority land. Such initiatives would also facilitate creation of mixed income communities and a move away from stigmatised social housing estates. A number of initiatives of this type have been developed in the UK market.

Standards

An immediate and ongoing objective of the new strategy must be improving the quality and standard of current and future housing stock in the private rented sector. Those who make their home in the PRS should expect at a minimum a decent standard of accommodation in return for a fair and affordable rental price. To achieve this, new standards for rental accommodation must be put in place in combination with the continued professionalisation of landlords to ensure ongoing management of private rental stock. This in turn must be enhanced by the delivery of a new regionalised inspection system carried out by Local Authorities on an annual basis.

The current standards for accommodation in the rented sector are laid down in the *Housing (Standards for Rented Houses) Regulations 2008*.¹⁸ The regulations set down the basic structural and appliance requirements that all properties in the private rented sector must meet. The regulations do not contain detailed standards with regard to energy efficiency, maximum occupancy, control of damp or indeed minimum health

¹⁵ Ibid 12.

¹⁶ Ibid, P. 45.

¹⁷ <http://www.housing.gov.ie/sites/default/files/migrated-files/en/Publications/DevelopmentandHousing/Housing/FileDownload%2C38053%2Cen.pdf>

¹⁸ Housing (Standards for Rented Houses) Regulations 2008 - <http://www.irishstatutebook.ie/eli/2008/si/534/made/en/print>.

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standards that all accommodation in the sector should conform to. Substandard accommodation in the private rented sector is impacting on people's health and wellbeing and quality of life. There are currently no standards or regulations with regard to energy efficiency in the private rented sector resulting in increased energy costs for those in substandard accommodation who are often low income earners.¹⁹ We welcome the commitment to introduce revised standards for accommodation in the rented sector in Autumn 2016. These standards must address in detail the lived experience of those in overcrowded, substandard accommodation who are struggling to pay energy costs.

A new inspection model for the private rented sector

Revised standards for accommodation in the rented sector can only be effective when implemented and enforced through a resourced inspection mechanism. Responsibility for inspecting and enforcing standards in the private rented sector lies with the Local Authority. The current system does not involve an active inspection mechanism but instead functions on the basis of complaints received from tenants who believe their accommodation is substandard and whose landlord refuses to carry out repairs and maintenance as required. This ineffective system does little to maintain standards across the private rental stock but instead fosters greater conflict between landlord and tenant. Such conflict can be just one factor in determining whether a landlord will grant a continuing Part 4 tenancy at the end of an initial Part 4 tenancy.

A new regionalised system of inspection is required for the rented sector. The new inspection system should be carried out by Local Authorities and apply to all properties in the private rented sector. Inspections should take place on an annual basis and should examine key indicators identified in the revised standards in a similar manner to the National Car Test (NCT). Landlords of rental accommodation that do not meet the revised standards should be instructed to undertake repairs and maintenance as necessary and furnish the inspecting Local Authority with evidence of works carried out. The current system of direct complaints to the Local Authority by tenants should be retained to ensure persistent disregard for accommodation standards by problem landlords can be rectified as a matter of priority.

Given increased current and projected government expenditure in the private rented sector through the enabling of increasing numbers of HAP tenancies, inspections of these properties should be carried out in advance of the tenant taking up residence in the property. Currently, inspections of HAP properties take place within eight months of the first HAP payment to the landlord. This eight month period applies to properties that have not been inspected within the previous 12 months. HAP tenancies have been terminated following delayed inspections that found the property unsuitable for human habitation on health and safety grounds. The current risk based criteria for identifying and inspecting substandard properties is working but ultimately is leading to the termination of HAP tenancies. An advanced inspection system for HAP properties is crucial to ensure affordable and quality accommodation is available to those that need it most.

Services

It is essential that the RTB has the resources and capacity to meet the ongoing challenges in the private rented sector and to ensure it keeps pace with changing requirements for regulation and legislation.

Professionalisation of landlords

According to the Residential Tenancies Board (RTB) there are approximately 172,000 landlords in the private rented sector. The majority (65%) of these landlords own just one property. 17 percent of these landlords own two properties and approximately 20% own three or more properties.²⁰ Given the

¹⁹ Legislation needed to ensure energy efficient houses in private rental sector - <http://www.svp.ie/News-Media/News/Legislation-needed-to-ensure-energy-efficient-hous.aspx?cat=socialjustice>.

²⁰ RTB Slides – launch of review of Residential Rental Sector.

variation in the number of properties owned by landlords in the sector a graduated system of professionalisation should be developed and implemented by the RTB. At a minimum, all landlords must undertake active management of their rental properties to ensure they meet the revised standards for rental accommodation to be introduced this Autumn. This should include responding in a timely fashion to all requests for maintenance and repair received from tenants in addition to undertaking quarterly inspections and the necessary repair and maintenance work identified. For landlords in possession of over three properties consideration must be given to introducing legislative measures to restrict the grounds for issuing notice to terminate a tenancy on grounds of sale as currently permitted under section 34 of the RTA.²¹ In addition, acknowledging the challenge of becoming a landlord in understanding rights, responsibilities and legal obligations there should be a specific function within the RTB to advise and support first time or small landlords.

Conclusion

The development of a strategy for the private rented sector is an unmissable opportunity to create a sustainable, integrated and affordable housing sector in which an increasing number of people are choosing to call home. The centrality of the sector to national housing provision demands a vision for the sector reflective of the diversity of housing need now and in the future. Increased security of tenure and rent certainty are the building blocks for a stable rented sector in which both tenant and landlord can benefit equally. Social housing supports must be continually adjusted to reflect the realities of the current volatility characterising the sector. In the longer term, purpose built cost rental and other affordable rental models must be developed to ensure those with long term housing needs have a place to call home free from the stress of spiralling rents and tenure insecurity. The introduction of new standards in private rental accommodation is welcome and must be further strengthened by an effective inspection mechanism.

²¹ Section 34 Residential Tenancies Act 2004, <http://www.irishstatutebook.ie/eli/2004/act/27/section/34/enacted/en/html>.

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About Simon Communities

The Simon Communities in Ireland are a network of eight regionally based independent Simon Communities based in Cork, Dublin, Dundalk, Galway, the Midlands, the Mid West, the North West and the South East that share common values and ethos in tackling all forms of homelessness throughout Ireland, supported by a National Office. The Simon Communities have been providing services in Ireland for over 40 years. The Simon Communities deliver support and service to over 7,500 individuals and families throughout Ireland who experience – or are at risk of – homelessness every year.

Whatever the issue, for as long as we are needed, Simon’s door is always open. For more information please visit www.simon.ie

Services include:

- Housing provision, tenancy sustainment & settlement services, housing advice & information services helping people to make the move out of homelessness & working with households at risk;
- Specialist health & treatment services addressing some of the issues which may have contributed to homeless occurring or may be a consequence;
- Emergency accommodation & support providing people with a place of welcome, warmth & safety;
- Soup runs & rough sleeper teams who are often the first point of contact for people sleeping rough.

Appendix 2: Housing and Homelessness Crisis in numbers

- During one week in September 2016 (latest available figures), there were 6,709 men, women and children in emergency accommodation across the country; a 34% increase from September 2015. This included 2,715 adults with no dependents in their care and 1,173 families made up of 1,568 adults and 2,426 children. (DECLG, 2016).
- On Census Night, 24th April 2016, there were 171 people without a place to sleep in Dublin City. This included 102 people sleeping rough and 69 people sheltering at the Nite Café. Unfortunately, Dublin is the only area where an official rough sleeper count takes place, making it difficult to get a countrywide rough sleeping picture. (DRHE 2015).
- Figures from Cork Simon Community indicate that rough sleeping in Cork City increased nine-fold in four years (2011-2015) from 38 people sleeping rough in 2011 to 345 people sleeping rough in 2015.
- Homelessness and housing insecurity are more acute and visible in our cities but the Simon Communities are working at capacity countrywide – in urban and rural areas.
- There are at least 90,000 people on the social housing waiting list. (Housing Agency, 2014).
- Social housing commitments will take time to begin to deliver housing. This is far too long for the people we work with and those at risk of homelessness. Social housing output for 2015, reached 1,030 new builds and acquisitions, with new builds accounting for 75 units. (DECLG, 2016). This is below the Social Housing Strategy target of 18,000 new units for the period 2015-2017.
- The average rent nationwide has risen by over one third since bottoming out in 2011 and has surpassed its 2008 peak. The average national rent is now €1,037 (Daft.ie Rental Report Q2 2016).
- *Locked Out of the Market V* (October 2016 Simon Communities) found that 80% of rental properties are beyond the reach for those in receipt of state housing support.
- 41.2% of all accounts in mortgage arrears are in arrears of over two years. (Central Bank of Ireland, 2016).
- At the end of December 2015, 23,344 or 17% of buy-to-let mortgages, were in arrears of more than 90 days. (Central Bank of Ireland, 2016).
- 750,000 people are living in poverty in Ireland (*Poverty, Deprivation and Inequality* (July 2016) Social Justice Ireland Policy Briefing).
- Since 2007 the deprivation rate, which looks at the number of people forced to go without at least 2 of 11 basic necessities examined, in Ireland has doubled - 29% of the population or 1.3 million people are experiencing deprivation (Social Justice Ireland *ibid*).