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—AN TUARASCÁIL

PLANNING AND DEVELOPMENT (HOUSING) AND RESIDENTIAL TENANCIES
BILL 2016
—REPORT

Leasuithe Iondacha
Substitute Amendments

55. In page 38, between lines 11 and 12, to insert the following:

“Amendment of section 19 (setting of rent above market rent prohibited) of Act of 2004

32. Section 19 of the Principal Act is amended by inserting the following subsections after subsection (2):

“(3) The setting of the rent under the tenancy of a dwelling that is carried out on or after the relevant date shall be subject to subsections (4) to (7).

(4) Subject to subsection (5), in setting, at any particular time, the rent under a tenancy of a dwelling in a rent pressure zone, an amount of rent shall not be provided for that is greater than the amount determined by the formula—

$$R \times (1 + 0.04 \times t/12)$$

where—

R is the amount of rent last set under a tenancy for the dwelling,

t is the number of months between—

(a) (i) the date the current rent came into effect under a tenancy for the dwelling, or

(ii) where paragraph (a) does not apply but the dwelling was previously let, other than in circumstances to which subsection (5) applies, the date rent became payable under a tenancy for the dwelling as last so let,

and

(b) the date the rent for the tenancy of the dwelling will come into effect after its determination under this subsection.

(5) Subsection (4) does not apply—

(a) where a dwelling has not at any time been the subject of a tenancy

during the period of 2 years prior to the date the area is prescribed under section 24A as a rent pressure zone or deemed to be so prescribed;

(b) if, in the period since the rent was last set under a tenancy for the dwelling—

(i) a substantial change in the nature of the accommodation provided under the tenancy occurs, and

(ii) the rent under the tenancy, were it to be set immediately after that change, would, by virtue of that change, be different to what was the market rent for the tenancy at the time the rent was last set under a tenancy for the dwelling.

(6) Where immediately before the relevant date a notice under section 22(2)—

(a) has been served on the tenant, or

(b) the rent review concerned has commenced,

then subsections (3) and (4) shall not apply to the new rent, referred to in section 22(2), stated in that notice in accordance with that section.

(7) In this section—

‘relevant date’ means the date *section 32** of the *Planning and Development (Housing) and Residential Tenancies Act 2016* comes into operation;

‘rent pressure zone’ means an area—

(a) prescribed by the Minister by order under section 24A as a rent pressure zone under that section, or

(b) in respect of an area to which section 24B relates, deemed to be so prescribed by the Minister under section 24A.”.”.

—An tAire Tithíochta, Pleanála, Pobail agus Rialtais Áitiúil.

[*This is a reference to the section proposed to be inserted by amendment number 54 on the principal list circulated.]

Amendments to Amendment No. 55.

I. To delete the proposed amendment no. 55 and substitute the following:

“Amendment of section 19 (setting of rent above market rent prohibited) of Act of 2004

32. Section 19 of the Act of 2004 is amended by the insertion of the following subsections after subsection (2):

“(3) The setting of rent under the tenancy of a dwelling that is carried out on or after the relevant date shall be subject to subsections (4) to (7).

(4) Subject to subsection (5), in setting, at any particular time, the rent

under a tenancy of a dwelling in a rent pressure zone, an amount of rent shall not be provided for that is greater than the amount determined by the formula—

$$R \times (1 + c \times t/12)$$

Where—

R is the amount of rent last set under a tenancy for the dwelling,

c is the consumer price index in the given year,

t is the number of months between—

(a) (i) the date the current rent came into effect under a tenancy for the dwelling not being more than twelve months, or

(ii) where paragraph (a) does not apply but the dwelling was previously let, the date rent became payable under a tenancy for the dwelling as last so let,

and

(b) the date the rent for the tenancy of the dwelling will come into effect after its determination under this subsection.”.”.

—Eoin Ó Broin.

Amendment to Amendment No. 1 to Amendment No. 55

1. To delete “c is the consumer price index in the given year” and substitute the following:

“c is the annual percentage change in the consumer price index, expressed in decimal notation as a fraction of 1,”.

—Jan O’Sullivan.

2. To delete the proposed amendment no. 55 and substitute the following:

“32. Section 19 of the Principal Act is amended by inserting the following subsection after subsection (2):

“(3) The setting of rent under the tenancy of a dwelling that is carried out on or after the relevant date shall be linked to the Consumer Price Index.”.

—Catherine Murphy, Róisín Shortall.

3. To delete the proposed amendment no. 55 and substitute the following:

“Amendment of section 19 (setting of rent above market rent prohibited) of Act of 2004

32. Section 19 of the Principal Act is amended by inserting the following subsections after subsection (2):

“(3) The setting of the rent under the tenancy of a dwelling that is carried

out on or after the relevant date shall be subject to subsections (4) to (7).

- (4) Subject to subsection (5), in setting, at any particular time, the rent under a tenancy of a dwelling in a rent pressure zone, an amount of rent shall not be provided for that is greater than the amount determined by the formula—

$$R \times (1 + 0.00 \times t/12)$$

where—

R is the amount of rent last set under a tenancy for the dwelling,

t is the number of months between—

- (a) (i) the date the current rent came into effect under a tenancy for the dwelling, or
- (ii) where paragraph (a) does not apply but the dwelling was previously let, other than in circumstances to which subsection (5) applies, the date rent became payable under a tenancy for the dwelling as last so let,
- and
- (b) the date the rent for the tenancy of the dwelling will come into effect after its determination under this subsection.

- (5) In this section—

‘relevant date’ means the date *section 32** of the *Planning and Development (Housing) and Residential Tenancies Act 2016* comes into operation;

‘rent pressure zone’ means an area—

- (a) prescribed by the Minister by order under section 24A as a rent pressure zone under that section, or
- (b) in respect of an area to which section 24B relates, deemed to be so prescribed by the Minister under section 24A.”.”.

—Richard Boyd Barrett, Gino Kenny, Bríd Smith.

3a. In subsection (4), to delete all words from and including “ $R \times (1 + 0.04 \times t/12)$ ” down to and including, in paragraph (b), “under this subsection.” and substitute the following:

“ $R \times (1 + 0.04)$

where R is the amount of rent last set under a tenancy for the dwelling.”.

—An tAire Tithíochta, Pleanála, Pobail agus Rialtais Áitiúil.

4. In subsection (4), to delete in “ $R \times (1 + 0.04 \times t/12)$ ” and substitute “ $R \times (1 + .02 \times t/12)$ ”.

—Barry Cowen.

5. In subsection (4), to delete “ $R \times (1 + 0.04 \times t/12)$ ” and substitute “ $R \times (1 + 0.00 \times t/12)$ ”.

—Ruth Coppinger, Mick Barry, Paul Murphy.

6. In subsection (4), to delete all words from and including “, an amount” down to and including paragraph (b) and substitute “increases in rent shall be linked to CPI.”.

—Eamon Ryan, Catherine Martin.

7. To delete subsection (5)(a).

—Ruth Coppinger, Mick Barry, Paul Murphy.

8. To delete subsection 5(b) and substitute the following:

“(6) (a) In subsection (4), if, in the period since the rent was last set under a tenancy for the dwelling, the rent under a tenancy of a dwelling in a rent pressure zone, an amount of rent shall not be provided for that is greater than the amount determined by the formula—

$$R \times (1 + 0.04 + y \times t/12)$$

where—

R and t take the same meaning as assigned by subsection (4),

y is the proportion by which rent can be increased by in any twelve month period, where a substantial change has been made to the accommodation, as defined by paragraph (b).

(b) The RTB will produce and publish a classified list of defined substantial changes in the nature of the accommodation provided under the tenancy, that will enable the rent under the tenancy to be determined under subsection (6) as opposed to subsection (4).

(i) The RTB will set different levels of y for each substantial change it has classified and publish this together with the list of classified substantial changes.

(ii) y can be set between 0.002% and 3% depending on the substantial change classification.

(c) Subsection (4) does not apply if, in the period since the rent was last set under a tenancy for the dwelling—

(i) a substantial change involving a structural alteration in the nature of the accommodation provided under the tenancy occurs,

(ii) the rent under the tenancy, were it to be set immediately after that change, would, by virtue of that change, be different to what was the market rent for the tenancy at the time the rent was last set under a tenancy for the dwelling.

(d) A list of changes that are defined as ‘structural alteration’ for the purposes of this section will be defined by the RTB and

published.”.

—Barry Cowen.

9. In subsection (5)(b)(i), to insert the following after “and”:

“this substantial change has been approved by the Residential Tenancies Board as qualifying under this section before the landlord notifies the tenant of any new rent,”.

—Ruth Coppinger, Mick Barry, Paul Murphy.

10. To delete subsection (6).

—Ruth Coppinger, Mick Barry, Paul Murphy.

11. To delete subsections (6) and (7) and substitute the following:

“(6) The regulation of rent increases in terms of the Consumer Price Index applies retrospectively to all tenancies.”.

—Eamon Ryan, Catherine Martin.

12. In the definition of “rent pressure zone” in subsection (7), to delete all words from and including “means an area” down to and including “section 24A.”.” and substitute “means the State.”.”.

—Jan O’Sullivan.

[This amendment is in substitution for amendment 55 on the first additional list to the principal list of amendments dated 15 December 2016.]