

**Discussion with Joint Committee on Housing, Planning and Local Government
on Sinn Féin's
Residential Tenancies (Student Rents, Rights and Protections) Bill 2018**

**Opening Statement from
Paul Dunne, Principal Officer, Rental Market Policy Section,
Department of Housing, Planning and Local Government
10.30 a.m. Thursday, 22 November 2018**

I wish to thank the Chair and members of the Committee for inviting the Department to discuss Sinn Féin's Residential Tenancies (Student Rents, Rights and Protections) Bill 2018.

Firstly, I wish to introduce myself and my colleagues from the Department of Housing, Planning and Local Government.

I am Paul Dunne, Principal Officer in the Department's Rental Market Policy Section.

I am joined by my colleagues Liam Smyth and Andrew Harkin, also from the Rental Market Policy Section, and by our colleague Stewart Logan who works as a Planning Adviser in the Department's Forward Planning Section.

The Residential Tenancies (Student Rents, Rights and Protections) Bill 2018

As you know, the Sinn Féin Bill proposes to apply the protections afforded to tenancies under the Residential Tenancies Acts 2004-2016, including recourse to the RTB in the event of a dispute arising, to students living in student specific accommodation under licence agreements.

The intent of the Bill appears to focus, in particular, on ensuring that the annual rent increase limit of 4%, as it applies to certain dwellings in Rent Pressure Zones, will also apply to student specific accommodation provided under licence.

The Department acknowledges the spirit of the Bill and its genuine attempt to improve the situation for students, at a time of under-supply in the residential rental sector. The Department recognises that rent increases in certain student-specific accommodation are giving rise to significant concern, and that it is important that the Government should actively address barriers to education and any limitation on the choice of educational course pursued.

Accommodation costs can prohibit individual students from pursuing studies in their preferred field because their choice of course might not be on offer close to their homes. Location comes into play and accommodation costs are even more pertinent

for students who are currently pursuing a course in Dublin or in one of our other cities. The Department and the Government recognize that for some students, continuing to pursue their course is becoming more unaffordable, as rents and living costs rise.

To address this, the Department of Education and Skills and our Department jointly published the Government's National Student Accommodation Strategy (NSAS) in July 2017. The aim of the Strategy is to increase the supply of student accommodation and increase the take-up of digs accommodation. The Government has set a target to see an extra 7,000 bed spaces built by the end 2019 and a total of 21,000 additional beds by 2024.

I wish to briefly update you with regard to the current state of play with the Government's examination of the issues arising and its efforts to assist students. The Department is working with the Department of Education and Skills (DES), including through the forum of the Inter-Departmental Working Group on Student Accommodation which is convened by the DES, to examine the wide range of student accommodation types (and ancillary services) available with a view to considering the issue of pricing, including, if appropriate, new regulatory or legislative proposals.

The Department is engaged in consultations with the Office of the Attorney General to scope out, with the benefit of information provided by DES on the purpose built student accommodation (PBSA) sector, the legal feasibility of introducing related amendments in the Residential Tenancies (Amendment) Bill 2018 as it passes through the legislative process in the Oireachtas. Publication of the

Bill is expected during the current Oireachtas term.

While the policy aim of controlling student accommodation costs is relatively straightforward, any legal or other solution will be complex. Careful consideration needs to be given to any proposed limitation on the constitutionally protected property rights of providers of PBSA let under licence. The policy outcome for the good of society needs to justify the proposed limitation of the property rights, and any limitation needs to be proportionate and legally justifiable.

It is important to remember that the vast majority of students are not affected by this issue. Currently, many students reside in properties under tenancy agreements, including in PBSA, and have the usual protections under the Residential Tenancies Act. Others reside in 'digs' or family homes and traditionally, goodwill exists to ensure that both students and home owners are happy with the arrangement.

If there is any doubt as to the type of agreement in place in respect of any student accommodation, for example whether it is a tenancy or licence, the matter should be referred to the Residential Tenancies Board (RTB) for a determination.

It is important that the design of any new regulatory system to be introduced in this area is mindful of the pressing need to secure the delivery of the significant pipe-line of PBSA development in train and does not deter future necessary investment in the sector.

The Department is of the view that the most effective way of limiting the cost of PBSA and of student accommodation generally is to increase supply. The Department will continue to work with Minister of State for Higher Education, Mary Mitchell O'Connor, T.D. to increase the supply of student accommodation and to safe-guard the delivery of developments currently in train to meet demand. Increased supply will help ease overall pressures on the rental market and rent levels through increased competition and choice for students.