

Meeting of Joint Committee on Housing, Planning and Local Government
Sinn Féin Residential Tenancies (Student Rents, Rights and Protections) Bill 2018

Thursday, 22 November 2018

Opening Statement

**Philip Crosby, Principal Officer, Higher Education Policy and Research Unit,
Department of Education and Skills**

I would like to thank the Chairperson and members of the committee for the invitation to this committee meeting today and for the opportunity to set out the Department of Education and Skills' thinking in relation to the issue of rent costs in student accommodation.

Firstly, I wish to introduce myself and my colleagues from the Department of Education and Skills. I am Philip Crosby, Principal Officer in the Department's Higher Education Policy and Research Unit, and I am joined by my colleagues Trudy Duffy and Donna Maguire.

The Expert Group report on Future Funding of Higher Education recognised the centrality of human capital to economic wellbeing and national competitiveness. In recognising the contribution that graduates make to the economic growth of Ireland, we also recognise that accommodation costs are a key factor in enabling access to third level education.

From an education perspective, the costs associated with undertaking third level education can create a disincentive to participation, with low rates of access for some social groups and geographic areas, and a higher propensity for non-completion.

We acknowledge that there are pressures on rents for students as is the case throughout the rental sector. The Minister of State for Higher Education and Government have recognised the need to attempt to improve the situation for students, at a time of under-supply in the residential rental sector, and in light of the documented rental increases in certain privately owned and run purpose built student accommodation complexes, which have given cause for concern.

Therefore, it is important that, where we can, we try to avoid creating barriers to participation. This is necessary regardless of socio-economic background, but particularly bearing in mind the low rates of access for certain social groups.

The National Student Accommodation Strategy (NSAS) was published in July 2017. It was published as part of the Government's housing strategy *Rebuilding Ireland* and is an important element of the overall housing strategy, in ensuring that increased levels of student accommodation are available to meet the needs of our growing student cohort.

While overall the *Rebuilding Ireland* strategy is a priority for the Department of Housing, Planning and Local Government, the National Student Accommodation Strategy element is of particular interest and concern to the Department of Education and Skills.

Ultimately price is a function of supply and demand, and the best way to stabilise rent costs is to ensure an increased supply of student accommodation. In this regard, the key element of the NSAS is the provision of purpose built student accommodation (or PBSA).

Progress has been positive to date, with figures as of the end September 2018 showing that 5,531 PBSA bed spaces have been completed, with a further 4,825 bed spaces under

construction. There are 7,901 additional bed spaces with planning permission granted and some 472 were at the planning permission application stage.

The NSAS has created a pipeline of potential PBSA supply. However, as with the general rental market, there is an inevitable time-lag associated with additional supply coming on-stream.

Recognising that the unpredictability of rent in PBSA creates additional pressures for students, the Government and the both the Minister of State for Housing, and the Minister of State for Higher Education, have decided to seek to put in place measures to provide better rent predictability and, where appropriate, to afford students the kind of protections available to other occupiers of rental accommodation.

In doing so, our approach needs to strike a balance between, on the one hand, regulating prices in the market and providing more certainty for students, and on the other hand, not creating a disincentive to the supply of PBSA, while also having regard to legal requirements which we can discuss further in the course of the meeting.

Our priority is to provide rent predictability for students who occupy PBSA under while also ensuring that the pipeline of accommodation that is on-site and in the development process is maintained and enhanced.

There is also merit in giving further consideration to extending some of the protections that already exist for tenancies to students residing under license in PBSA. In this respect, the kind of thing that immediately springs to mind would include access to dispute resolution

mechanisms, as well as obligations for providers of accommodation to meet quality standards.

At this time, there is a significant piece of work being undertaken by our colleagues in the Department of Housing Planning and Local Government to update the Residential Tenancies Act 2004, and a Bill is expected in the current Oireachtas term. With that in mind, the Minister of State for Higher Education and the Government see this as an appropriate and timely opportunity to bring forward these measures relating to PBSA in tandem with that work.

The two Departments are mindful that, in line with the advice received from the Attorney General, any proposed intervention must be proportional to the objective we are trying to achieve.

Officials from the two Departments are working in close co-operation to assess and implement an appropriate solution.

I hope this is of assistance to the work of the Committee, and I am happy to answer questions and provide the Committee with any additional information it may require.