



IPOA
IRISH PROPERTY
OWNERS'
ASSOCIATION

THE PROPERTY OWNERS' WATCHDOG
Supporting Landlords for over 25 years

Irish Property Owners' Association

**Submission to the
Joint Committee on Housing Planning and Local Government**

20th February 2019

**on the
Residential Tenancies (Greater Security of Tenure & Rent Certainty) Bill
[PMB] 2018**

**And
Anti Evictions Bill [PMB] 2018**

Chairman, Members of the Joint Committee on Housing, Planning and Local Government, thank you for the opportunity of speaking with you today.

The Irish Property Owners Association, IPOA, was established in 1993 to represent property owners in the private rental sector. The IPOA encourages and educates its members on what constitutes good quality accommodation, and professional standards of management. The Association is a not for profit organisation and membership is not compulsory. Property Owners who join the Association are, by definition, responsible and use the Association for education and advice, to help them comply with the complex legislation governing the sector.

The State has failed in its role to provide sufficient Social Housing for people who need accommodation. The Private Rental Sector has provided homes for people where the State has failed and is a vital part of the housing market.

Two thirds of tenancies in the Irish Rental Market are provided by property owners with less than three properties. 70% of landlords have one property and rely on same for their pension. The composition of the Irish market should be taken into account when drafting legislation.

Investing is a choice and the changes proposed in the Anti Eviction Bill and Greater Security and Rent Certainty Bill will further damage investment in the private rental sector and result in less accommodation available. Supply is the issue that needs to be addressed, and with this in mind the State needs to incentivise investment in rental property rather than penalise same.

A move to selling with the tenant in situ, will limit the selling market to Investors, which together with the Rent Pressure Zone restrictions, will substantially devalue a property. Investment value is based on yield which will be driven off the restricted rent level in place on the property. Investors are less likely to purchase properties with restricted income, it makes more sense to purchase a property which has never been let where market rent can be charged. Presentation of a property also affects the price and an occupied property may not present well. The threat of withdrawing selling as a ground for termination has already resulted in some investors leaving the market.

Indefinite Tenancies are not workable. A two-month probationary period is insufficient time to assess a tenancy, six months is more reasonable.

The existing six-year tenancy cycle allows for a no-fault method of get a property back, it is essential that this remains in legislation. Six years is a long time and more than fair. The private rental market houses people from all walks of life, and often it is impossible to prove anti-social behaviour as a result of intimidation, or breach of obligation, a no-fault termination process is therefore essential. Property owners with good tenants want to keep them and are happy to renew after six years. Long leases can also be entered into, but the continual interference in the market makes this option unattractive.

Substantial Refurbishment is essential as a ground for termination. After a number of years of a tenancy, substantial refurbishment is required to modernise, to ensure it is up to date and suitable for the changing accommodation needs of the market. Substantial refurbishment is required to satisfy the needs of the market. State Housing policy should not lead to the running down of accommodation. Substantial refurbishment, floor boards removed, dust created from sawing, rewiring, removing walls create an unsafe environment. It is essential from a health and safety issue and often an insurance issue that properties are vacant during the works.

Restricting the deposit to one month's rent is inadequate, there may be substantial damage to a property in excess of the deposit and the rent may not be paid. The proposal is entirely inconsistent with the Residential Tenancies Act, which requires a minimum of 6 weeks to terminate for rent arrears, and a minimum of 4 months to get a determination order. There is no recourse for property owners where the occupier has no income. A property owner must be free to decide how much deposit is required.

Rent Pressure Zones over the whole country would be entirely inappropriate. No properties would be built in rental areas with low rent as the return would not justify investment. It would drive landlords out of those areas, resulting in a severe shortage of rental property in rural areas.

Including Receivers in the definition of landlords is essential, the Receiver collects the rent and should comply with the landlords' obligations in their entirety including upgrading, repairs, and refund of deposit.

Including **student specific accommodation** in the definition of landlords is impossible. The terms and conditions of licences are different, they do not have exclusive possession of the property, they are licenced individually and

are only responsible for their own accommodation cost. They may not have a collective responsibility for the common parts of the accommodation.

The **Consumer Price Index** would not function in the context of the rental market. The CPI does not reflect the significant costs associated with the provision of private rental accommodation, including taxation, and increased labour costs like plumbers, electricians, and painters.

Placing the rent payable for a tenancy on the register is a fundamental breach of the data protection rights of the landlord and the tenant, and is in breach of the existing European wide Legislation. It may be the landlords' sole income in which case their personal information is not protected under GDPR. The information is between the landlord and the tenant. On new tenancies the landlord must provide the information to the tenant. The information is featured on the RTB registration. The RTB will be in a position to investigate where they are concerned that there may be a breach of the Rent Pressure Zone regulations. Tenants in situ can request the information from the RTB if they believe they have been given incorrect information.

In conclusion, the Bills discussed today, if passed will have a significant detrimental impact on the sector, and will lead people with capital, to invest their money in an alternative asset class.

Chairman, Committee thank you for your attention.