

Opening Statement of Tom Dunne, Chair, Residential Tenancies Board

Joint Committee on Housing, Local Government & Heritage

29 November 2022

Introduction

Thank you, Chairperson and Members, for the invitation to attend before the Committee to discuss Recent Trends in the Private Rental Sector. My name is Tom Dunne, and I am the Chairperson of the Residential Tenancies Board. I am accompanied today by Mr. Niall Byrne Director, Ms. Lucia Crimin Deputy Director, Ms. Caren Gallagher, Head of Communications and Research and Mr. Brian Gallwey, Research Officer.

To assist the Committee, we have sent some information in advance including preliminary results, not yet published, from the RTB Rental Sector Survey.

RTB role and remit

The Residential Tenancies Board (RTB) was established under the Residential Tenancies Act, 2004 and is an independent, public body operating under the aegis of the Department of Housing, Local Government and Heritage. Our role is to register tenancies, to operate a dispute resolution service, and to regulate aspects of the residential rental sector in Ireland. We do this by implementing rental sector legislation, by providing information to the public and by providing policy advice to the Minister based on evidence, insights, and data. We do not make the law, nor do we make overall policy for the rental sector. These are matters reserved to the Minister and his Department.

Recent research on trends in the Private Rental Sector

During 2021, we published a series of research reports on the sector. This research was one of the largest studies of the private rental sector ever conducted in Ireland. The nationally representative survey provided data and

insights on the experience of landlords, tenants and letting agents, as well as on landlords who had left the sector.

The research published in 2021 shows that, notwithstanding the very real challenges in the sector, 79% of tenants said their renting experience was positive and 88% of smaller landlords indicated that their experience with their current tenants was positive. We believe this is important evidence and that it reflects positively on the rental sector in Ireland. On the other hand, our research also showed that affordability was a key issue for tenants.

During 2022, we followed on with a second phase of the research and we are pleased to be in a position today to share preliminary results on the surveys undertaken with smaller landlords.

The 2022 results show that most small landlords (94%) are part time landlords and do not manage properties as their primary occupation. Also, that 90% of property owners are, again, reporting a positive experience with their tenants. A quarter of the small landlords surveyed stated they are either likely or very likely to sell their rental properties in the next five years, with just over half saying they were unlikely to sell.

These surveys also showed that property owners, tenants, and agents found the regulatory framework and changing legislation difficult to navigate and understand. There was also a lack of awareness among tenants of some key protections. In addition, it was reported that the RTB disputes process took too long to reach a final outcome.

Measures being taken by the RTB to help

Clearly, complex legislation and rules can give rise to confusion or to a risk of inadvertent non-compliance. Having a clear and streamlined legislative framework in place would make it easier for property owners and tenants to understand and comply with their responsibilities, which would have a positive impact on the sector overall. There would also be benefits for the RTB in terms of process improvement and reduced administrative overhead. The RTB will be engaging further with the Department during 2023 on the case for reform of the Residential Tenancies Act.

We have also recently introduced default mediation to support both property owners and tenants to resolve issues early without recourse to lengthier, more formal, and more adversarial processes. The RTB has seen that many disputes can arise due to a lack of awareness or misinterpretation of rights and responsibilities under the law. We have seen that where parties choose mediation as an option there is a 80% success rate.

During 2023, the data analysis and reporting capabilities of the RTB will improve significantly, resulting from the introduction of annual registration in April 2022, and of our new tenancy registration system in November last year. We acknowledge that the new registration system has created difficulties for some property owners and agents, and we are working hard to address these. However, as we move towards the completion of this first cycle of annual registration in April next year, we remain confident that annual registration will provide the RTB with much greater visibility on rents for both existing and new tenancies. This expanded data will allow us to provide new insights and improved information to tenants, landlords and the wider public during 2023 while also providing enhanced data to inform the development of policy for the residential rental sector.

Conclusion

Soon to be 20 years in existence, the RTB is at an important juncture in its development. We are in the process of setting new strategic priorities in our Statement of Strategy 2023-2025. This strategy will define out the RTB's key strategic objectives in relation to effective regulation over this period, including the need to develop the organisation further so that we can fulfil our mission on behalf of the public.

Also underpinning this Strategy will be a commitment to realising the full potential of our data which we see as an asset to use to provide better insights, to contribute to policy development and to provide reliable information on issues affecting the private rental sector.

We are happy to address any questions that the Committee members may have.

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