

**Pre-Legislative Scrutiny of the General Scheme of  
Residential Tenancies (Right to Purchase) Bill**

**Opening Statement by Ms Catherine Comer, Principal Officer  
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**Introduction**

Chairman, Committee Members, thank you for the opportunity to discuss with you today the General Scheme of the Residential Tenancies (Right to Purchase) Bill. I am accompanied today by my colleague Liam Smyth. We both work in the Rental Market Policy section of the Department of Housing, Local Government and Heritage.

Before outlining the main provisions of the Bill, I wish to provide some background and context to the proposed Bill.

**Background**

On 7 March 2023, the Government agreed that the Minister for Housing, Local Government and Heritage would develop a legislative based “first right of refusal”. The Department developed this General Scheme, in consultation with the Office of the Attorney General. On 24 October, the Government approved the Scheme, as a basis for priority legal drafting which is now underway.

The key provision is Head 7 which requires a landlord who wishes to sell their rented dwelling to give to their tenant: an *Invitation to Bid* (first right of refusal); and a *Further Invitation to Bid* under certain conditions to purchase their rented home. Heads 5, 6, 8 and 25 also relate to the *First Right of Refusal*.

The other Heads in the Bill provide technical amendments to the Residential Tenancies Act to enhance its operation, the outcomes thereunder and the operational efficiencies of the Residential Tenancies Board (RTB).

### **General guide on operation of the First Right of Refusal**

I will now give a brief overview to the Committee on how the *First Right of Refusal* is intended to operate in practice. At the outset, I wish to assure the Committee and the housing and rental sectors that the intention is to minimise any interference in the bidding and conveyancing processes in the context of the sale of rental homes. It might be helpful to chronologically illustrate the sequence of events from the serving of the notice of termination to the closing of a sale, in compliance with the requirements of the *First Right of Refusal*.

On **Day 1** – the landlord serves a notice of termination (NoT) on an eligible Part 4 tenant (i.e. they must be a tenant in situ for at least 6 months) in respect of an eligible rented dwelling. On that Day, s/he is also required to give the tenant an *invitation to bid*. Both documents must be simultaneously copied to the RTB on Day 1 (if one or both documents are not so copied, the NoT can be invalidated by the RTB in a dispute resolution).

The minimum periods to be given by a landlord to terminate a Part 4 tenancy are set out in Table 1 to section 66 of the Residential Tenancies Act, ranging from 152 to 224 days. The longer the tenancy has existed, the longer the minimum notice to be given.

**From Day 1 to Day 90** – a tenant can make any number of bids on the property, which may or may not be accepted by the landlord. If the tenant cannot bid due to his/her own financial status, and is deemed at risk of homelessness by their local authority, in certain circumstances a local authority, an Approved housing body or the Housing Agency can bid to buy the property so that the tenant can remain in situ. The interaction between the tenant and the local authority, etc., in this regard will operate administratively under the local authority tenant in situ scheme or under the cost rental tenant in situ scheme (currently administered by the Housing Agency), as appropriate to their means and social housing support eligibility.

An enforceable agreement to transfer the dwelling (i.e. a sale) can only be entered by the landlord during this initial 90 day period with the tenant, a local authority, approved housing

body or the Housing Agency (the latter bodies acting on the basis of keeping the tenant in the property).

During this time however, there is no prohibition on the landlord placing the rented dwelling on the open market nor on bids being made on the rented dwelling by any party during the initial 90 day period; the tenant could be asked by the landlord to facilitate viewings, etc.

**From Day 91 onwards** – if an enforceable agreement to transfer has not been entered by the landlord during the initial 90 day period with the tenant, a local authority, approved housing body or the Housing Agency, the landlord can enter an enforceable agreement to transfer with a third party, subject to the new requirements. If the landlord receives, and is willing to accept, a bid on or after Day 91 from a third party on the open market which is lower or equal to the highest bid made by the tenant during the initial 90 day period, he or she is obliged to give the tenant a *further invitation to bid* at a specified value that matches the bid from the third party.

The landlord must afford 10 days to the tenant to match the third party bid. If the tenant does not make this further bid during the 10 day period, an enforceable agreement to transfer can be entered by the landlord with the third party.

These new provisions are likely to prompt the landlord to put their rented property on the open market at an earlier juncture, with any consequential bidding that occurs on the open market during the initial 90 day period, following the serving of the NoT, informing the landlord and the tenant as to the market value of the rental property in question.

I hope that this opening statement has been of help to the Committee and we are happy to take any questions that you might have.