

CCMA Submission on the General Scheme of the Residential Tenancies (Right to Purchase) Bill

6th December 2023

Submission to the Joint Oireachtas Committee (JOC) on Housing, Local Government and Heritage by the County and City Management Association (CCMA) Housing, Building and Land Use Committee.

Introduction

The Chair, Mr Kevin Kelly (Chief Executive of Mayo County Council) and the members of the CCMA Housing, Building and Land Use committee welcome the opportunity to provide feedback on the General Scheme of the Residential Tenancies (Right to Purchase) Bill.

The CCMA welcomes the principles of the new measures the Minister for Housing, Local Government and Heritage is developing to give tenants the opportunity to buy their home including the development of a legislative based “first right of refusal”.

As outlined, unfortunately due to schedules and commitments, it was not proved possible at the time (28th November) to provide relevant representatives to attend the meeting on the 5th December 2023 to discuss the Pre-Legislative Scrutiny of the General Scheme of the Residential Tenancies (Right to Purchase) Bill. However, the CCMA HBLU are happy to assist the committee at a later stage if required.

Please see below observations on the General Scheme from the CCMA HBLU Committee, noting some areas that require clarity.

- Where a landlord must offer first refusal to the tenant and where same does not happen or subsequently the property sells to a 3rd party without offering the tenant further opportunity, there is scope for the tenant to seek redress of up to €20, 000. Clarity is required on whether this is dependent on a tenant meeting certain obligations.
- Where local authorities, Approved Housing Bodies or the Housing Agency may offer to buy the property within the 90 days there is no obligation on a landlord to agree to such offers. If the property is subsequently offered for sale on the open market, local authorities and AHBs are open to engage in competitive bidding process. A clearly defined process may be beneficial in avoiding any confusion that may arise.
- Clarity is required on whether any clawback will apply if the tenant buys the property and then sells.
- Where there are multiple tenants in the property, clarity is required on any priority given to each tenant to avoid a scenario where tenants are competing with each other.

- It should be noted that landlords may wish to put the property on the open market to ensure that they achieve the maximum price.
- The CCMA note the amendment relating to a Housing Officer (Heads 16 and 19) potentially providing evidence in the case of ASB in a private tenancy and would have concerns about any proposed role for local authorities in this process. However, it is difficult to formulate a full response in the absence of more detailed information.
- Clarity is required on the extent to which a tenant is required to have appropriate financial means in order to bid. Un-financed bids may cause delays to potential sales.
- Clarity is required in terms of transboundary acquisitions by local authorities. A local authority may have a tenant on their housing list who is renting in another county (HAP).
- We would note concerns regarding price inflation and the need for safeguards to verify that counter offers are bona fide and from a reliable source. This could be incorporated into the conveyancing to ensure compliance. As a comparable example, a vendor's solicitor is required to provide proof of compliance with the NPPR and LPT to the Solicitor acting for the purchaser.
- It is noted that the legislation applies only to those tenancies registered with the RTB.

Conclusion

In summary, the CCMA welcome the General Scheme and considers that this new right will provide an opportunity that may help assist in preventing homelessness.

The CCMA understands that the technical amendments to the Residential Tenancies Act, (including Heads 16 and 19), which are intended to enhance the operation of the Act, the outcomes thereunder and the operational efficiencies of the RTB will enhance efficiencies and will greatly benefit the rental sector, including the RTB and HAP/RAS tenants and landlords.

However, consideration needs to be given to impacts on the workloads of Housing Units in local authorities and the capacity to be able to respond to that appropriately. It should be clear that local authorities have an absolute right not to purchase properties which they believe are not suitable for adding to their housing stock and adequate discretion needs to be included.

Finally, the CCMA will work with the Department of Housing, Local Government and Heritage and all relevant stakeholders on the General Scheme of Residential Tenancies (Right to Purchase) Bill to ensure the best outcome from its enactment.

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