

# REGULATION AND RIGHTS THE CORRECT BALANCE

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November 14<sup>th</sup> 2015

- National housing charity - Est. 1978
- We solve people's housing problems by providing housing advice and advocacy
- We campaign for a better housing system using a rights-based approach
- 20,000 housing queries annually

# The challenge for regulation

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*Advance and protect rights while  
ensuring a functioning rental market can  
operate*

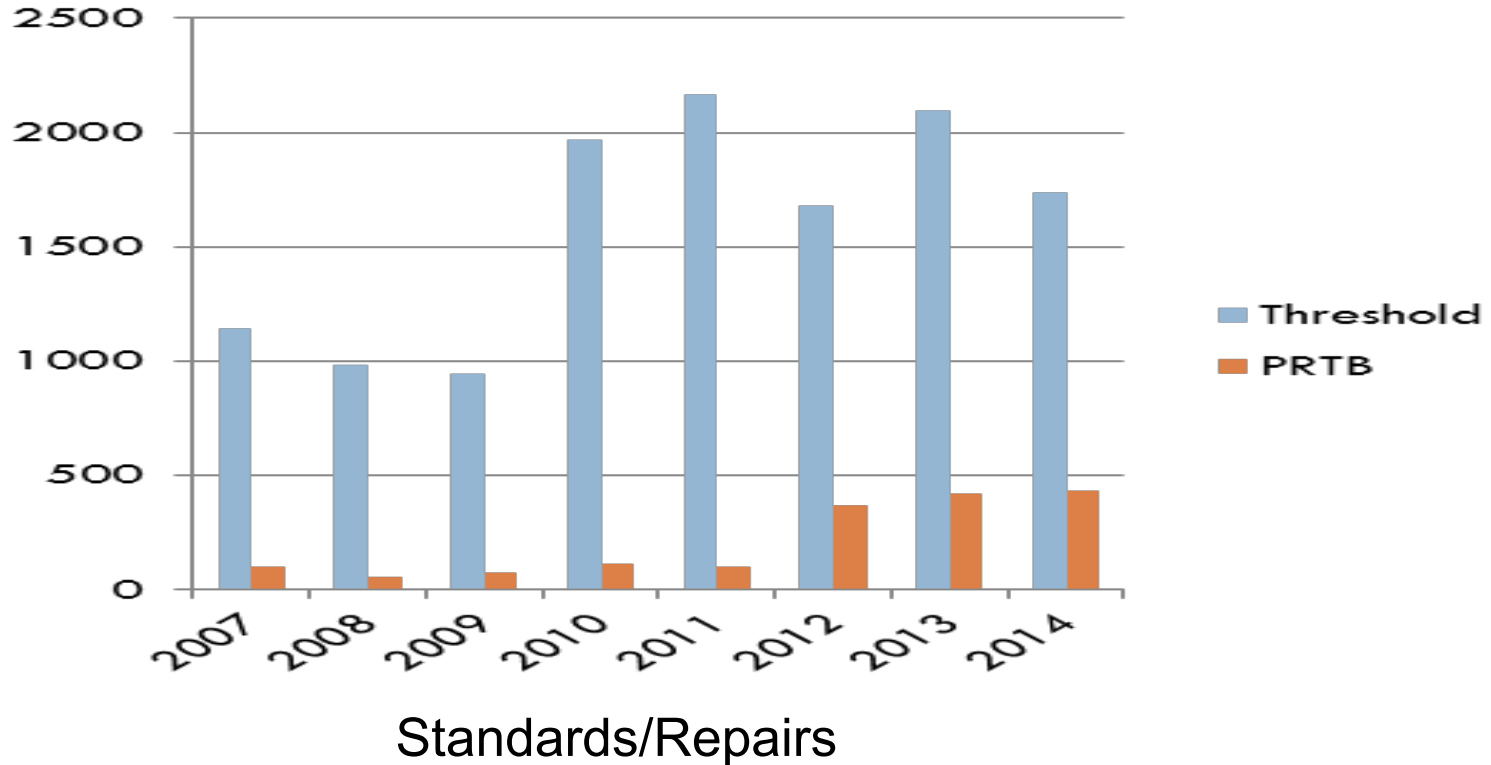
# Right to adequate housing

- Protection against forced evictions
- The right to choose one's residence
- Security of tenure
- Proper restitution
- Equal and non-discriminatory access to adequate housing
- Minimum adequacy-affordably, habitable, culturally appropriate

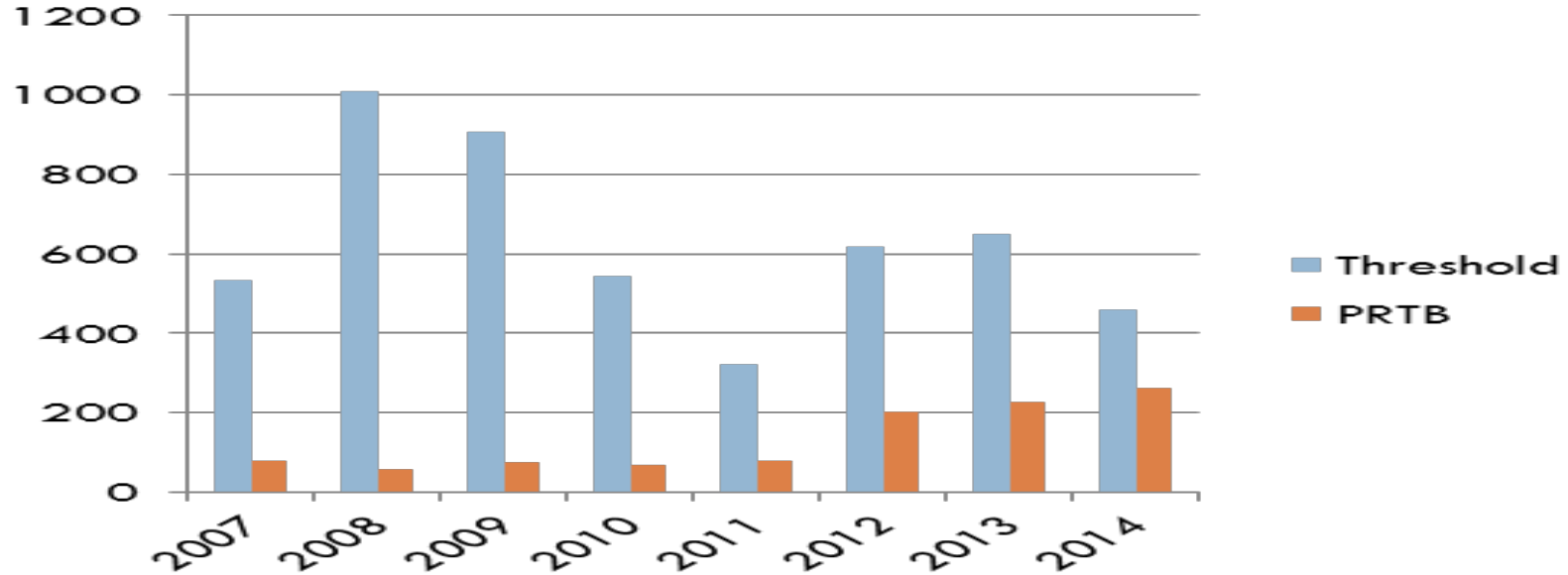
# Residential Tenancies Act 2004

- Security of tenure up to 4 years
- Rent review annually and cannot exceed market rent
- Clearly defined rights and obligations
- Dispute resolution via PRTB –  
mediation, adjudication and tribunal
- Protection against illegal eviction
- Means for landlord to repossess property
- Mandatory registration of all rented dwellings

# Successful Regulation?

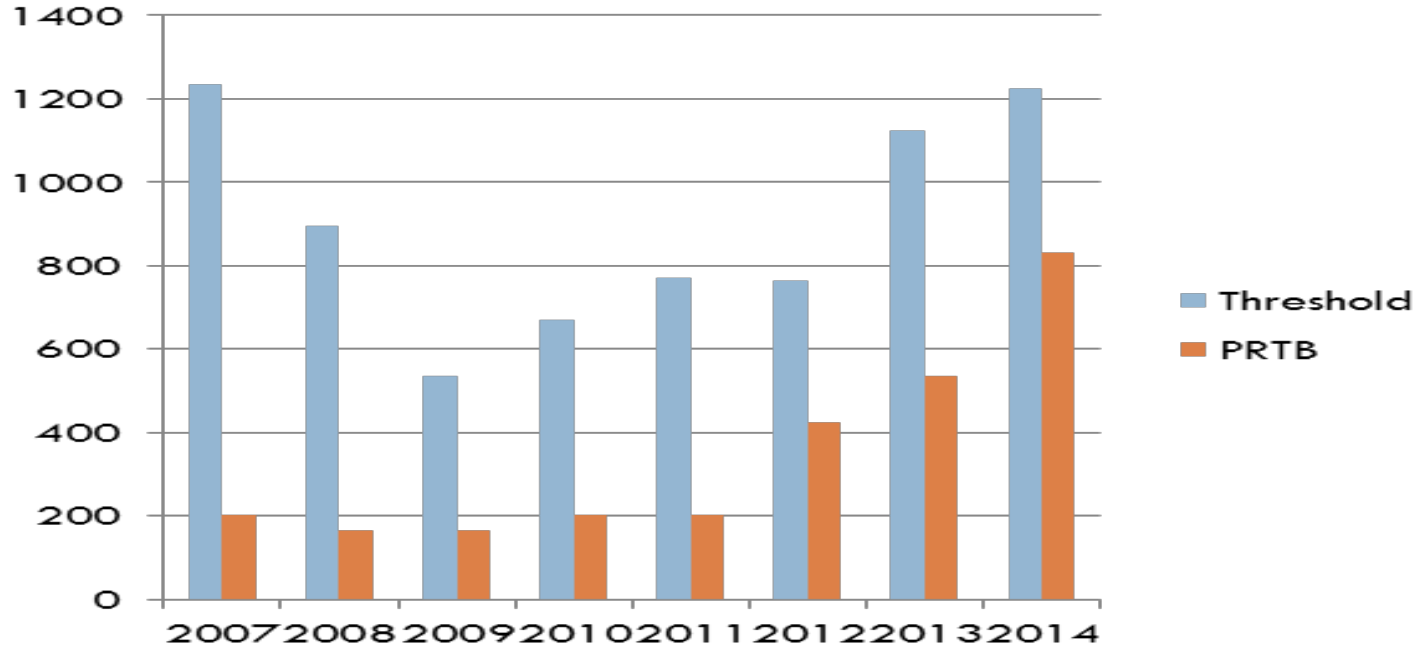


# Successful Regulation? (2)



Illegal Evictions

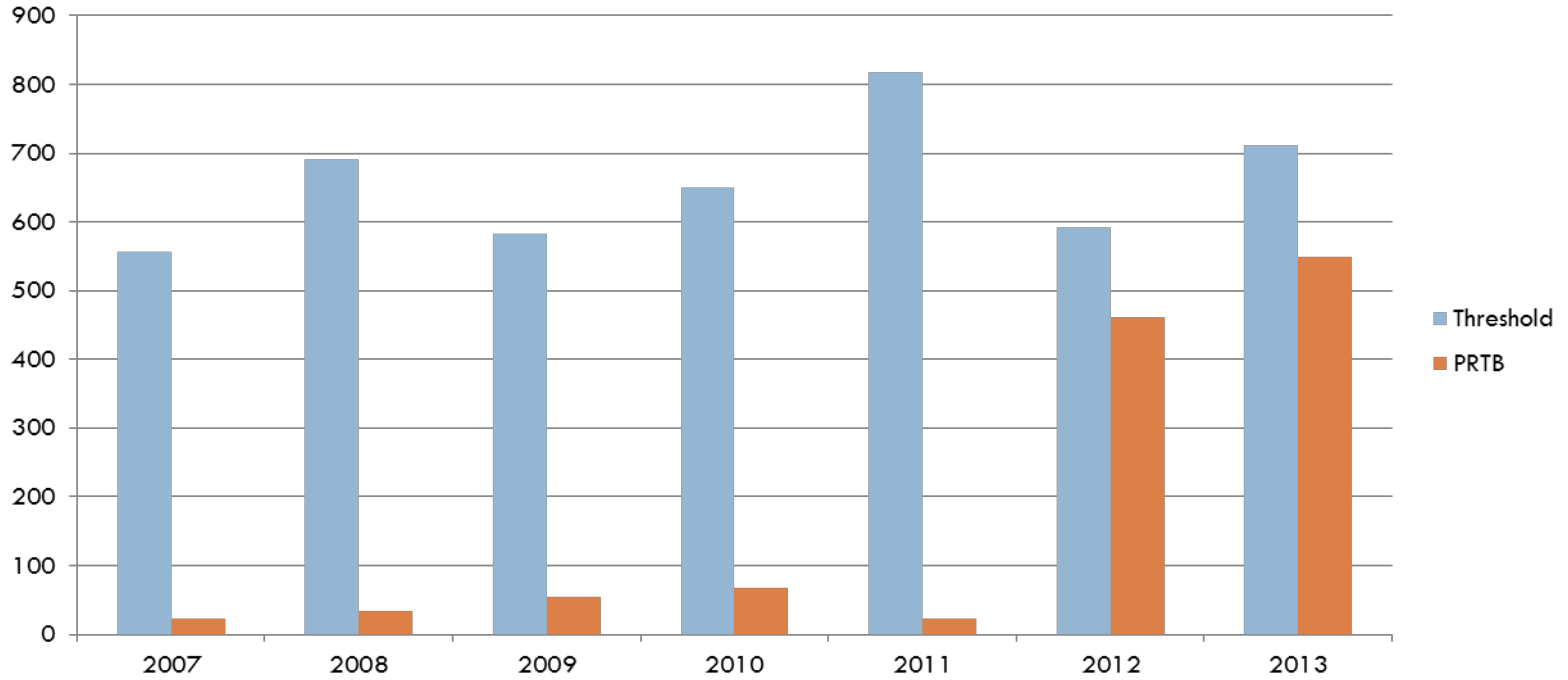
# Successful Regulation? (3)



Invalid Notice

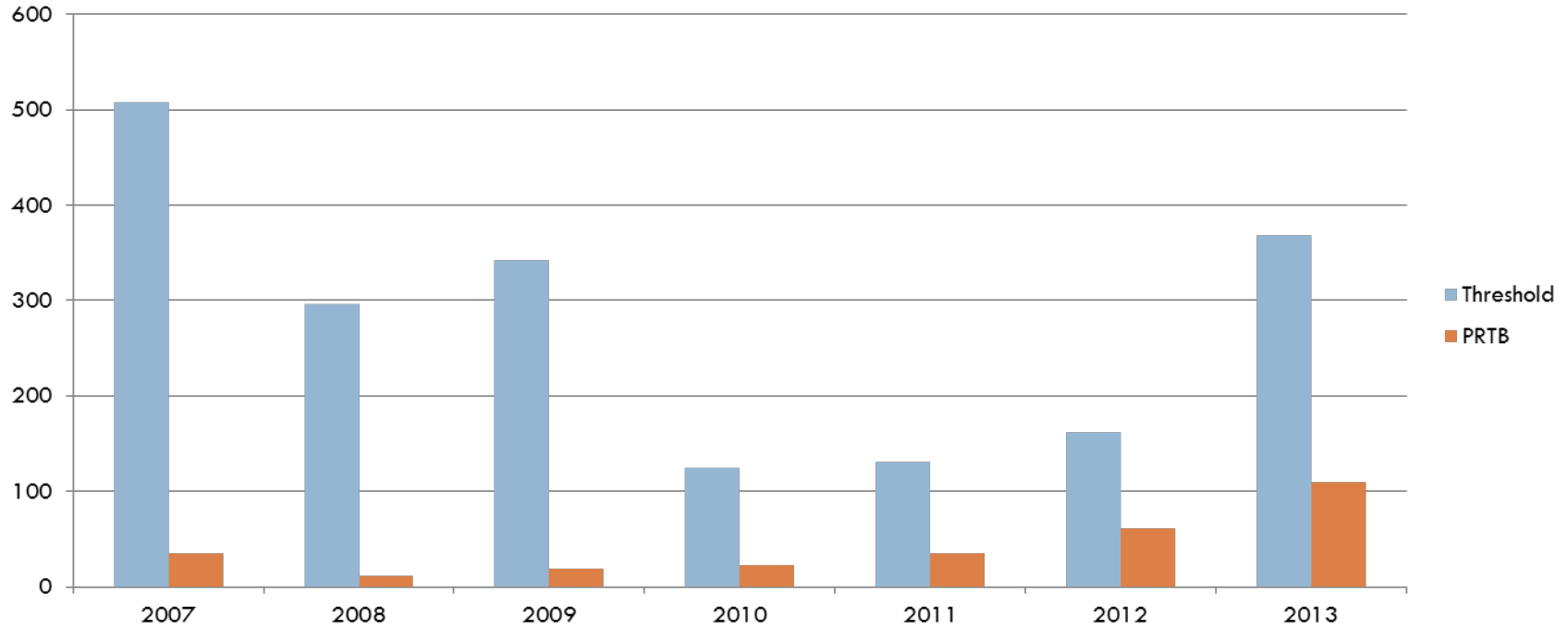


# Successful Regulation? (4)



Breach of Landlord Obligations

# Successful Regulation? (5)



Rent Review Above Market Rates

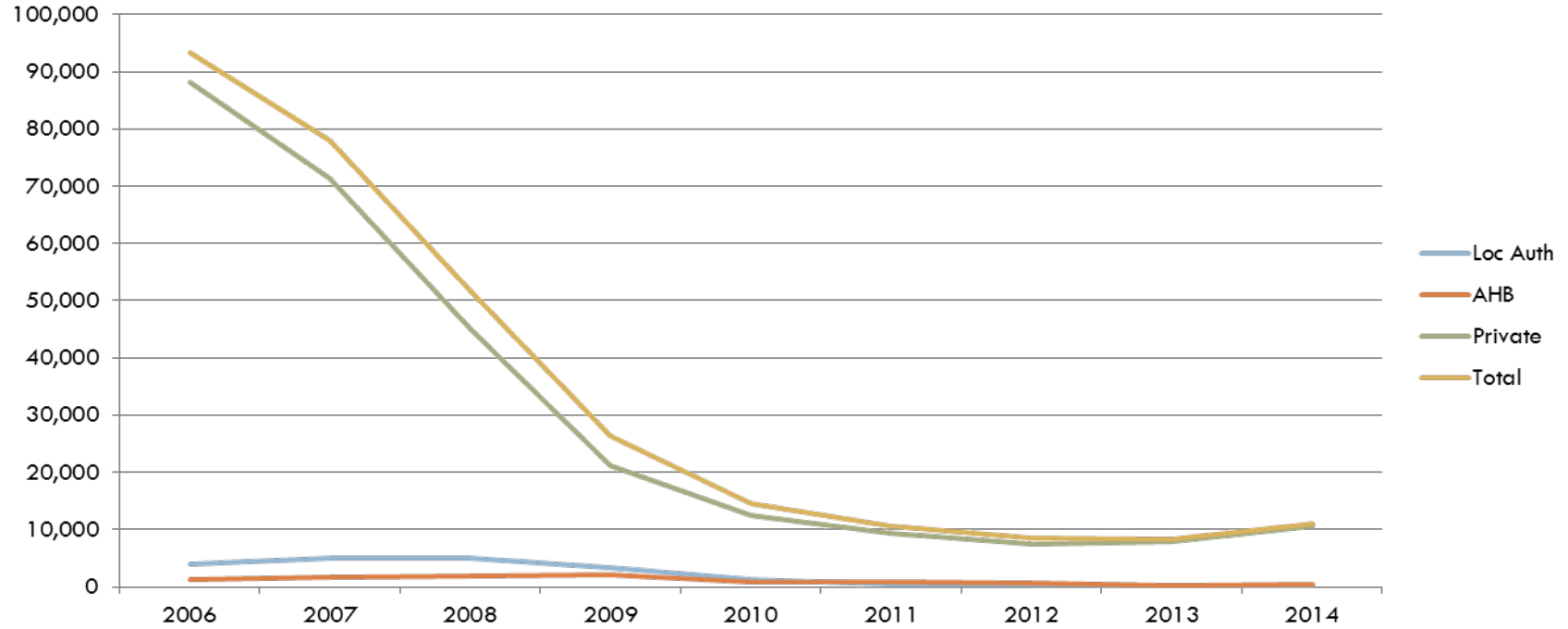
# Successful Regulation? (6)



# Limitations of 2004 RTA

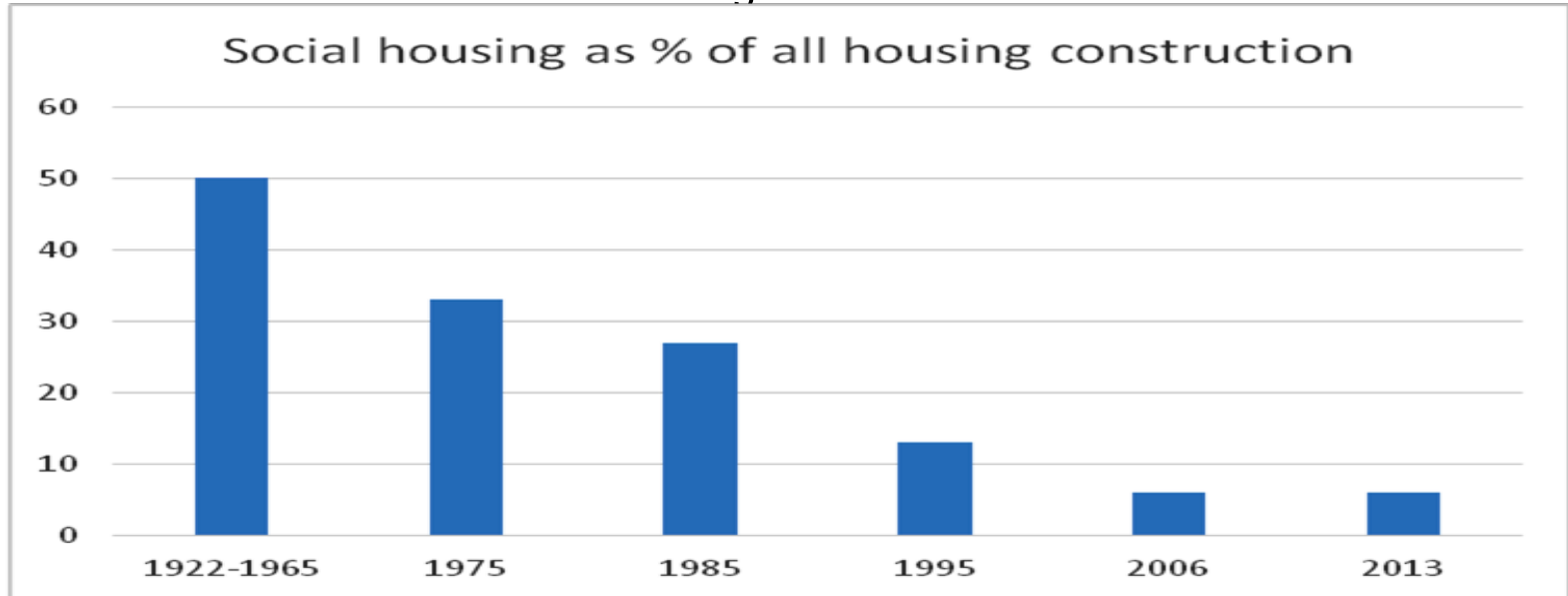
- 2004 Act regulates past and present, not future
- Size of rented sector doubled since Act
  - ▣ PRS rented sector still seen as ‘Cinderella sector’
- Regulation quickly surpassed by fallout from financial crisis- ‘accidental landlords’ , buy-to-let sector collapse, more families renting long-term, legal anomalies with regard to receivers
- Rapid rents rise - undermines security of tenure

# Collapse in Housing Supply...



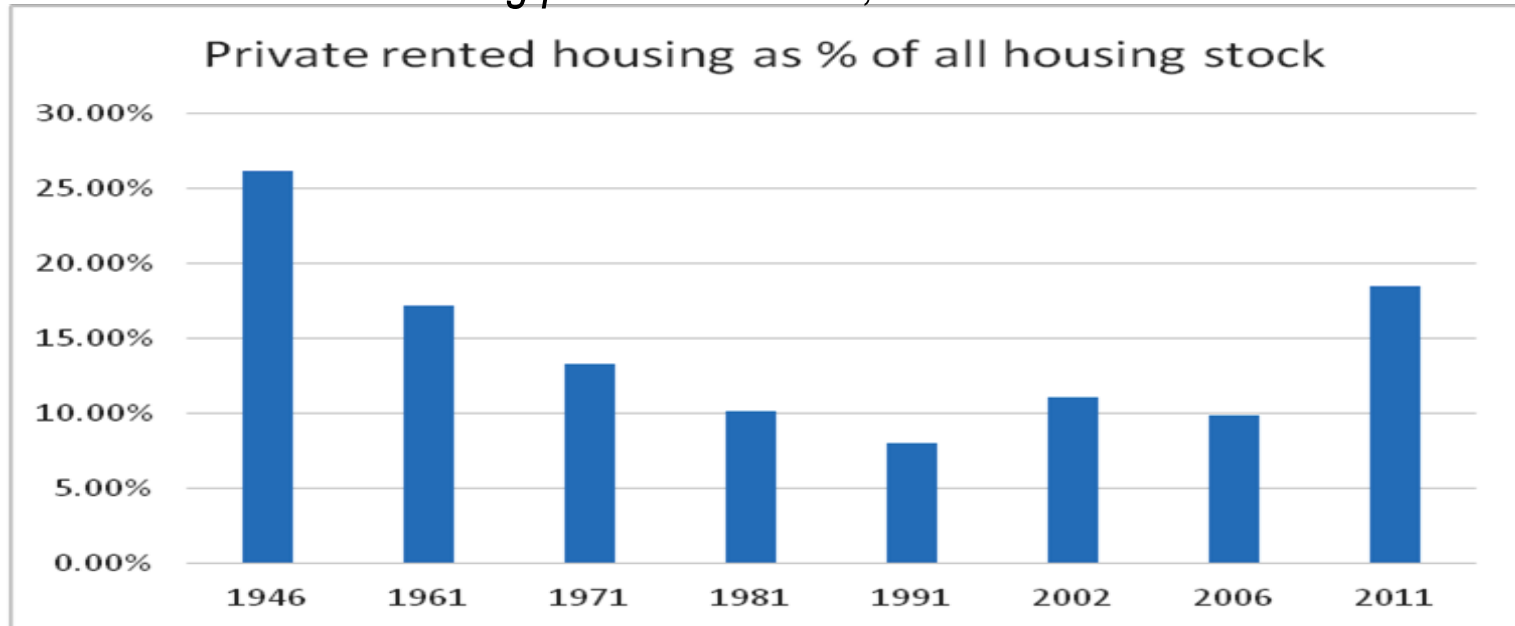
# Including social housing build

*From the foundation of the State until mid-1960s, 50% of all new housing was allocated for social housing purposes. For the past 8 years, only 6% of housing construction has been for social housing.*

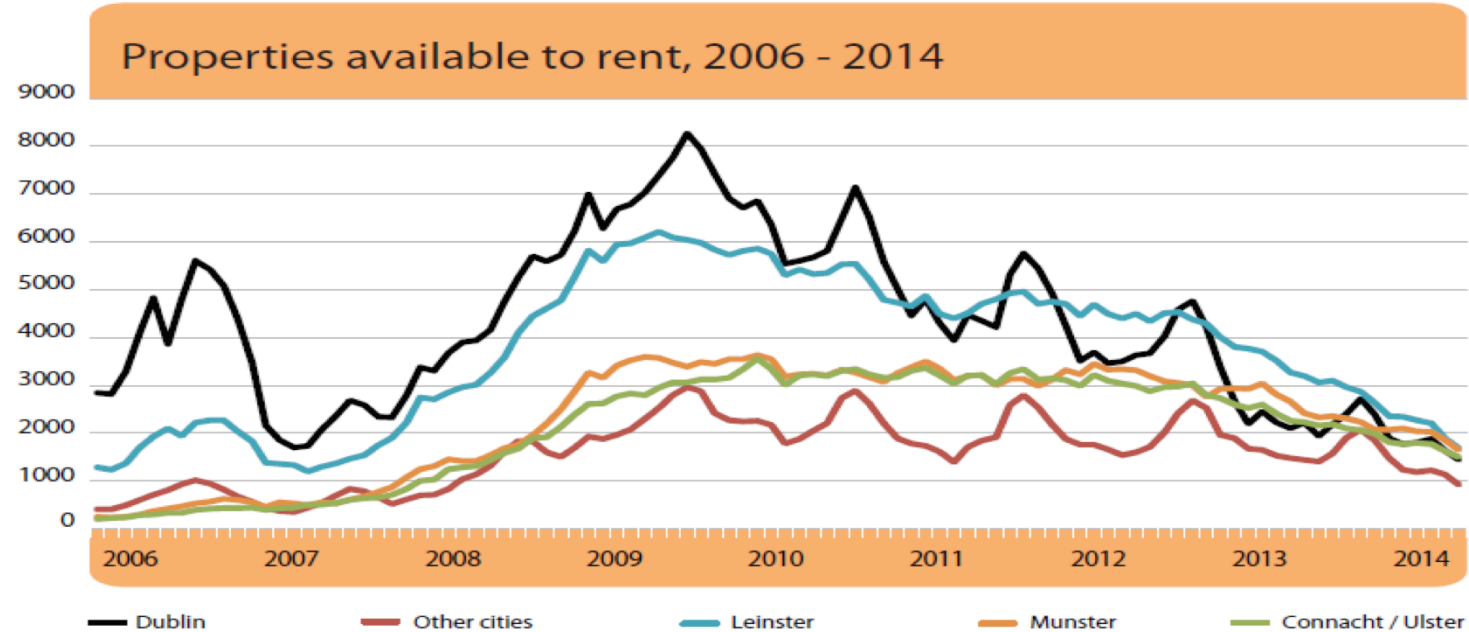


# Increased demand for PRS....

*The fallout from the property crash has led to strong demand for private rented accommodation. After a long period of decline, the size of sector is back to 1950s levels.*



# Shortage of properties to rent

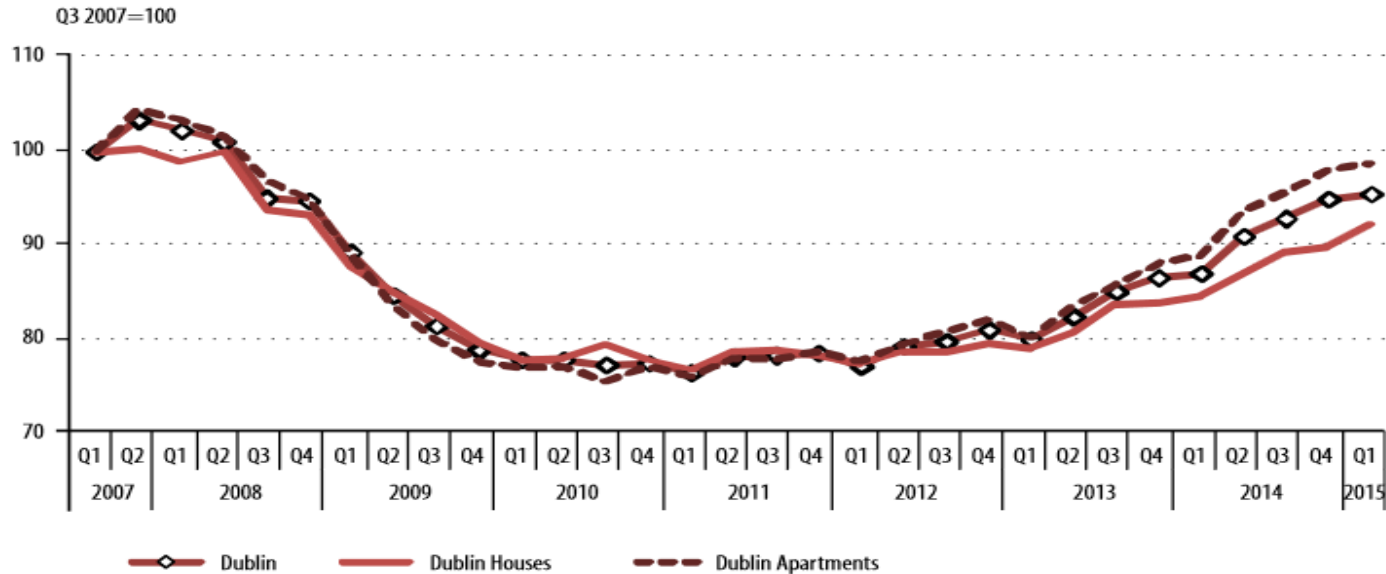


Data and chart: daft.ie



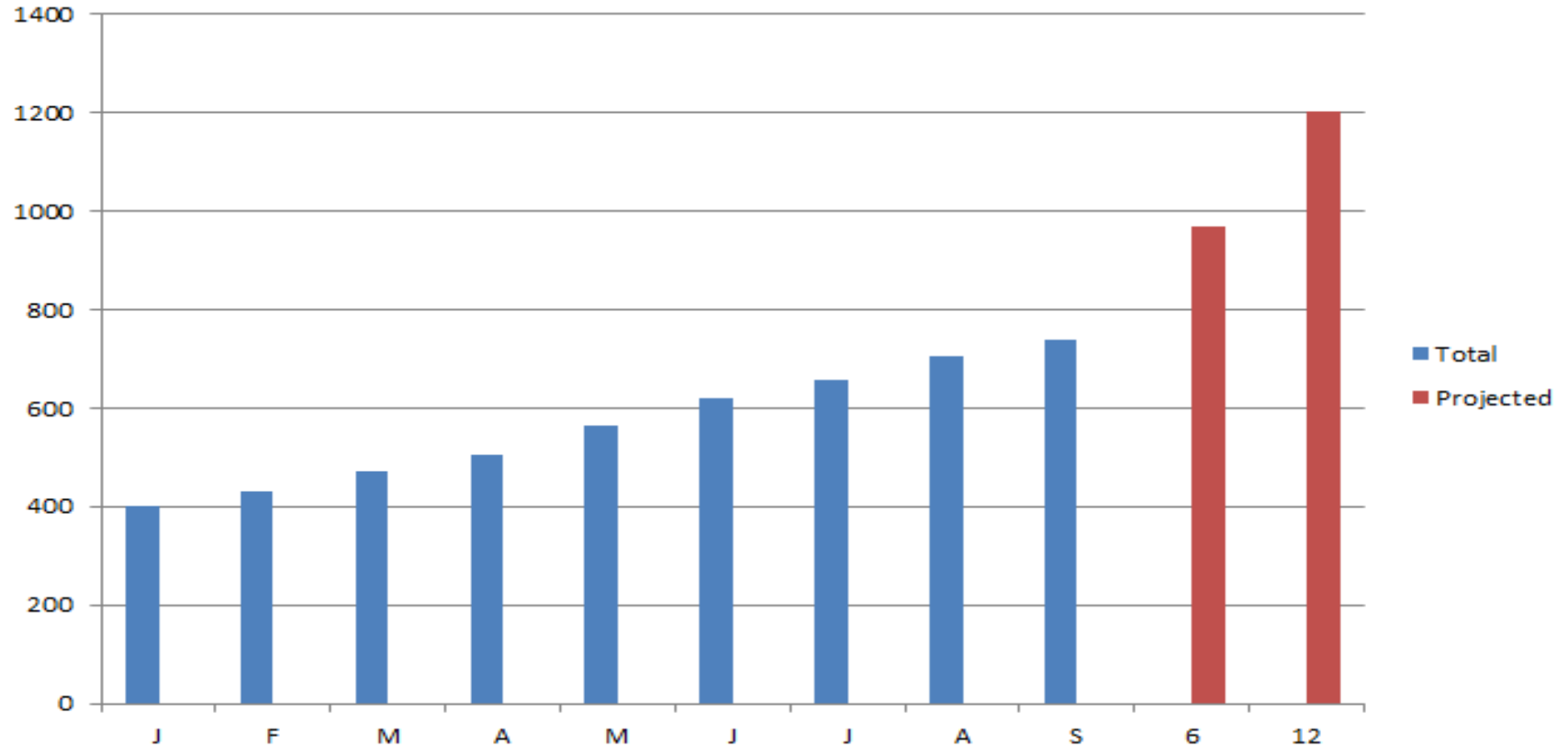
# Rapidly rising rents....

Figure 2.2 PRTB Rent Index Dublin Rent Trends 2007 - 2015



Source: PRTB Rent Index Report Q1 2015

# Homeless Families



# Response to crisis-new regulations

- Rent review period extended to 2 years- 'Rent Freeze'. Sunset clause after 4 years
- Longer notice of rent increase from 28 to 90 days and provide 3 examples
- Extended notice period-up to eight year & statutory declaration with regards selling/family member
- Deposit protection scheme
- Tenants now to be notified of tenancy registration

# Response to crisis-new regulations (2)

- 100% Mortgage Interest Relief for landlords who rent to tenants in receipt of state housing benefits
- Faster processing of PRTB determination orders
- Affordable rental pilot
- Measures to increase general housing supply- uniform apartment standards, rebate of development levies for 'affordable' houses

# Is this the right balance?

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- ❑ Emergency measure reacting to a specific crisis
- ❑ Temporary- sunset clause
- ❑ Doesn't address buy-to-let arrears
- ❑ Doesn't address future affordable PRS supply
- ❑ It does create space to look to the future

# Getting the balance right

- Not just between landlords and tenants but other actor- receivers/lenders, management companies, investors
- Also between the owner-occupier and social housing & private rented sector- equality of rights and protections across all sectors- they are all homes!

# Balanced long-term strategy

- Long-term rent certainty in conjunction with secure occupancy (sale doesn't end tenancy)

One of the 'most critical issues' affecting the landlord/tenant relationship  
(Peter Kemp, 2005)

*“In the absence of some binding rule for the updating of rents for sitting tenants, a landlord could easily circumvent tenure security by a sufficiently drastic raise in rent (economic eviction).”*

*(Franz Hubert, 2003)*

# Balanced long-term strategy(2)

- Clear plan for long-term secure rental supply, especially for low to mid range.
- Balanced tax treatment between residential and commercial rental sectors.

“developments where social renting, private renting and affordable and cost renting options are provided side by side.”

DECLG, *Social Housing Strategy 2020*, 2014,



# Balanced long-term strategy(3)

- Standards cert-compliant landlords at an advantage
- Integrated subsidy system for all rented sector
- Adequate attendant physical and social services
- Downsizing for retired couples - more effective use of existing housing stock