



An Roinn Tithíochta, Pleanála
agus Rialtais Áitiúil
Department of Housing, Planning
and Local Government

HPLG-381-2018
REC'D 10/5/18



Oifig an Aire
Office of the Minister

26 April 2018 / PC 10/5/18

Ms Maria Bailey, T.D.

Chair

Joint Committee on Housing, Planning and Local Government

Houses of the Oireachtas

Leinster House

Kildare Street

Dublin 2

Re: Residential Tenancies (Amendment) Bill 2018

Dear Maria,

Further to the Government's consideration of the Residential Tenancies (Amendment) Bill and its Decision (ref. S180/20/10/2270) of 17 April 2018 to approve its priority drafting, I am pleased to enclose a copy of the General Scheme of the Bill, which the Committee may wish to consider and provide views on, whether as part of a formal pre-legislative scrutiny process or through a more expedited process to facilitate early finalisation of the drafted Bill for publication and progression through the Oireachtas process. The legislative programme envisages publication of the Bill during this current Oireachtas session.

Residential Tenancies (Amendment) Bill 2018

The Bill intends to give legislative underpinning to a number of specific actions outlined in the Government's Strategy for the Rental Sector, published in December 2016, and the targeted review of Rebuilding Ireland, conducted during the latter half of 2017.

The main purpose of the Bill is to reinforce the viability of the rental sector, through addressing a number of key tenant protection issues, provide greater transparency around rents, as well as enhancing and strengthening the powers and functions of the Residential Tenancies Board (RTB), particularly in investigating and enforcing tenancy law.

The proposed Bill includes key changes to the Residential Tenancies Acts that Government recognise as justifiable and absolutely necessary. The Government is keen to avoid or minimise any risk of weakening the stability and confidence in the rental sector in any way. As you know, the Government relies on the private rental sector to provide much needed social housing units, for example through the Housing Assistance Payment scheme, as well as helping to meet broader housing need for those households wishing to rent. Any actions that directly or inadvertently undermine the economic viability of rental accommodation provision could negatively impact both on existing and future supply of rented accommodation as well as on the wider economy, and could in turn undermine the future capacity and attractiveness of the sector, for both landlords and tenants.

The primary provisions in this Bill relate to strengthening enforcement by:

- making it an offence for landlords to implement rent increases that contravene the law around RPZ rent limits (4% per annum);
- providing powers to the RTB to investigate and prosecute landlords who implement such increases; and
- allowing the RTB to initiate an investigation without the need for a complaint to be made.

Making it an offence to contravene the law in setting rents in RPZs, coupled with the enhanced enforcement procedures, will help to underpin consistent implementation of the Rent Pressure Zones, ensuring a more transparent and effective operation.

The General Scheme of the Bill also contains some important amendments to the Residential Tenancies Act to:

- Extend the minimum notice periods that landlords must give tenants, which range from 28 days for those tenancies up to 6 months, to 224 days for those who are tenants for 8+ years; and also provides for an additional 28 days' notice period, where a remedying notice to quit is required to issue;
- Clarify that, in the case of renewed tenancies in a new Part 4 agreement, the notice period takes account of the tenant's overall period of occupation in the dwelling rather than the term of the tenancy agreement or the period since its renewal;
- Allow the RTB to publish rents payable on the RTB register, which they already gather, but which, in tandem with the planned introduction of annual registrations, will help to improve transparency of rental price data, and allow the public, renters and landlords alike, to assess prevailing rent levels in an area.

A number of technical amendments are also proposed, for example, relating to the mandatory publication of RTB determinations in respect of any disputes and certain data protection matters.

Further legislative measures under consideration

The Bill is intended to focus on priority (and more straightforward) proposals in order to facilitate quick passage through the Oireachtas.

However, the Programme for Government commits to a number of actions to further enhance the rental sector and proposals for amendments to the Residential Tenancies Acts are currently being developed, for consideration to include in a second more expansive Bill later this year.

These proposals are likely to include measures such as:

- extending the protection of tenants' rights during receivership;
- providing for annual registration of all tenancies;
- providing for tenancies of indefinite duration; and
- considering whether the RTB guidance on substantial renovation (used to dis-apply some RPZ requirements) should be placed on a statutory footing.

This is not an exhaustive list of proposals under consideration, and further priorities for legislation will be determined as part of the RTB change management plan which is currently under development.

Department's pre-legislative preparatory work

As you know, the Rent Predictability Measure was introduced in December 2016 in accordance with Action 1 of the Strategy for the Rental Sector to stabilise rent levels in areas of high demand. The list of the current Rent Pressure Zones is enclosed in the Appendix for information. The Housing Agency continues to monitor the rental market and may recommend further areas for designation as Rent Pressure Zones (RPZs). Following the procedures set out in the Act, where it is found at a future date that additional areas meet the criteria, I will designate them as RPZs.

To inform the development of the General Scheme of the Residential Tenancies (Amendment) Bill 2018, my Department carried out a review of the Rent Predictability Measure (RPM) after its first 6 months of operation and conducted a public consultation process seeking views with regard to the functioning of the RPM. The Public Consultation document is displayed on Department's website: <http://www.housing.gov.ie/housing/private-rented-housing/rent-predictability/public-consultation-review-rent-predictability>. A total of 69 submissions were received during the consultation process, which are also available on the website - Public Consultation Responses for Public Consultation – A Review of the Rent Predictability Measure | Department of Housing, Planning and Local Government. A short summary report on the review will be published on my Department's website in the coming weeks.

Scope for expedited pre-legislative scrutiny

Given the Government's commitment to progress this Bill to publication as soon as possible and expedite its early enactment, and taking account of previous instances where the Committee has provided valuable input to the formal drafting of Bills through focused briefings and truncated timelines, I would ask that the Committee consider whether it is amenable in this instance to short-circuit the formal pre-legislative scrutiny process (which can take up to eight weeks) and provide detailed comments to my Department on the General Scheme, perhaps following a briefing session with officials. My officials and I are available and would be happy to assist the Committee in the course of its deliberations.

I look forward to hearing from you at your earliest convenience.

Yours sincerely,



Eoghan Murphy, T.D.

Minister for Housing, Planning and Local Government

Appendix

List of Local Electoral Areas designated as Rent Pressure Zones (as at 26 April 2018)

1. Cobh, Co. Cork
2. Maynooth, Co. Kildare
3. Ballincollig – Carrigaline, Co. Cork
4. Galway City Central
5. Galway City East
6. Galway City West
7. Celbridge – Leixlip, Co. Kildare
8. Naas, Co. Kildare
9. Kildare – Newbridge, Co. Kildare
10. Ashbourne, Co. Meath
11. Laytown – Bettystown, Co. Meath
12. Ratoath, Co. Meath
13. Bray, Co. Wicklow
14. Wicklow, Co. Wicklow
15. Dublin City Council
16. South Dublin County Council
17. Dun Laoghaire/ Rathdown County Council
18. Fingal County Council
19. Cork City Council
20. Greystones, Wicklow County Council
21. Drogheda, Louth County Council