**GENERAL SCHEME OF THE FAIR RENT AND PROTECTION OF RENTERS BILL 2020**

**ARRANGEMENT OF HEADS**

**PART 1**

**PRELIMINARY AND GENERAL**

**Head 1: Short title, construction, collective citation and commencement**

Provide that:

(1) This Bill may be cited as the Fair Rent and Protection of Renters Bill 2020

(2) This Bill shall come into operation on such day or days as the Minister for Housing, Planning and Local Government may appoint by order or orders either generally or with reference to any particular purpose or provision and different days may be so appointed for different purposes and different provisions.

**Explanatory note**

This Head contains the standard provisions about short title and collective citation for the Bill.

It also provides for the coming into operation of the provisions of the Act. It will allow different provisions and any consequential repeals to be brought into operation on different days.

**Head 2: Interpretation**

Provide that:

In this Bill -

“Act of 2004” means the Residential Tenancies Act 2004;

 “Minister” means Minister for Housing, Planning and Local Government;

**Explanatory note**

This is a standard provision to set out definitions and interpretations for terms used in this Bill

**PART 2**

**Amending the Residential Tenancies Act to prohibit rent increases for three years**

**Head 3: Prohibition of rent increases under the Act of 2004**

Provide that:

Prohibition on rent increases under Act of 2004

1. (a) Section 19 of the Principal Act is amended by prohibiting any rent increases on all existing and new tenancies, other than those which are social housing supports for 3 years.

(i) Existing tenancies will be capped at their rate on the date of the enactment of the Fair Rent and Protection of Renters Bill 2020 with new tenancies set according to the Residential Tenancies Board rent index for equivalent properties within that local electoral area.

(ii) This prohibition on rent increases can only be extended after a vote by the members of the Houses of the Oireachtas.

(iii) The prohibition on rent increases will be subject to annual review.

**Explanatory note**

This Head introduces a prohibition on any rent increases on existing and new tenancies within the private rented sector for three years, excluding social housing supports.

Under subsection (i) current rents in existing tenancies will be capped on their rate on the date the new legislation is enacted.

Subsection (i) also provides that new tenancies will be set according to the Residential Tenancies Board rent index.

Under subsection (ii) the prohibition on rent increases will run for three years and can only be extended after a vote of members of the Houses of the Oireachtas.

Under subsection (iii) there will be an annual review mechanism built into the legislation.

**Head 4** Restriction on termination of tenancies of buy-to-let dwellings under the Act of 2004

Provide that:

1 Section 34 of the Principal Act is amended by restricting the termination of tenancies in buy to let dwellings on the grounds that the property is being sold.

2 A Part 4 tenancy may not be terminated by the landlord on the ground specified in paragraph 3 of the Table to section 34 where the property to which the tenancy agreement relates is the subject of an existing investment mortgage.

3 The subsection above (2) applies to all tenancies, including a tenancy created before the coming into operation of this section.

4 Where, immediately before the coming into operation of this section, a notice of termination has been served on a tenant in reliance upon a ground provided for in paragraph 3 of the Table to section 34, section 34 shall continue to apply to that notice as if this section had not been enacted.

5 In this section, ‘investment mortgage’ means a mortgage which has been taken out as security in respect of a residential property that was not at the time of its purchase intended to serve as the principal private residence of the mortgagee, and is subsequently the subject of a tenancy agreement.

**Explanatory Note**

This Head amends the Residential Tenancies Act 2004 to give greater protection to households renting from buy-to-let landlords. Under the Act it would no longer be legal to evict tenants in buy-to-let properties on the grounds that the property is to be sold. A sale could take place however with the current tenant and any remaining portion of the tenancy agreement still in place.

Subsection 2 outlines how Part 4 tenancies will not longer be subject to notices to quit when the property is being sold, if the property is subject to an investment or buy-to let mortgage.

Subsection 3 states that subsection 2 applies to all tenancies including those created before this section was enacted.

Subsection 4 outlines how if a notice of termination or a notice to quit has been issued before this section is enacted then it shall not be affected.

Subsection 5 provides a definition of an investment mortgage.