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**IPAV Says [Daft.ie](#) Rental Report Shows “Tinkering Around The Edges Of The Demand Side” Has Failed  
– Time To Tackle Supply Side In Unprecedented Way**

Responding to the latest Daft.ie Rent Price Report for Q2 2021 IPAV, the Institute of Professional Auctioneers & Valuers, said the latest report highlights yet again that it is only in the two most expensive areas in which to buy property, Dublin 4 and Dublin 6, that repaying a mortgage on a three-bedroom home is more expensive than paying rent, and at that it is only marginally so. In every other area of the country it is cheaper to service a mortgage than pay rent, substantially so in many areas – if one could only acquire a mortgage.

The institute said this is happening at a time when mortgage rates have never been cheaper and Ireland, for the first time, is now seeing European style, long-term fixed interest mortgages.

Pat Davitt, IPAV Chief Executive said: “There are now fixed rate interest mortgages for periods of up to 30 years. These give certainty to borrowers who know they will not have the worry, for the entire term of their mortgage, if interest rates rise. That gives a level of security we’ve never before seen in Ireland.”

However, he said under the current mortgage rules those on average wages cannot secure a mortgage in the most sought after, generally urban, areas.

“But it is the lack of supply of properties amidst severe pent-up demand that is keeping both rental and house prices elevated,” he said.

“Today’s report, demonstrates yet again, that the major issue of building homes at affordable prices remains to be tackled. In this regard the Government’s new housing plan is eagerly awaited.

“As suggested in today’s report the issue cannot be solved by ‘simplistic rent controls’.

“Tinkering around the edges of the demand side – in controlling rents and making mortgages much more difficult to qualify for, have seen two private landlords leave the market for every one that has entered, and it has seen mortgages largely become the preserve of those on higher incomes or those fortunate enough to have family resources to support them.”

Mr Davitt said the new housing plan must include the entire planning process as well as the entire tax treatment of housing and investors in housing.

He has previously called for the rental market to be reviewed in its entirety.

He said one issue that has contributed to inflated rents is the decision to leave owners of new properties exempt from the Rent Pressure Zone rules.

“New properties were left outside of the RPZ legislation entirely until July 2019 when it was tapered and the exemption from then applied to first lettings only.

“However, the exclusion means higher rent levels are set which later become the comparables cited by others to justify raising their rents.”

Ends