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For immediate release

IPAV Says Low Landlord Income Unsurprising To Market Practitioners

Welcoming today's CSO Rental Sector in Ireland Report, IPAV, the Institute of Professional Auctioneers & Valuers, said it is long overdue and fills a major knowledge gap in the market.

Pat Davitt, IPAV's Chief Executive said it is unsurprising to his institute to find that more than half, 50.5pc, of landlords had a rental income of less than €10,000 in 2019.

"The rental data published on a regular basis by the RTB captures only rental levels of agreements reached in the preceding three month period.

"Unfortunately it has been widely commentated upon as if it represented the entire quantum of rents being charged, and the Government has been lobbied strongly for, and has acceded to, calls for increased rental measures on the basis of this limited data."

He said major policy decisions are being made on insufficient data, policy decisions that are driving private landlords from the market at a rate of two exiting for everyone who joins and this is also leading to unnecessarily homelessness.

"The crude and improperly researched way in which Rent Pressure Zone legislation was introduced resulted in private landlords who didn't rush to increase their rents to full market rate before the legislation was introduced are the ones who now find themselves disadvantaged by comparison with those who did.

"Such landlords generally didn't increase rents if they had good tenants. If they are not now exiting the market they find themselves tied into perennial low rental income, which impacts the value of their properties and which may ultimately result in their not having the resources to maintain their properties to a desirable standard over time, creating the slum properties of the future. This is borne out by today's CSO Rental Sector in Ireland Report."

Mr Davitt said most private landlords have just one or two properties which would largely have been bought in the run up to the financial crash of 2008 to 2010.

"Consequently they would have large mortgage repayments and some may still be in negative equity. When lenders begin to realise their properties may be worth only half of what the market value is, creating a deeper negative equity, we may see more forced sales occurring," he said.

"Meanwhile private landlords find themselves subsidising rents for tenants, a role that should be the responsibility of Government, not private landlords," he concluded.

Ends