

Monday 24th April 2023

IPAV Launches Rental Market Proposals

A series of measures designed to retain landlords in the rental market was published today by IPAV, the Institute of Professional Auctioneers & Valuers.

Among the initiatives suggested in 'Rental Market Solutions – Steps to a Functioning Rental Market' is a yearly tax-free credit of €6,000 of rental income or personal taxes for landlords whose rent is below market rate arising from Rent Pressure Zone (RPZ) rules which also mean the capital value of such properties can be reduced by up to 50 per cent or more.

It is recommended that to avail of such an incentive, which would cost the Exchequer €3,000 in real terms, substantially lower than re-housing costs, landlords would be required to commit to retaining the property in the rental system for a further three years.

IPAV is also proposing that the Government should amend the RPZ rules to allow landlords charge market rent where tenants leave of their own volition. This would encourage landlords to re-rent properties rather than selling up. It would also encourage better maintenance of such properties, the document suggests.

Speaking today, IPAV's Chief Executive Pat Davitt said: "Diminishing supply and lack of maintenance of properties have been internationally recognised as negative outcomes of rent controls. They are particularly acute because of the nature of the current RPZ regime in Ireland.

"The series of measures we're proposing are designed to mitigate the worst aspects of the RPZ controls," he said.

Other measures included in IPAV's proposals are:

- **HAP Amendments.** The Government should continue to pay the Local Authority portion of rent to landlords where HAP tenants stop paying their portion of the rent. This should prevail until the agreed rent is restored or until the landlord secures a new tenant.
- **Fair Deal Scheme.** Amendment to Section 3 of the RTB legislation to facilitate the short-term rental of properties in the Fair Deal scheme, to recognise the special circumstances of this cohort of property owners by removing the legal requirement on such owners to register with the RTB. The relevant Local Authority could enter into a license arrangement with the owner, encouraging many more Fair Deal property owners into the rental market.
- **Vacant Homes.** A target of bringing back 25,000 homes into the rental market would be given to Local Authorities for each of the next 3 years. IPAV's recent Vacant Homes Report will help inform this strategy.
- **Modular Homes.** The building of more new modular homes to a target of 10,000 units each year for the next 3 years.
- **Eviction Notices.** One-to-one engagement by the RTB with landlords leaving the market to offer the aforementioned solutions to them.

Figures from the Residential Tenancies Board show that over 43,000 homes have left the rental market over the past five years.

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