

Tuesday 26<sup>th</sup> July, 2022

## **RTB Rent Index With Almost One-Third Drop In Tenancies Must Shock System Into Better Treatment Of Private Landlords Before It's Too Late- IPAV**

Commenting on today's RTB Q1 Rent Index IPAV, the Institute of Professional Auctioneers & Valuers, said one of the primary reasons rents continue to increase at a high level, 9.2pc nationally, is because of the scarcity of properties.

Pat Davitt, IPAV's Chief Executive pointed to a year-on-year decrease of 32pc in the number of registered tenancies in Q1.

"That is an extraordinary drop of almost a third, and while unsurprising to estate agents who are seeing private non-institutional landlords leaving the market every day of the week, one can only hope that it will shock policy makers into action before it's too late.

"Because of high taxes, about 52pc of rental income, and deeply onerous and ever increasing regulation, being a private landlord has become unviable for many," he said.

In May a study by economist Jim Power and commissioned jointly by IPAV and the Irish Property Owners' Association concluded the rental market is in a state of crisis exacerbated with the exit of non-institutional landlords in significant numbers, reducing supply and putting upward pressure on rents.

The study found, amongst other issues, that:

- The constantly changing and very challenging regulatory and taxation environment that treats private landlords very differently from institutional landlords, is largely responsible for private non-institutional landlords leaving the market;
- RPZs (Rent Pressure Zones) are creating a 2-tier rental market and leading to a situation where maintenance of quality accommodation is not economically justifiable and negatively impacting on capital values where the property is the subject of the RPZ rules;
- It is likely that landlords that historically charged rents under market rate and are now confined to minimal increases arising from RPZ regulation are exiting the market in greatest numbers;
- These landlords are replaced in the market in part by new properties at much higher rents and owned by institutional landlords with no evidence available to confirm if any net additional new properties have come onto the rental system;
- Rent Pressure Zone regulation has prevented rents from falling as well as rising beyond the limits set.

Ends