

Rent Reviews in an RPZ

Some confusion has arisen in relation to news reports on rent increases of 8% being levied on tenants by some landlords in the wake of the Covid-19 emergency periods. The following is intended to clarify the issue for IPAV members.

Rent Reviews for a new tenancy in a Rent Pressure Zone

A [Rent Pressure Zone \(RPZ\)](#) is a designated area where rents can only be increased by up to 4% annually. RPZ designations are in place until 31st December 2021. Certain rules must be followed for reviewing rents in RPZs:

- A rent review can occur once every 12 months (subsequent to the first rent review and where the tenancy commenced after 24 December 2016)
- In Rent Pressure Zones rents can only increase by up to 4% annually. The 4% cap applies when rents are set at the start of a tenancy and when rents are reviewed during an ongoing tenancy. To find out if a dwelling is in a Rent Pressure Zone, and to calculate rent reviews in line with RPZ formula please use the RTB [Rent Calculator](#).
- A landlord must provide a statement to the tenant as to how the rent set under the tenancy of the dwelling has been calculated having regard to the Rent Pressure Zone formula.
- The rent set for the property, including any proposed increase, must not be greater than local market rents for comparable properties.

Review Outside of a Rent Pressure Zone

- Outside of Rent Pressure Zones landlords can review the rent 24 months after the tenancy commencement date or 24 months from the date of service of the last valid rent review.
- The review must be not greater than current market rent.

Rent Review Prescribed Notices for inside and outside RPZ areas

- To set or review the rent in either inside or outside an RPZ area, a valid prescribed [notice of rent review](#) must be followed closely, and landlords should not deviate from the wording used therein, change the format of the notice, or delete information from same, as doing so could invalidate the notice of rent review in full.
- A landlord is required to provide a tenant with a minimum of 90 days' notice of any proposed rent review.
- The notice must be served accompanied by a statement by the landlord that it is their opinion that the new rent is not greater than market rent having regard to the other terms of the tenancy, letting values of dwellings of a similar size, type and character and situated in a comparable area. Evidence of the rent charged for comparable properties can be in the form

of advertisements for such properties published within the previous four weeks. If a tenant considers that they are being asked to pay more than the market rent, they can seek clarification from the landlord or submit an application for dispute resolution to the RTB within 28 days of receipt of receiving notice of rent review or before the increase takes effect.

- A landlord must inform the RTB of the rent payable under the review within one month of it taking effect. This can be done via [the RTB online facility](#) or by using a [Tenancy Update Form](#). A landlord must be in receipt of the new rent amount before an update to the rent amount can be applied to the registration.

Rent Reviews During the Pandemic

Between 27th March and 1 August 2020, the Emergency Measures in the Public Interest (Covid-19) Act 2020 introduced a moratorium on ending tenancies and increasing rent. This meant that even though a landlord could serve a rent review notice on a tenant, the rent increase could not take effect during this time. Rent increases could take effect again from 1st August 2020, unless a tenant was a 'relevant person' under the Residential Tenancies and Valuation Act 2020 (RTVA) and subsequent Planning and Development, and Residential Tenancies, Act 2020 (PDRTA). If a tenant met criteria, is financially impacted by Covid-19, in rent arrears and at risk of losing their tenancy, they cannot see an increase in rent until after 12 July 2021, or be made to leave their accommodation until after 12 July 2021.

For those tenants who do not meet the criteria of 'relevant person', then in most cases rent reviews continued as normal since 1st August 2020. A landlord can therefore serve a rent review notice again within 12 or 24 months from date of service of the last rent review notice. It does not matter that a previous rent increase may only have had effect for a shorter period due to the emergency legislation. While the emergency legislation prohibits the landlord from clawing back the portion of new rent he/she has missed out on during the emergency period, it does not prohibit a landlord from serving a rent review notice as can usually occur under the Residential Tenancies Act.

If a landlord has not reviewed the rent in 2 years in an RPZ, a total increase of 8% could apply once the landlord has followed the usual rules of providing 90-days's notice, amongst other legal requirements to validly review the rent mentioned above.

Example

A tenancy commenced after 24 December 2016 and is located in an RPZ. The landlord served a valid rent review notice in February 2020. The new rent was to take effect in May 2020. This did not occur as the emergency legislation prevented rent increases from taking "effect" during the emergency period (27 March-1 August 2021). The tenant did not meet the criteria as set out in the RTVA or PDRTA to avail of the further protections of not seeing a rent increase until after 12 July 2021. Accordingly, the new rent came into effect and was payable from 1 August 2020.

Notwithstanding, the new rent only came into effect on 1 August 2020, the next rent review notice could in fact have been served in February 2021. While the emergency legislation prevents a rent increase taking "effect" during the emergency period, it does not pause or prevent a rent review notice being served. A rent review for a tenancy in an RPZ that commenced after 24 December 2016, can be conducted every 12 months.