



Rialtas na hÉireann
Government of Ireland

Review of the Private Rental Sector

Public Consultation Submission Form

June 2023

Prepared by the Department of
Housing, Local Government and Heritage
[gov.ie/housing](https://www.gov.ie/housing)

1. Review of the Private Rental Sector

The Housing for All Action Plan Update (November, 2022) stated the Department of Housing, Local Government and Heritage (DHLGH) would commission a comprehensive review of the private rental sector. The review will report on the how our housing system could provide an efficient, affordable, safe and secure framework for both landlords and tenants.

The purpose of this the consultation document is to facilitate participation in a consultation process concerning the private residential rental sector as an element of policy development under Housing for All.

The consultation document provides a broad perspective of the sector and discusses some its principal aspects, each followed by a set of questions intended to elicit views, provoke debate and generate proposals for policy change.

The Department hopes that the collective responses to these questions, provided by citizens, non-governmental organisations, public agencies and commercial enterprises, can inform the development of policy and contribute to a well-functioning private rental sector for all stakeholders. A stakeholder workshop will also be scheduled to run alongside this public consultation process.

Your views will be a vital source of information helping to inform future policy and the Department's review of the scheme.

If you would like to make a submission, please complete Section 4 of this form and either:

e-mail the completed form to – rentalstrategy@housing.gov.ie or

post the completed form to – Rental Market, Department of Housing, Local Government and Heritage, Newton Road, Wexford, Y35 AP90.

Please note the closing date for public submissions is **08 August 2023**.

2. Publication of Submissions and Freedom of Information

Any personal information received by the Department will be treated strictly in accordance with data protection legislation, including the Data Protection Acts 1988 to 2018.

Submissions received as part of this consultation may be shared and discussed with other Departments, Local Authorities or other stakeholders and may also be published on the Department's website. This is to promote an integrated approach to addressing social housing solutions in the State.

Information received by the Department is subject to the Freedom of Information (FOI) Act and may be considered for release under the FOI Act.

3. The Private Rental Sector

The private rental sector has important social and economic roles to play. As a relatively flexible tenure form the sector can support internal and external migration flows, thereby contributing to worker and student mobility. The sector provides a source of accommodation for households prior to their movement to other tenures; many people live in private rented housing during early adulthood, having left the parental home. The sector acts as an important adjunct to the social housing stock, as market subsidies such as the Housing Assistance Payment provide social housing supports to low income households renting a private market dwelling.

When considering the private residential rental sector it is important to note that the private rental sector is an element of a wider housing system and therefore cannot be viewed in isolation from homeownership, social and affordable housing, housing development and construction markets, and so forth. Changes to the private rental sector will, in the main, have an impact on some or all of these connected areas of the housing system, and vice versa. Therefore policy mechanism must seek to achieve a fair outcome. Good government seeks to maximise the benefit of all, so when considering how best to amend policy to address challenges it is important to consider the impacts on wider society, in addition to those on specific interest groups, such as tenants and landlords.

4. Submission

Please provide any information in the boxes below that you would like to contribute to the review of the Private Rental Sector.

Please be thorough and take as much space as you require to make your submission. However you do not have to answer all sections posed.

Please note that any information provided may be discussed with other stakeholders in order to inform the outcome of the review.

Please do not enter any personal information.

Composition of the Sector

The Irish Green Building Council (IGBC) has no comments on this section.

The Cost of Renting

The Irish Green Building Council (IGBC) has no comments on this section.

The Subsidisation of Households Renting Market Units

The Irish Green Building Council (IGBC) has no comments on this section.

The Quality of Homes

Irish Green Building Council (IGBC) has done a significant amount of work on this topic through the following programmes:

- [Our Place: Towards Healthier Greener Homes \(Report published in 2023\), which include many recommendations on the private rental market.](#)
- [Introducing Minimum Energy Efficiency Performance Standards in the Rental Sector – A REVIEW JUNE 2019 \(project funded by SEAI\).](#)

Our recommendations are based on the findings of these two projects.

Although the Housing for All plan includes a target for rented accommodation to be inspected every four years; it is widely acknowledged that local authorities have not met targets due to the pandemic and resourcing issues. The National Oversight and Audit Commission (NOAC) showed that approximately 5% of registered tenancies (17,594 properties) were inspected by local authorities in 2021, well below the Government's target of 25% per year, and that some 90% of these failed to meet minimum rental standards. To maintain rental standards, it is important that clear targets are set, and that compliance is monitored and enforced. An absolute priority should hence be to improve enforcement of the Minimum Standards in Rented Accommodation and achieve the Government's Housing for All target to inspect rental properties every four years. However, as most landlords in Ireland are small-scale with one or two properties, appropriate technical and financial supports are also required to support improvement. Given the current rental shortage, tenants may also be less likely to raise complaints regarding indoor environmental quality (IEQ) with their landlords for fear that they might terminate the tenancy or increase the rent. It is hence recommended that tenants are provided with improved information on energy efficiency options and IEQ issues, including grants available and how to operate their homes. This information should be communicated by methods that best suit the audience, whether as a traditional document, online app or video, and should be communicated in plain language by trusted messengers.

Recommendations on Improving Energy Efficiency in the Rental Market

As many as 1.5 million Irish homes are considered energy inefficient and require upgrade work between now and 2050. This issue is even more acute in the private rental market where 55% of private rented dwellings have a BER of D or lower. Improving the energy efficiency performance of the private rental sector is hence important in alleviating energy poverty. However, the split incentive between tenants and landlords is a persistent barrier to energy retrofit in this sector.

The Irish Green Building Council has been working on this topic for almost 5 years, engaging with its members and other key stakeholders, including landlords and tenants' representative bodies. Our key recommendations on improving energy efficiency in this sector are summarised below:

- Introducing minimum energy performance standards for rental buildings would send a clear signal to the market. It would help increase the rate of renovations, reduce energy poverty and mitigate health problems associated with poor housing conditions. However, a well-signalled lead-in time would be critical to give time to

landlords and investors to adjust. Furthermore, in order to be effective, the approach should be comprehensive and include multiple measures. More specifically, any minimum standards should be complemented by accurate and regular information campaigns, appropriate incentives and effective enforcement. This is critical in ensuring these standards achieve the desired effects and prevent negative impacts on people or buildings.

- The gradual introduction of minimum energy efficiency performance standards in the private rental market has the potential to increase the rate and depth of renovation in the sector. It would send a clear signal to the market. If properly implemented, it could not only reduce Ireland's carbon emissions, but could also reduce fuel poverty, and improve people's health and wellbeing. However, given the current housing crisis, research and expert advice is needed to avoid unintended consequences on rental properties supply and rents increase.
- If a minimum energy efficiency or thermal performance standard is announced it would need to be done far in advance and introduced gradually to give time to landlords and investors to adjust to it. More specifically, it is suggested to introduce a minimum energy efficiency standard of D2 by 2025, and to gradually increase it to C1 by 2030, with a view to reach full decarbonisation by 2050. Requiring progressive improvements in efficiency over a specific period would give landlords a well-signalled lead-in time to improve the energy efficiency of residential rental properties. However, if an incremental approach to improving energy efficiency is taken, a pathway to achieve that level is needed to avoid lock-ins. More specifically, the new standard should be introduced alongside Building Renovation Passports (see proposed revision of the Energy Performance of Buildings Directive).
- Any new standard and its implementation must remain simple and easy to understand for both landlords and tenants. The number of exemptions must be limited, and these must be transparent. Although pre-1940s buildings may not require full exemptions, a specific approach may be needed for these properties to ensure some improvements without damaging the building or requiring disproportionate investments. It is also suggested that these exemptions are registered with the Residential Tenancies Board and publicly available.
- Some actions could also be taken now to improve energy efficiency in this sector. A first step is to ensure the existing legislation on Building Energy Rating (BER) is fully implemented. Stating the BER in the advertisement of a property for rent or sale has been mandatory in Ireland since 2013. However, properties still appear to be advertised without a BER. This means that a high number of prospective tenants cannot make a fully informed choice on the property they rent. Under S.I. No. 243/2012, local authorities are responsible for enforcing this legislation but many of them do not have the resources to do so. Various options could be explored to improve compliance, including better resourcing building control units within local authorities or transferring this competence to SEAI.
- Any new standards should be introduced alongside an awareness raising campaign and supporting technical and financial measures. It must be attractive for both landlords and tenants and must be well communicated. It should be presented to landlords as an investment in their properties and as way to future proof them. From that point of view, it would be useful to link the Residential Property Price Register with the BER register. For tenants, the focus should be on the health and wellbeing benefits of energy renovation.

- Landlords, and more specifically smaller landlords will likely require technical and financial support. Technical guidance should be provided to landlords. However, to demystify energy renovation and to ensure any new standard has a positive impact on people and buildings, professional advice may be needed. This is particularly critical for historic buildings or if a gradual approach to a particular standard is taken. In that regard, small property owners would benefit from the development of a network of skilled, trusted local intermediaries who would support them at all stages of the renovation process.
- A number of actions are needed to ensure the implementation of any new standards is fair and benefits both groups. First, the cost of works and the value of energy savings must be established. Greater security of tenure may be required to secure tenants' buy-in. In fact, tenants with greater security of tenure are more likely to be ready to invest in a property. More specifically, the IGBC believe that SEAI's Free Energy Upgrades scheme must be reviewed to ensure low-income households (e.g., based on P60) living in low BER homes are eligible - regardless of home ownership status and/or welfare payment eligibility. E.g., open SEAI free energy upgrade scheme to tenants receiving HAP, on the condition of a long-term (5 years +) lease being offered. In parallel various mechanisms could be introduced to better support landlords (excluding financial institutions such as investment trusts) who invest in energy efficiency. While many SEAI grants are already available to landlords, these could be complemented by tax incentives and low interest loans (below 2% as per International best practice).
- Finally, enforcement of any new standards will be critical. This must be clear and proportionate. To make it easier and more resource efficient, it is suggested to link the RTB register with the SEAI's BER database. Inspection and direct enforcement will also be required. This could be done by local authorities, but they would need to have the resources to implement it.

Recommendations on other aspects of Indoor Environmental Quality (IEQ) in the Private Rental Market

Key recommendations included in our [Our Place: Towards Healthier Greener Homes Report](#) and relevant to this section are summarised below:

- Update the Minimum Standards in Rented Accommodation regulations to include specific performance requirements based on IEQ best-practice standards.
- Develop best-practice guidance and templates that help tenants to implement healthy and energy-efficient home operations.
- Provide additional funding and support to improve tenant representation and action when a rental property causes a health risk or does not meet the Minimum Standards in Rented Accommodation.
- Develop a process for swift interventions for occupants when unhealthy housing poses an immediate and serious health risk, for example, provision of alternative accommodation where there is an immediate health risk from mould.

Supply and Investment, Institutional Investment, Subsidising Investors and Student Housing

The Irish Green Building Council (IGBC) has no comments on this section.

International Examples

- What rental policies and policy measures used in other countries ought to be considered for Ireland?

The IGBC completed a full review of international best practice on addressing the split incentive in the private rental market in 2019. This is available at [WP3_D1_Final-1.pdf \(igbc.ie\)](#).

Thank you for your participation.

gov.ie/housing

The Department of
Housing, Local Government and Heritage



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