

SECURE RENTS – RENTER FAQs

- **How many renters are there in Ireland?**
 - There are different figures, but there are between 750,000 and 856,100 people currently renting in Ireland.
- **How much has rent really gone up in the last year?**
 - There has been an average increase of 11.7% in rents across Ireland since September of 2015. In fact, between April and June of 2016 rents increased by an average of 3.9% - the highest three-month increase recorded so far.
- **The increases the Rent Calculator is showing me are huge – are they really possible?**
 - They are – the Rent Calculator projects the rate of rents in Ireland in 2021 if prices continue to increase at the rate that they already have increased since 2011. Furthermore, the recent Savills report [1] projected increases of between 22% and 25% across Ireland over the next 2.5 years, so rates such as those shown by the calculator are unfortunately far from unrealistic.
- **What is the Consumer Price Index (CPI) and how would linking rents to it work? Does it exist in other countries?**
 - The CPI is a figure calculated by the Central Statistics Office (CSO) that describes monthly changes in prices of things people most commonly buy in Ireland, allowing to see the amount of inflation in the Irish economy overall each month. Linking rents to CPI would be a simple change in the Residential Tenancies Act that would state the landlords would be unable to increase rents by more than the CPI figure in the period between their start of a lease and a new lease being agreed, both with current or new tenants. Rents linked CPI exist in the US, Italy, Netherlands, Spain and Switzerland.
- **I heard there are fewer landlords in Ireland than ever before – is this true?**
 - No. The number of registered landlords has actually increased over the last 20 months to about 172,000. There are landlords leaving the market, of course, but these people are leaving because of equity issues with their properties (e.g. if a buy-to-let landlord who was having financial trouble saw their property come out of negative equity, they might be selling it).
- **Won't landlords stop renting their properties if rent costs are regulated?**
 - No. Some may sell their properties, but if you look at the return they'll get from putting their money into a deposit account and the returns they'll get from renting property, the renting option is still better for

most landlords. Regulation is a form of certainty and certainty is what all serious investors look for. Certainty is preferable to volatility any day for usually conservative property investors.

- **Why is security of tenure necessary alongside rental controls?**
 - At present Irish landlords are entitled to unaccountably evict tenants – without reason – within the initial six months of their lease. If we introduce rent indexation without increasing upfront security of tenure it is possible that some landlords would misuse this present entitlement and opt to evict tenants consistently after less than six months to get even the moderated increases in rent.

- **What is an eviction for the purpose of sale? Why is this an important issue for renters?**
 - Under current Irish rental law, a landlord is entitled to evict tenants if they are intending to sell a property in the coming months: an eviction for the purpose of sale. Per a recent change in legislation landlords must provide a signed statutory declaration of their intention to sell and can be fined if they are found to have misled former tenants. However, the ability for landlords to remove tenants from a property before it is properly put on the market for sale can lead to an unfair level of instability for tenants and is still open to malpractice despite these recently introduced fines.

- **What does an “indefinite lease” actually mean?**
 - A lease of indefinite duration means a lease which can only be terminated for very specific reasons, usually non-payment of rent. Such a lease would not, for example, permit termination of the lease (i.e. eviction) if the property was being sold, or if the landlord wanted it for use by a family member, as is currently the case in Ireland.