Examples of how the Rent Pressure Zone formula works.

Example 1:
Tenancy commenced 1 November 2014, over 24 months ago. The rented dwelling is located in an area which has been designated as a Rent Pressure Zone. The landlord intends to serve a rent review notice on 1 January 2017, providing a minimum of 90 days notice and indicating that the change will take effect from the 3 April 2017. In order to ascertain the new rent amount as permitted under the regulations the landlord inserts all the relevant information in to the formula.

R = €1,200.00 (the current rent amount)
t = 29 months (period between 1/11/14 to 3/04/2017)
m = 24 months – as tenancy was already in existence prior to 24/12/2016 this landlord was only entitled to review the rent 24 months from the date the rent was previously set. Therefore:

- 1200 x (1 + 0.04 x 29/24)
- 29/24 = 1.21 then
- x 0.04 = 0.05 then
- + 1 = 1.05 then
- x 1200 = 1258

1,200 x (1 + 0.04 x 29/24) = €1,258 is the new rent amount permitted
*please note that you complete your calculations working from right to left

Example 2:
Tenancy commenced 1 January 2015; landlord served a rent review notice on 1st January 2017 following the 24 month minimum rule, with the new rent coming into effect on 3 April 2017. The landlord will now be entitled to serve a new rent review notice on 1 January 2018 by serving a minimum 90 days notice of rent review indicating that the change will take effect from the 3 April 2018. In order to ascertain the new rent amount as permitted under the regulations the landlord inserts all the relevant information in to the formula.

R = €1050, the current rent amount
t = 12 months (3/04/17 to 3/04/2018)
m = 12 months – as initial 24 month rent review had already taken place the landlord is now entitled to review the rent annually.

Therefore:

- 1050 x (1 + 0.04 x 12/12)
- 12/12 = 1 then
- x 0.04 = 0.04 then
- + 1 = 1.04 then
- x 1050 = 1092

1050 x (1 + 0.04 x 12/12) = €1092 is the new rent amount permitted

*please note that you should do your calculations working from right to left

Example 3:

Tenancy commenced 1 January 2015; landlord served a rent review notice on 1st January 2017 following the 24 month minimum rule, with the new rent coming into effect on 3 April 2017. The landlord will now be entitled to serve a new rent review notice on 1 January 2018 by serving a minimum 90 day notice of rent review. The landlord does not serve the rent review notice until 1 June 2018 indicating that the change will take effect from the 3 October 2018. In order to ascertain the new rent amount as permitted under the regulations the landlord inserts all the relevant information in to the formula.

R = €1100, the current rent amount

t = 18 months (3/04/17 to 3/10/2018)

m = 12 months - as initial 24 month rent review had already taken place the landlord is now entitled to review the rent annually.

Therefore:

- 1100 x (1 + 0.04 x 18/12)
- 18/12 = 1.5 then
- x 0.04 = 0.06 then
- + 1 = 1.06 then
- x 1100 = 1166

1100 x (1 + 0.04 x 18/12) = €1166 is the new rent amount permitted

*please note that you should do your calculations working from right to left

Example 4:

Tenancy commenced 29 December 2016; landlord is entitled to serve a rent review notice on 29 December 2017 providing a minimum of 90 days notice. The new rent will come into effect on 5 April 2018. In order to ascertain the new rent amount as permitted under the regulations the landlord inserts all the relevant information in to the formula.

R = €1300, the current rent amount

t = 15 months (29/12/16 to 5/04/2018)

m = 12 months – as this tenancy commenced after 24/12/2016 this landlord is entitled to

review the rent annually.

Therefore:
- 1300 x (1 + 0.04 x 15/12)
- 15/12 = 1.25 then
- x 0.04 = 0.05 then
- + 1 = 1.05 then
- x 1300 = 1365

1300 x (1 + 0.04 x 15/12) = €1365 is the new rent amount permitted

*please note that you should do your calculations working from right to left