

## Rent Predictability Measure

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## **Q1. What is the Rent Predictability Measure?**

The Rent Predictability Measure is a new provision that will moderate the rise in rents in the parts of the country where rents are highest and rising - where households have greatest difficulties in finding accommodation they can afford. In these areas, called Rent Pressure Zones, rents will only be able to rise by a maximum of 4% annually. The measure will be applied immediately to Dublin and Cork city. The measure may be applied to other areas in future if and when they meet the criteria to be designated as Rent Pressure Zones.

## **Q2. How is an area designated as a Rent Pressure Zone?**

For an area to be designated a Rent Pressure Zone, rents in the area must be at a high level and they must be rising quickly. The measures used are:

- The annual rate of rent inflation in the area must have been 7% or more in four of the last six quarters, and.
- The average rent for tenancies registered with the Residential Tenancies Board in the previous quarter must be above the average national rent in the quarter( the National Indicative Rent in the RTB's Rent Index Report).

An area that meets these criteria can be designated as a Rent Pressure Zone

## **Q3. Why have Dublin and Cork been designated as Rent Pressure Zones?**

The measure has been implemented immediately in Dublin and Cork city because they already meet the criteria for a Rent Pressure Zone and because so many households, 150,000, in these areas depend on rented accommodation.

## **Q4. Who decides what areas should be covered by the Rent Predictability Measure?**

Rents are closely monitored and the Housing Agency, following consultation with the Local Authority concerned, may propose an area to the Minister for consideration. Then the Minister will ask the Residential Tenancies Board, which collects and monitors the data on rents, to assess whether the criteria apply to the area. If they do, the RTB will confirm that to the Minister and the Minister will make the relevant order.

## **Q5. How can I find out if my property or home is covered by the Rent Predictability Measure?**

The administrative areas of the 4 Dublin local authorities (Dublin City Council, South Dublin County Council, Dun Laoghaire/Rathdown County Council and Fingal County Council) and of Cork City Council have been designated as Rent Pressure Zones and are covered by the measure. If your home or property falls within one of these local authority areas it is covered by the measure.

When the Minister makes an order designating a new Rent Pressure Zone, the Residential Tenancies Board will publish the order and details of the area covered on its website.

#### **Q6. What about areas where there are both high and low rents?**

Many local authority areas contain both places where rents are high and places where they are not. This is common where there are urban and rural areas in the same authority. The designation of areas smaller than local authority areas, such as local electoral areas, where significant localised rent pressures are being experienced, as Rent Pressure Zones may be considered in the future.

#### **Q7. If I want to raise the rent on my property in a Rent Pressure Zone, what do I need to do?**

When issuing a notice of rent increase to your tenant, you will need to include in the notice information and the calculations that demonstrate that the rent increase is not more than 4% p.a. for the period since the rent was last set. A rent increase calculator and sample rent reviews will be available on the Residential Tenancies Board website, [www.rtb.ie](http://www.rtb.ie), to assist you in determining the maximum increase permitted. Sample rent review notices for rent pressure zones will also be available. The existing requirement that the rent set is not above the local market rents for similar properties still applies and three examples of rents for similar properties in the locality must be presented to demonstrate this.

#### **Q8. If I am a tenant in a Rent Pressure Zone, how can I be sure that the rent I am asked to pay is in line with the Rent Predictability Measure?**

Your landlord issues you with a notice of rent increase when such an increase is due. In this notice the landlord is required to provide information and the calculations that demonstrate that the rent increase is not more than 4% p.a. for the period since the rent was last set. A rent increase calculator and sample rent reviews will be available on the Residential Tenancies Board website, [www.rtb.ie](http://www.rtb.ie), to assist you in determining the maximum increase permitted. Sample rent review notices for rent pressure zones will also be available. The existing requirement that the rent set is not above the local market rents for similar properties still applies and your landlord is required to provide three examples of rents for similar properties in the locality to demonstrate this.

#### **Q9. What do I do if I think I am being charged too much rent?**

You should initially seek clarification from your landlord regarding the calculation of the rent. If this does not resolve the issue, you may contact the Residential Tenancies Board to seek further information. If you still think you are being charged more than you should in accordance with the law, then you may make a dispute application to the RTB.

#### **Q10. How can I refer a dispute to the RTB ?**

The RTB can be contacted by phone, 01-702 8100 or 0818 30 30 37 and more information on rent reviews can be found at [www.rtb.ie](http://www.rtb.ie). There are two methods for resolving disputes, Mediation is a free service and allows parties to come to their own agreement with the facilitation of a trained mediator assisting parties to resolve the issues amicably. The second method is adjudication which consists of an adjudicator making a legal decision based on the facts and evidence of the claim. The RTB Adjudication Services cost €25 or €15 if the application is made on line.

#### **Q11. How often can the rent be reviewed?**

In existing tenancies the first rent review under the Rent Predictability Measure may take place a minimum of 2 years after the previous time the rent was set – in line with the current Rent Certainty provisions introduced in 2015. Subsequent rent reviews in Rent Pressure Zones may take place after a minimum period of one year. In areas outside Rent Pressure Zones, the 2015 provisions will still apply, and rent reviews may only take place after a minimum period of two years.

#### **Q12. Do the existing rules on rent setting still apply?**

The existing requirement that the rent set is not above the local market rents for similar properties still applies in designated Rent Pressure Zone and in non-designated areas. When undertaking a rent review or setting the rent for a new tenancy, the landlord must provide three examples of rents for similar properties in the locality to demonstrate this. The Rent Certainty provisions introduced in 2015 which require a minimum period of 2 years between rent reviews remain in force. The next rent review in all existing tenancies, including those undertaken in Rent Pressure Zones, may only take place a minimum of 2 years after the previous time the rent was set. However, subsequent rent reviews in Rent Pressure Zones under the Rent Predictability Measure may take place after a minimum period of one year.

#### **Q13. Does the measure apply to new tenancies?**

Yes. The measure applies to properties. This means that it will apply when rents are set at the start of a tenancy and when rents are set in a rent review during an ongoing tenancy.

#### **Q14. When setting the rent for a new tenancy what do I need to do?**

When setting the rent for a new tenancy, you will need to give the tenant written information at the start relating to the amount of rent that was last set under a tenancy for that dwelling, along with the date the rent was last set and information on how the rent was calculated which demonstrates that the rent increase is not more than 4% p.a. for the period since the rent was last set. A rent increase calculator and sample of the written information on the rent will be available on the Residential Tenancies Board website, [www.rtb.ie](http://www.rtb.ie), to assist you in determining the maximum increase permitted.

**Q15. Are all rental properties covered?**

No. Properties that are new to the rental market – i.e. properties that have not been let at any time in the previous two years – and properties which have been substantially refurbished can be exempted from the measure. However the existing requirement that the rent set for a property must be in line with local market rents for similar properties in the area still applies.

**Q16. How “substantially refurbished” does a property need to be to qualify for an exemption?**

A ‘substantial refurbishment’ must be a significant change to the dwelling resulting in increased market value of the tenancy. Therefore this would involve significant alterations or improvements which add to the letting value of the property - usually involving major building works or works requiring planning permission. For example, simple repainting or replacement of white goods would not be sufficient.

**Q17. How can I get an exemption?**

If your property is new to the market or substantially refurbished and you wish it to be exempt from the Rent Predictability Measure you will need to include in the rent notice to the tenant the evidence and information justifying the exemption. The existing requirement to demonstrate that the rent is in line with the rents for similar properties in the locality still applies. If the tenant feels that the conditions for the exemption are not met, they may refer a dispute to the Residential Tenancies Board. If you are not sure and want further information please contact the RTB. Contact details are provided at [www.rtb.ie](http://www.rtb.ie).

**Q18. How long will the measure apply for?**

An area may be designated as a Rent Pressure Zone for a maximum of three years. This means that the designation will lapse and the Rent Predictability Measure will cease to apply three years after area was designated. The designation of an area may be lifted earlier than this if the pressures on rent are deemed to have eased.

**Q19. Who decides to lift the measure?**

The Housing Agency, in consultation with the Local Authority concerned, will assess whether the rental market conditions in an area have stabilised and whether the balance between supply and demand has improved. Where the Agency finds that these changes have occurred, it may recommend to the Minister that the designation of a particular area be lifted. The Minister will then make an order lifting the designation of the area as a Rent Pressure Zone.

**Q20. Can the designation as a Rent Pressure Zone be extended beyond three years.**

No. The order for a designation expires no later than three years after it was made.

**Q21. What happens after the designation as a Rent Pressure Zone expires or is lifted?**

Once the area ceases to be designated as a Rent Pressure Zone, the rent review process will revert to that which applied before the area was designated. However, the minimum period of one year between rent reviews will continue to apply.