RTB
Bord um Thionóntachtaí Cónaithe
Residential Tenancies Board

The RTB Rent Index
Quarter 3 2017

About Us

The Residential Tenancies Board (RTB) is a public body set up to support and develop a well-functioning rental housing sector.

What do we do?

INFORMATION, RESEARCH AND EDUCATION

We provide high-quality information and assistance to the public, tenants and landlords on their rights and obligations, in terms both of living and providing accommodation in the rental sector. We also provide accurate and authoritative data on the rental sector, such as the Rent Index, which allows us to monitor trends in the rental sector and also allows individuals to check and compare rents in particular locations.

REGISTRATIONS

All private residential landlords and Approved Housing Bodies, who are not-for-profit housing providers, often referred to as Housing Associations, must register their tenancies. A public register of tenancies is available on our website. The registration of tenancies enables us to collect important data on the sector. It is also a key part of regulating and supporting the sector and ensuring that landlords and tenants are aware of their rights and responsibilities.

DISPUTE RESOLUTION

Since 2004, we have replaced the courts in dealing with the majority of disputes between landlords and tenants through our Dispute Resolution Service. This service offers a choice of resolution types to parties – mediation or adjudication.

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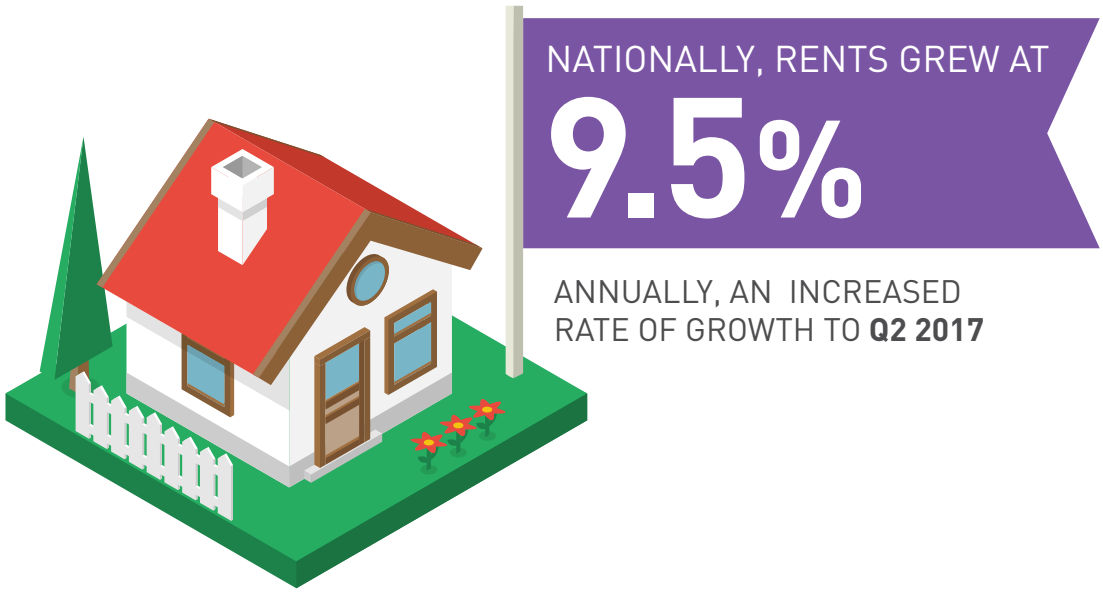
Introduction

This report is produced by the Residential Tenancies Board (RTB) and the Economic and Social Research Institute (ESRI) and provides rental indicators (the Rent Index) generated to track price developments in the Irish market. The analysis presents rental indices on a quarterly basis for a ten year period covering 2007 Q3 to 2017 Q3.

Up until recently, the Index estimated rents for just three regions; national, the Dublin area and outside the Dublin area. However, a new model was developed and has been in place since 2016 Q4 which provides information at a more granular Local Electoral Area (LEA) level. To further enhance the geographic presentation of rental data for Ireland, this report provides a further breakdown of standardised average rents by county as well as presenting a number of higher level aggregation indices which present variation for major cities (Dublin, Cork, Galway, Limerick, Waterford). These estimates further enhance the scope of the information provided in the report.

The Index is the most accurate and authoritative rent report of its kind on the private rental sector in Ireland. Relative to other market monitoring reports produced for the Irish rental sector, the RTB/ESRI Index has the considerable benefit of being based on regulatory data covering all new tenancy agreements registered with the RTB nationally. Using such regulatory data is a considerable strength as the data coverage is broader than the samples used by any private sector reports.

The report is structured as follows; in the next section, the overall results from 2017 Q3 are examined. The overall national Index is presented first and then disaggregated into the national picture by house and apartment. Second, high-level geographic estimates for selected regions and cities are presented. Estimates on a county-by-county basis are then provided and also the results for each LEA. In the appendices, more detail is provided on the calculation of the Index.



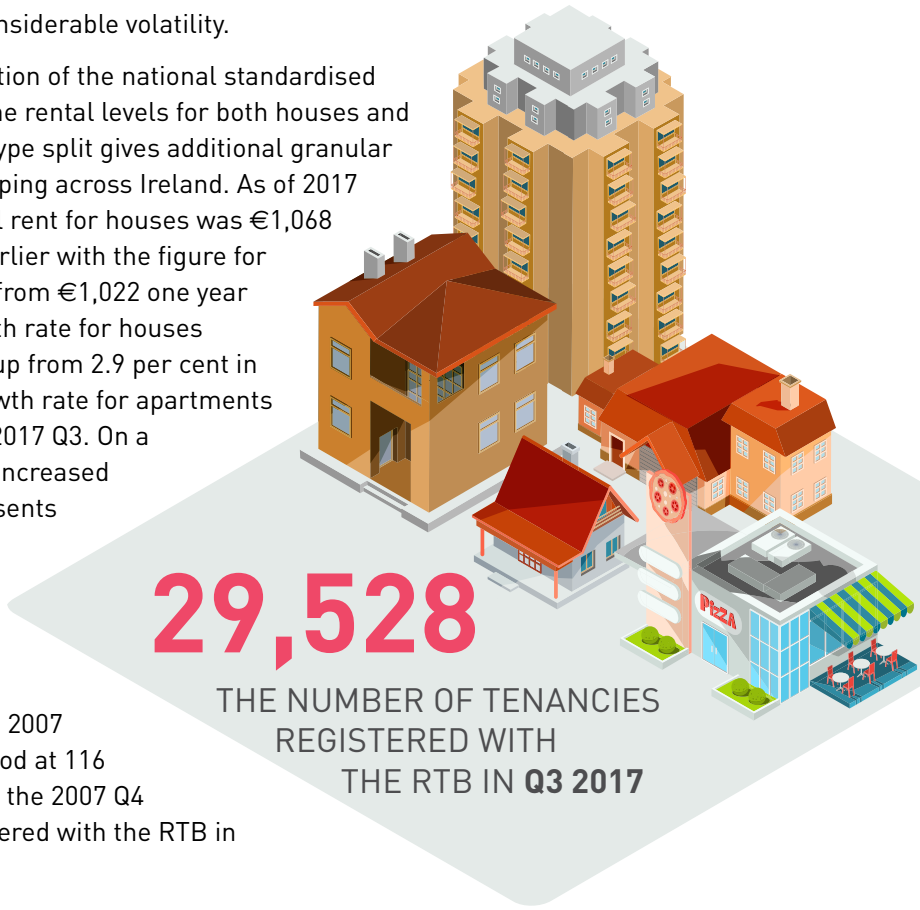
Summary of results for Quarter 3 2017

The results for the 2017 Q3 indicate that private sector rents continued to trend upwards.

Nationally, rents grew at 9.5 per cent annually, which represents an increased rate of growth relative to 2017 Q2. Furthermore, rents in 2017 Q3 were 7 per cent above their peak level recorded in 2007 Q4 as continued upward pressure has been exerted on prices in the sector: the Index stood at 107 for the latest quarter. Figure 1 tracks the development of the Index over time as well as splitting the national index by house and apartment. While rents began growing in late 2012, the acceleration in the pace of growth, beginning in early 2014, continued in the most recent quarter. This follows a moderate slowdown in pace of growth in 2016 Q4 and 2017 Q1.

Table 1 presents the standardised rents as well as the growth rates in the rental levels. As of 2017 Q3, the standardised average national rent was €1,056 per month, up from €965 one year earlier. Relative to Q1 and Q2 of 2017, the pace of growth accelerated in the third quarter of 2017. Standardised rents increased 3.9 per cent quarter-on-quarter to 2017 Q3, up from 2.9 per cent in the previous quarter. It must be noted rents are seasonal in nature so quarterly growth rates can display considerable volatility.

Table 2 provides a further disaggregation of the national standardised rents as well as the growth rates in the rental levels for both houses and apartments[1]. Providing this housing type split gives additional granular information into how rents are developing across Ireland. As of 2017 Q3, the standardised average national rent for houses was €1,068 per month, up from €987 one year earlier with the figure for apartments at €1,139 per month, up from €1,022 one year earlier. The quarter-on-quarter growth rate for houses increased to 4.3 per cent in 2017 Q3, up from 2.9 per cent in 2017 Q2. The quarter-on-quarter growth rate for apartments remained constant at 2.8 per cent in 2017 Q3. On a year-on-year basis, rents for houses increased by 8.2 per cent in 2017 Q3. This represents acceleration from 6.3 per cent in the previous quarter. Apartment rents increased by 11.5 per cent on a year-on-year basis. The Index for house rents stood at 105 in 2017 Q3, 4 index points higher than the peak in 2007 Q4. The Index for apartment rents stood at 116 in 2017 Q3, 8 index points higher than the 2007 Q4 peak. The number of tenancies registered with the RTB in Q3 2017 was 29,528.



1 The analysis for house and apartment is limited to only records which indicate that the agreement is for either of these housing types. If housing type is other, these data are included in the national series but not in the overall series. The standardised average for the overall national level is below both the housing and apartment levels due to the fact that the growth rates for housing and apartments are faster than for other dwellings (as classified) which leads these data to depart from the base differentials set in 2017 Q3.

Table 1: **Rent Index Q3 2017**

Period	Index	€	Year-on-Year	Quarter-on-Quarter
2007Q3	100	988		
2007Q4	100	988		0.0
2008Q1	100	987		-0.1
2008Q2	99	982		-0.5
2008Q3	92	908	-8.1	-7.5
2008Q4	93	918	-7.2	1.0
2009Q1	88	874	-11.4	-4.7
2009Q2	85	837	-14.8	-4.3
2009Q3	81	804	-11.5	-3.9
2009Q4	79	783	-14.7	-2.7
2010Q1	78	773	-11.6	-1.2
2010Q2	78	769	-8.1	-0.6
2010Q3	77	763	-5.2	-0.8
2010Q4	78	767	-2.0	0.6
2011Q1	76	753	-2.6	-1.8
2011Q2	77	758	-1.4	0.6
2011Q3	77	764	0.2	0.8
2011Q4	76	755	-1.6	-1.2
2012Q1	75	746	-1.0	-1.2
2012Q2	76	754	-0.5	1.1
2012Q3	78	767	0.4	1.7
2012Q4	77	761	0.8	-0.8
2013Q1	77	760	1.9	-0.1
2013Q2	78	769	1.9	1.1
2013Q3	80	787	2.6	2.4
2013Q4	80	792	4.1	0.6
2014Q1	80	794	4.5	0.3
2014Q2	83	820	6.7	3.3
2014Q3	85	836	6.2	1.9
2014Q4	85	844	6.6	1.0
2015Q1	86	855	7.6	1.2
2015Q2	89	878	7.0	2.7
2015Q3	91	902	7.9	2.7
2015Q4	93	922	9.2	2.2
2016Q1	93	923	8.0	0.1
2016Q2	97	955	8.7	3.4
2016Q3	98	965	7.0	1.1
2016Q4	100	989	7.3	2.6
2017Q1	100	988	7.1	-0.1
2017Q2	103	1,017	6.5	2.9
2017Q3	**107**	**1,056**	**9.5**	**3.9**

Figure 1: **RTB Rent Index - National Q3 2007 = 100**

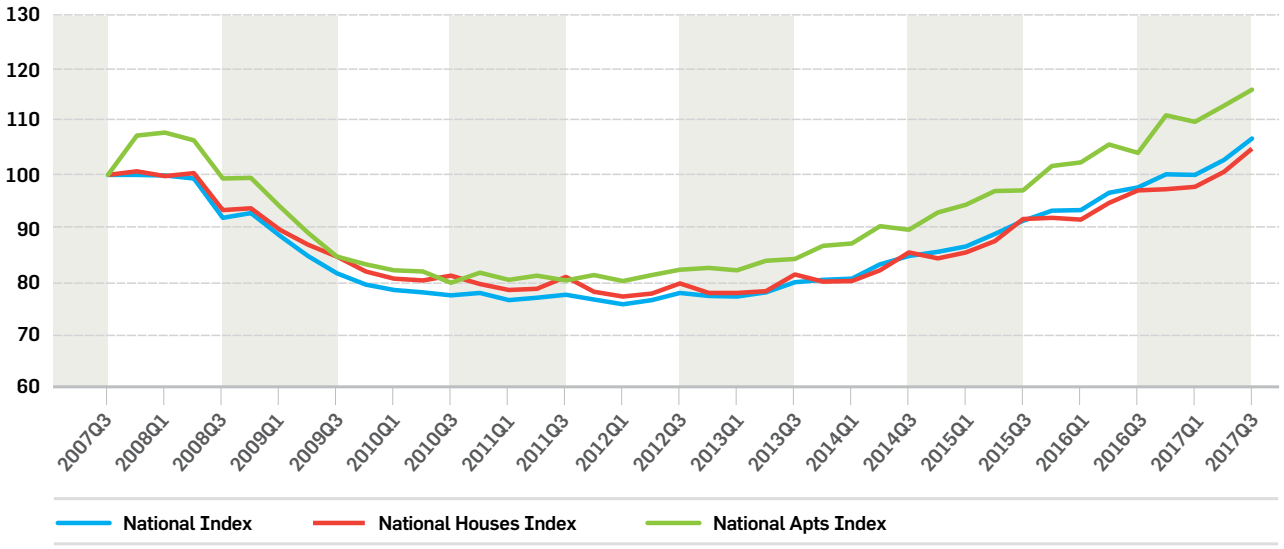


Table 2: **National Rent Index by House and Apartment**

Period	Index (2007 Q3 = 100)		Standardised Average Rent (€)		Quarter-on-Quarter Change		Year-on-Year Change	
	Houses	Apartments	Houses	Apartments	Houses	Apartments	Houses	Apartments
2007Q3	100	100	1,017	980				
2007Q4	101	108	1,025	1,054	0.8	7.6		
2008Q1	100	108	1,016	1,059	-0.9	0.5		
2008Q2	100	107	1,021	1,045	0.5	-1.3		
2008Q3	93	99	949	974	-7.0	-6.8	-6.7	-0.6
2008Q4	94	99	954	975	0.5	0.1	-6.9	-7.5
2009Q1	90	94	912	922	-4.4	-5.4	-10.2	-13.0
2009Q2	87	89	882	872	-3.2	-5.4	-13.6	-16.5
2009Q3	85	85	860	828	-2.6	-5.1	-9.4	-14.9
2009Q4	82	83	831	814	-3.3	-1.7	-12.9	-16.4
2010Q1	80	82	817	803	-1.7	-1.4	-10.4	-12.9
2010Q2	80	82	814	801	-0.4	-0.3	-7.8	-8.2
2010Q3	81	80	823	779	1.1	-2.7	-4.3	-5.9
2010Q4	79	81	807	798	-1.9	2.4	-2.9	-2.0
2011Q1	78	80	795	785	-1.5	-1.6	-2.7	-2.2
2011Q2	78	81	798	793	0.3	0.9	-2.0	-1.0
2011Q3	81	80	821	784	2.9	-1.1	-0.2	0.6
2011Q4	78	81	792	794	-3.5	1.3	-1.9	-0.5
2012Q1	77	80	783	783	-1.2	-1.4	-1.6	-0.3
2012Q2	77	81	788	794	0.7	1.4	-1.2	0.2
2012Q3	79	82	808	804	2.5	1.2	-1.6	2.5
2012Q4	78	82	790	807	-2.3	0.4	-0.3	1.6
2013Q1	78	82	790	803	0.0	-0.5	0.9	2.5
2013Q2	78	84	793	821	0.4	2.2	0.6	3.4
2013Q3	81	84	825	824	4.1	0.4	2.1	2.5
2013Q4	80	87	811	848	-1.7	2.9	2.7	5.1
2014Q1	80	87	813	853	0.2	0.5	2.9	6.2
2014Q2	82	90	833	886	2.5	3.9	5.1	7.9
2014Q3	85	90	868	879	4.2	-0.8	5.2	6.6
2014Q4	84	93	856	911	-1.4	3.7	5.5	7.4
2015Q1	85	94	867	925	1.3	1.6	6.7	8.5
2015Q2	87	97	889	950	2.5	2.7	6.7	7.3
2015Q3	92	97	933	952	4.8	0.2	7.4	8.4
2015Q4	92	102	935	997	0.2	4.7	9.2	9.5
2016Q1	92	102	931	1,004	-0.4	0.7	7.3	8.5
2016Q2	95	106	963	1,037	3.4	3.3	8.3	9.2
2016Q3	97	104	987	1,022	2.5	-1.5	5.9	7.3
2016Q4	97	111	989	1,092	0.2	6.9	5.8	9.5
2017Q1	98	110	994	1,079	0.5	-1.2	6.8	7.5
2017Q2	101	113	1,024	1,109	2.9	2.8	6.3	6.9
2017Q3	**105**	**116**	**1,068**	**1,139**	**4.3**	**2.8**	**8.2**	**11.5**

Comparison across Regions and Cities

In the housing sector, markets are often very local in orientation with households preferring to live in areas which are close to family, services, jobs, and amenities.

To provide an understanding of how rental prices vary across regions in Ireland, this section presents a selected number of sub-national indices and provides trends in rents for these areas. The areas are selected based on the previous RTB/ESRI old index geographic splits and some new additional material that provides more granular insights for cities and the Greater Dublin Area (GDA).

Please note that even where geographic splits correspond to previous report iterations, as the estimation methodology changed for this report, other than the starting base values, the figures will differ and should not be compared to previous versions. Time series are presented within this report iteration to provide a historical comparison.

Comparing Dublin and outside Dublin

The Dublin rental market is the largest in the country and how it develops over time has a large effect on developments in the national rental market. As Dublin also accounts for a large share of economic activity and employment, rent pressures can be greatest in this area with many people looking to live and work in close proximity. These pressures spill over into the Dublin commuter counties and many more households live in the counties surrounding Dublin. To begin the analysis looking below the national picture, the data are grouped into three regions: Dublin (including the four local authority areas), the Greater Dublin Area (excluding Dublin) and the rest of the country (Outside the Greater Dublin Area).

As of 2017 Q3, the standardised average rent for Dublin stood at €1,518, up from €1,382 one year earlier. The Dublin Rent Index stood at 120 in 2017 Q3 up from 115 in the previous quarter. This index level is 15 index points higher than the previous peak of 105 in 2007 Q4, an increase of 14 per cent since that point. The quarter-on-quarter growth rate in Dublin was 4.1 per cent in 2017 Q3, an acceleration from 3.1 per cent in 2017 Q2. On a year-on-year basis, Dublin rents were up 9.9 per cent, this represents an increase from 5.8 per cent year-on-year growth in 2017 Q2.

While rental pressures are evident in Dublin, many of the surrounding counties are also facing increasing rents. To provide a comparison to the Dublin area, we present results for the Greater Dublin Area excluding Dublin (GDA)[2]. While the level of rents in the GDA are not as high as in Dublin, as of 2017 Q3, the standardised average rent for the GDA stood at €1,086 up from €1,020 year-on-year.

2 The GDA contains counties Meath, Kildare, Wicklow. The average of these counties presented in the counties table does not equal the GDA figure as this is estimated from a separate regression for the high level regions.

The GDA Rent Index stood at 107 in 2017 Q3 up from 104 in the previous quarter. The quarter-on-quarter growth rate in the GDA was 2.7 per cent in 2017 Q3, an acceleration from 2.2 per cent in 2017 Q2. On a year-on-year basis, GDA rents were up 6.5 per cent, this represents a marginal increase from 6.2 per cent year-on-year growth in 2017 Q2. The rate of rental inflation is lower in the GDA than in Dublin on an annualised basis.

To capture rental pressures in the rest of the country, a Rent Index is presented for the rest of the counties outside the GDA. The standardised average rent for outside the GDA stood at €811 up from €743 year-on-year. This is lower than the rents for the Dublin area and GDA. The Rent Index for the rest of the country stood at 102 in 2017 Q3 up from 97 in the previous quarter. The quarter-on-quarter growth rate for the rest of the country was 5.5 per cent in 2017 Q3, an acceleration from 3.5 per cent in 2017 Q2. On a year-on-year basis, rents outside the GDA were up 9.2 per cent, this represents a marginal increase from 8.0 per cent year-on-year growth in 2017 Q2.

Figure 2: **RTB Rent Index – Dublin, GDA (excl. Dublin) and Outside GDA Q3 2007=100**

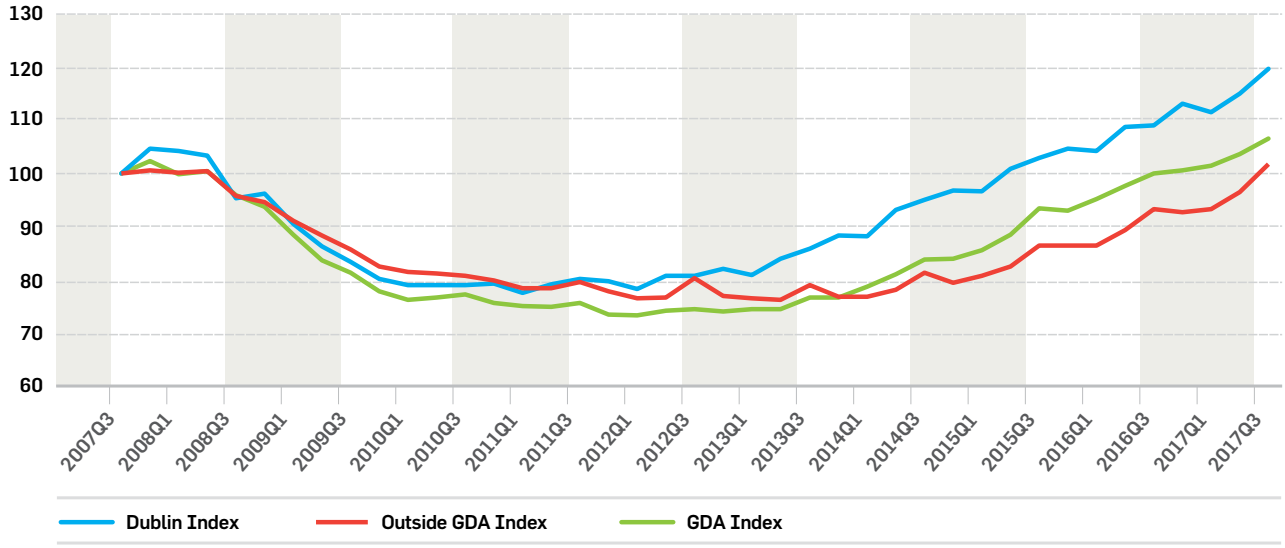


Figure 3: **Annual Growth in RTB Index Rent – Dublin, GDA (excl. Dublin) and Outside GDA**

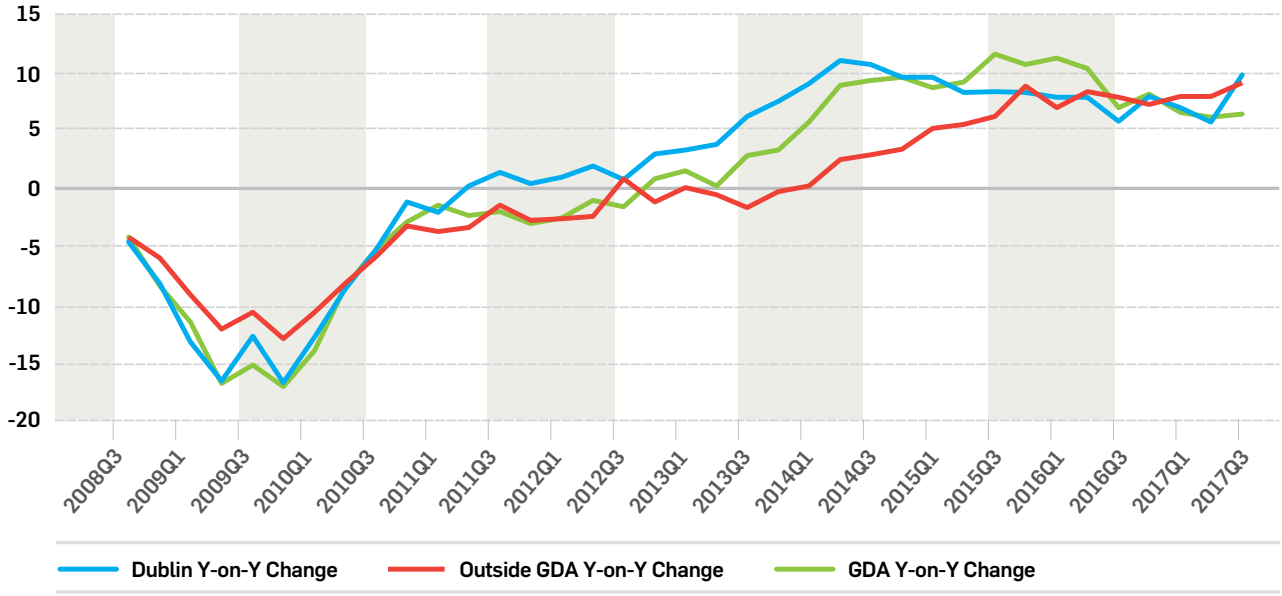


Table 3: **Rent Indices and Standardised Average Rents (Q3 2007 is Actual Average)**

	Dublin	Greater Dublin Area (excl Dublin)	Outside Greater Dublin Area	Dublin	Greater Dublin Area (excl Dublin)	Outside Greater Dublin Area
2007Q3	100	100	100	1,267	1,019	796
2007Q4	105	102	101	1,327	1,042	801
2008Q1	104	100	100	1,321	1,018	798
2008Q2	103	101	101	1,311	1,024	800
2008Q3	95	96	96	1,209	977	763
2008Q4	96	94	95	1,218	956	754
2009Q1	91	88	91	1,147	901	725
2009Q2	86	84	88	1,094	852	703
2009Q3	83	81	86	1,055	829	682
2009Q4	80	78	82	1,015	792	657
2010Q1	79	76	81	1,001	775	648
2010Q2	79	77	81	1,000	780	646
2010Q3	79	77	81	1,001	786	642
2010Q4	79	76	80	1,004	770	636
2011Q1	77	75	78	981	765	625
2011Q2	79	75	78	1,003	763	625
2011Q3	80	76	80	1,015	770	633
2011Q4	80	73	78	1,009	747	619
2012Q1	78	73	76	991	746	608
2012Q2	81	74	77	1,023	755	610
2012Q3	81	74	80	1,023	758	639
2012Q4	82	74	77	1,039	754	612
2013Q1	81	74	76	1,024	757	609
2013Q2	84	74	76	1,062	757	607
2013Q3	86	77	79	1,087	780	629
2013Q4	88	77	77	1,118	780	611
2014Q1	88	79	77	1,117	801	611
2014Q2	93	81	78	1,180	825	622
2014Q3	95	84	81	1,204	853	647
2014Q4	97	84	79	1,226	855	632
2015Q1	97	86	81	1,225	872	643
2015Q2	101	89	82	1,278	902	657
2015Q3	103	94	86	1,305	953	688
2015Q4	105	93	86	1,328	947	688
2016Q1	104	95	86	1,321	970	688
2016Q2	109	98	89	1,379	996	712
2016Q3	109	100	93	1,382	1,020	743
2016Q4	113	101	93	1,434	1,025	739
2017Q1	112	102	93	1,414	1,034	743
2017Q2	115	104	97	1,459	1,057	769
2017Q3	**120**	**107**	**102**	**1,518**	**1,086**	**811**

Table 4: **Growth Rates (Quarterly and Annual)**

	Dublin Quarterly Growth	Greater Dublin Area (excl Dublin)	Outside Greater Dublin Area	Dublin Annual Growth	Greater Dublin Area (excl Dublin)	Outside Greater Dublin Area
2007Q4	4.7	2.3	0.6			
2008Q1	-0.4	-2.4	-0.5			
2008Q2	-0.8	0.6	0.3			
2008Q3	-7.8	-4.6	-4.6			
2008Q4	0.8	-2.2	-1.2	-8.1	-8.3	-5.9
2009Q1	-5.8	-5.7	-3.8	-13.2	-11.5	-9.1
2009Q2	-4.7	-5.4	-3.0	-16.6	-16.8	-12.1
2009Q3	-3.5	-2.7	-3.1	-12.7	-15.2	-10.7
2009Q4	-3.8	-4.4	-3.7	-16.7	-17.1	-12.9
2010Q1	-1.4	-2.1	-1.3	-12.8	-13.9	-10.6
2010Q2	-0.1	0.6	-0.3	-8.6	-8.4	-8.1
2010Q3	0.1	0.7	-0.6	-5.2	-5.2	-5.8
2010Q4	0.3	-2.0	-1.0	-1.1	-2.8	-3.1
2011Q1	-2.3	-0.7	-1.8	-2.0	-1.4	-3.6
2011Q2	2.2	-0.3	0.0	0.3	-2.3	-3.3
2011Q3	1.2	1.0	1.4	1.4	-2.0	-1.4
2011Q4	-0.6	-3.0	-2.3	0.5	-2.9	-2.7
2012Q1	-1.8	-0.2	-1.7	1.0	-2.5	-2.6
2012Q2	3.3	1.3	0.2	2.0	-1.0	-2.4
2012Q3	0.0	0.4	4.8	0.8	-1.6	0.9
2012Q4	1.6	-0.6	-4.2	3.0	0.9	-1.1
2013Q1	-1.5	0.4	-0.5	3.4	1.6	0.1
2013Q2	3.8	0.0	-0.4	3.9	0.3	-0.5
2013Q3	2.3	3.0	3.7	6.3	2.9	-1.6
2013Q4	2.8	0.0	-2.9	7.6	3.4	-0.2
2014Q1	-0.1	2.7	0.0	9.1	5.8	0.3
2014Q2	5.7	3.0	1.8	11.1	9.0	2.5
2014Q3	2.0	3.4	4.1	10.7	9.4	2.9
2014Q4	1.8	0.2	-2.4	9.6	9.7	3.5
2015Q1	-0.1	1.9	1.7	9.6	8.8	5.2
2015Q2	4.4	3.5	2.1	8.3	9.3	5.5
2015Q3	2.1	5.7	4.8	8.4	11.6	6.3
2015Q4	1.7	-0.6	0.0	8.3	10.7	8.9
2016Q1	-0.5	2.4	0.0	7.9	11.3	7.0
2016Q2	4.4	2.6	3.5	7.9	10.4	8.4
2016Q3	0.2	2.4	4.3	5.9	7.0	7.9
2016Q4	3.8	0.5	-0.6	8.0	8.2	7.3
2017Q1	-1.4	0.9	0.6	7.0	6.6	8.0
2017Q2	3.1	2.2	3.5	5.8	6.2	8.0
2017Q3	**4.1**	**2.7**	**5.5**	**9.9**	**6.5**	**9.2**

A closer look at our cities

Many Irish renters live in urban centres and prefer accommodation close to jobs and amenities. To provide more insight into rental developments across cities in Ireland, we have estimated a new cities model which provides for standardisation of rents for each of the cities. The data are presented in Table 7. Rents are highest in Dublin City and stood at €1,473 as of 2017 Q3. This compares to standardised average rents for Dublin as a whole of €1,518 which highlights that rents outside the city boundaries are slightly higher. Galway City standardised average rents stood at €1,177 for 2017 Q3, standardised averages for Cork City at €1132, Limerick City at €832 and Waterford City at €580. On an annualised basis, rents in Limerick City have been growing most rapidly at just over 19.1 per cent with rents in Waterford growing at 14.6 per cent year-on-year. Rents in Dublin City grew at 10.4 per cent year-on-year, with a similar 11.4 per cent change for Cork City. Galway rents were flat on an annualised basis but this area displays a high degree of seasonality which must be considered when interpreting the trend.

Table 7: **RTB Rent Index – Irish Cities**

	Index 2017Q3	Standardised Average Rent 2017Q3	Standardised Average Rent 2017Q2	Q-o-Q Change (%)	Standardised Average Rent 2016Q3	Y-on-Y Change (%)
Cork City	110	1,132	1,052	7.6	1,016	11.4
Dublin City	122	1,473	1,416	4.0	1,334	10.4
Galway City*	114	1,177	988	19.1	1,181	-0.4
Limerick City	115	832	791	5.2	699	19.1
Waterford City	82	580	622	-6.7	507	14.6

* Galway City displays considerable seasonality issues.

Rental Developments across Counties

To provide a much more granular disaggregation of rental data across Ireland, we present standardised average rents, indices and per cent changes for each county.

These are presented in Table 8 and also graphically displayed in the two heat maps presenting the level of rents in 2017 Q3 (Figure 8) and the year-on-year growth rate (Figure 9). These maps provide a graphical representation of where rental pressures are greatest and how prices are distributed across the country.

Rents are highest in Dublin, the surrounding counties and larger urban counties such as Cork, Galway and Limerick. As of 2017 Q3, there were five counties where the average rent exceeds €1,000 per month (Cork, Dublin, Galway, Kildare and Wicklow). The highest standardised average rents were in Dublin at €1,518. The county with the lowest standardised average rent was Leitrim at €487 per month. The rate of rental growth on an annualised basis was fastest in Limerick at 22 per cent per annum. Rents in Waterford grew at 14 per cent per annum and in Monaghan and Westmeath grew at 13 per cent per annum. The slowest growing rents were in Leitrim which grew at 2 per cent on an annualised basis. Rents grew at 3 per cent per annum in Galway and at 4 per cent per annum in Kerry and Cavan.

AS OF **2017 Q3**, THERE WERE **FIVE COUNTIES** WHERE THE AVERAGE RENT EXCEEDS **€1,000 PER MONTH**

Table 8: **RTB Rent Index – Irish Counties**

	Index 2017Q3	Standardised Average Rent 2017Q3	Standardised Average Rent 2017Q2	Q-o-Q Change (%)	Standardised Average Rent 2016Q3	Y-on-Y Change (%)
Carlow	98	736	763	-3.5	699	5.4
Cavan	99	571	567	0.8	550	3.9
Clare	101	678	647	4.8	618	9.7
Cork	108	1,026	957	7.1	936	9.6
Donegal	96	545	524	4.0	523	4.1
Dublin	120	1,518	1,459	4.1	1,382	9.9
Galway	113	1,083	922	17.5	1,052	2.9
Kerry	111	702	694	1.2	674	4.2
Kildare	109	1,114	1,083	2.8	1,056	5.4
Kilkenny	102	798	773	3.3	748	6.7
Laois	101	746	718	3.9	695	7.4
Leitrim	89	487	484	0.7	477	2.1
Limerick	121	869	836	3.9	715	21.6
Longford	92	534	538	-0.8	491	8.7
Louth	112	884	901	-1.9	796	11.1
Mayo	90	575	564	2.0	552	4.3
Meath	109	997	996	0.1	916	8.9
Monaghan	97	627	579	8.3	554	13.3
Offaly	93	668	647	3.3	629	6.3
Roscommon	87	549	552	-0.6	515	6.5
Sligo	92	661	655	0.8	600	10.2
Tipperary	94	630	609	3.4	589	7.1
Waterford	91	635	676	-6.1	556	14.2
Westmeath	108	724	678	6.8	642	12.8
Wexford	96	694	645	7.6	629	10.4
Wicklow	103	1,152	1,098	4.9	1,088	5.9

Figure 8: **Standardised Average Rents by County, 2017 Q3, €**

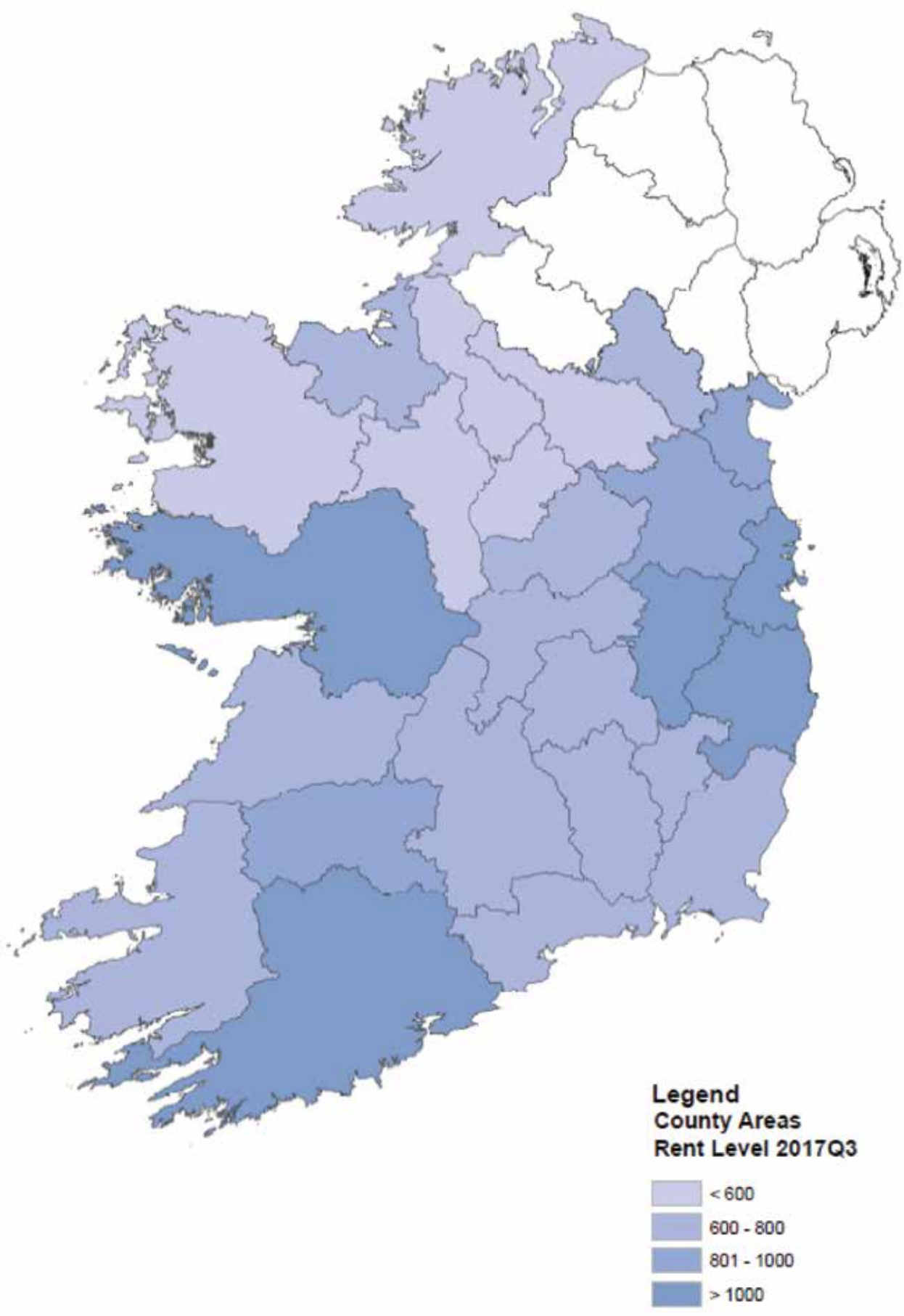
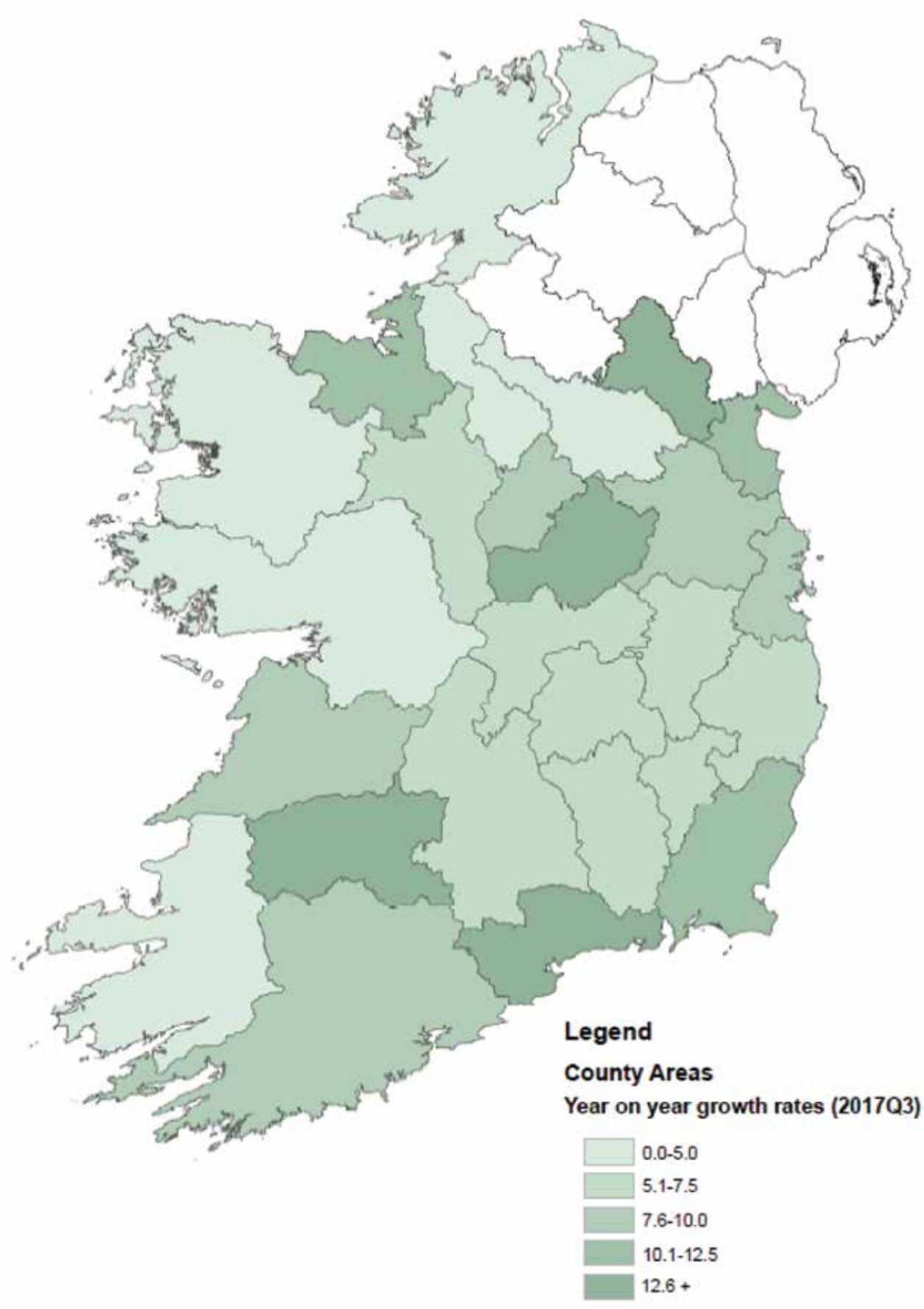


Figure 9: **Year-on-Year Growth Rates by County**



Local Electoral Area Rent Developments

Table 9 reports the recent rent growth at the more granular (Local Electoral Area – LEA) level.

The table also presents the number of quarters where annualised rent increases have been greater than or equal to 7 per cent and how rent levels in each LEA compares to the national average using the standardised rent approach. This standardised average adjusts for any changes over time in the composition of the housing stock. This table is presented to two decimal places as the calculation of LEA to the national average is completed at this level.

Table 9: **Rent Growth Summary, Standardised Average Rent and Rent Compared to National Average by LEA**

	Quarters >7%	2017 Q3 €	Local average compared to standard national average
National	4	1,056.44	100.00
Carlow	3	742.64	70.27
Muinebeag	1	688.04	65.10
Cavan - Belturbet	5	571.40	54.07
Bailieborough - Cootehill	4	658.95	62.35
Ballyjamesduff	3	659.88	62.44
West Clare	4	590.83	55.91
Killaloe	4	797.35	75.45
Shannon	5	748.67	70.84
Ennis	5	732.38	69.30
Kanturk - Mallow	6	736.16	69.66
Fermoy	3	750.68	71.03
East Cork	5	910.71	86.17
Cobh	5	1,071.13	101.35
Ballincollig - Carrigaline	2	1,246.53	117.95
Bandon - Kinsale	3	995.66	94.21
West Cork	3	732.50	69.31
Blarney - Macroom	4	927.35	87.75
Glenties	2	389.33	36.84
Letterkenny	4	615.28	58.22
Inishowen	1	461.87	43.70
Stranorlar	0	517.38	48.96
Donegal	1	546.98	51.76
Conamara	3	777.22	73.54
Tuam	4	659.00	62.36
Ballinasloe	3	575.02	54.41

	Quarters >7%	2017 Q3 €	Local average compared to standard national average
Loughrea	4	743.72	70.37
Athenry - Oranmore	2	973.63	92.13
Galway City West	2	1,140.71	107.94
Galway City Central	2	1,253.93	118.65
Galway City East	3	1,151.38	108.95
Listowel	3	606.86	57.42
Tralee	4	692.62	65.54
Killarney	2	754.39	71.38
South And West Kerry	3	656.49	62.12
Maynooth	4	1,310.54	124.01
Celbridge -Leixlip	1	1,296.25	122.65
Naas	3	1,229.95	116.38
Athy	5	843.38	79.80
Kildare -Newbridge	3	1,008.15	95.39
Castlecomer	2	653.02	61.79
Kilkenny City East	5	890.99	84.31
Piltown	4	787.04	74.47
Kilkenny Citywest	3	894.52	84.64
Cork City North Central	4	1,070.19	101.26
Cork City North East	2	911.92	86.29
Cork City North West	2	1,099.90	104.07
Cork City South Central	4	1,113.00	105.31
Cork City South East	2	1,237.88	117.13
Cork City South West	2	1,263.16	119.52
Borris-In-Ossory -Mountmellick	5	717.37	67.88
Portlaoise	4	844.56	79.91
Graiguecullen -Portarlington	4	821.05	77.69
Manorhamilton	2	492.10	46.56
Ballinamore	4	411.44	38.93
Carrick-On-Shannon	5	583.04	55.17
Newcastle West	2	488.38	46.21
Adare - Rathkeale	2	861.69	81.53
Cappamore - Kilmallock	3	646.45	61.17
Limerick City West	5	987.80	93.47
Limerick City North	5	839.54	79.44
Limerick Cityeast	5	986.34	93.33
Granard	5	565.82	53.54
Ballymahon	6	591.16	55.94
Longford	6	596.21	56.41
Dundalk Carlingford	5	723.91	68.50
Dundalk South	5	881.17	83.38

	Quarters >7%	2017 Q3 €	Local average compared to standard national average
Ardee	3	832.01	78.73
Drogheda	6	1,026.93	97.17
Ballina	1	606.79	57.42
Claremorris	1	565.62	53.52
Castlebar	3	639.03	60.47
West Mayo	2	651.01	61.60
Kells	2	772.96	73.14
Laytown -Bettystown	6	1,226.27	116.03
Ashbourne	5	1,074.07	101.63
Ratoath	4	1,270.94	120.26
Trim	5	953.87	90.26
Navan	5	969.86	91.77
Monaghan	1	619.81	58.65
Carrickmacross -Castleblayney	2	726.29	68.72
Ballybay –Clones	3	513.29	48.57
Birr	2	511.00	48.35
Tullamore	5	716.92	67.84
Edenderry	5	761.74	72.08
Boyle	4	506.08	47.89
Roscommon	4	589.92	55.82
Athlone (Co. Roscommon LEA)	3	683.65	64.69
Ballymote – Tobercurry	4	524.97	49.67
Sligo	2	658.64	62.32
Nenagh	3	691.88	65.47
Templemore -Thurles	2	581.83	55.05
Carrick-On-Suir	1	623.64	59.01
Clonmel	2	714.75	67.63
Cashel -Tipperary	1	651.23	61.62
Dungarvan -Lismore	6	693.53	65.62
Comeragh	*	*	*
Tramore – Waterford City West	4	675.25	63.89
Waterford City South	3	654.36	61.92
Waterford City East	6	847.78	80.22
Athlone (Co. Westmeath LEA)	2	755.32	64.69
Mullingar - Kilbeggan	3	723.41	68.45
Mullingar - Coole	4	741.69	70.18
Gorey	4	832.32	78.76
Enniscorthy	3	641.61	60.71
New Ross	4	708.13	67.00
Wexford	3	784.20	74.20
Baltinglass	4	937.55	88.71

	Quarters >7%	2017 Q3 €	Local average compared to standard national average
Bray	2	1,368.96	129.53
Greystones	3	1,509.58	142.84
Wicklow	4	1,196.92	113.25
Arklow	4	937.68	88.72
Balbriggan	3	1,259.59	119.18
Swords	3	1,451.03	137.30
Mulhuddart	2	1,412.10	133.62
Castleknock	5	1,576.91	149.21
Howth - Malahide	2	1,730.14	163.71
Stillorgan	3	2,062.34	195.14
Dundrum	2	1,968.36	186.25
Glencullen - Sandyford	4	1,901.47	179.92
Killiney - Shankill	2	1,673.64	158.36
Dun Laoghaire	3	1,647.14	155.85
Blackrock	1	1,794.60	169.81
Lucan	3	1,490.82	141.06
Tallaght Central	2	1,384.07	130.96
Templeogue - Terenure	4	1,708.51	161.66
Rathfarnham	3	1,837.12	173.83
Tallaght South	5	1,411.63	133.57
Clondalkin	5	1,335.94	126.41
Ballymun	3	1,417.73	134.15
Cabra - Finglas	5	1,373.31	129.95
Ballyfermot - Drimnagh	3	1,460.42	138.19
Crumlin - Kimmage	5	1,469.63	139.06
Rathgar - Rathmines	3	1,383.59	130.92
Pembroke - South Dock	2	1,762.09	166.73
North Inner City	3	1,436.68	135.94
Clontarf	2	1,431.74	135.47
Beaumont - Donaghmede	3	1,550.18	146.68

Note: * indicates that rents in areas with less than 30 observations are not published for statistical reasons.

Appendix 1: Technical Appendix

In the previous report, a technical appendix was provided which gave more details on the methodological approach of the new method as well as providing the rationale for some refinements that have been made since the previous publication.

As we move away from using the old index, we have provided these details again for this iteration.

As was documented previously, for the new Index, an econometric model is estimated over the entire time period (2007 Q3 to 2017 Q3) which includes characteristic variables for the number of bedrooms, the property type, number of tenants, tenancy length and other characteristics. For these variables, the reference property type is a 2-bedroom apartment, 1 tenant, 10 to 12 month lease, rent paid monthly in a region without a third-level institution.

To derive the Index, time dummy variables are then included in the hedonic regression to capture the change in the Index for each LEA. It is necessary to conduct the estimation in this manner as there are not enough registered tenancy agreements (observations) for each LEA to run the model in the rolling manner as per the previous Index.

With the new model, the characteristic variables capture the mix of properties across time periods while the time dummies capture changes in the price or rent of a constant quality representative dwelling. A mix adjusted Index is then calculated based on the time dummy coefficients. An assumption of this approach is that the implicit price of characteristics remains constant over time. Given that a separate dummy for each LEA for each quarter is estimated, this necessitates an additional (38 * 137 = 5,206) variables in the model. However, the model can cope with this as using the entire sample results in approximately 1,000,000 observations. Other than these LEA dummies, the new model has all of the other variables currently in the previous model. Consequently, the new model also includes controls for the size and type of house/apartment, length of tenancy, number of tenants, frequency of rent payment and presence of a third-level institution. As the model is estimated on the full sample with the new quarter's data added each time, it could be the case that coefficients change over time and that this could affect the historical rents. The differences in coefficients between 2017 Q2 and 2017 Q3 are in Table A.1.

Given the small number of observations in many of the LEAs, careful data management strategies must be employed to ensure statistical robustness. In line with national statistical good practice, we follow a number of steps in terms of data preparation and estimation. First, to deal with the influence of outliers (extreme values) on the estimates at an LEA area we employ a systematic process to identify and evaluate the effect of such extreme values. The methodology uses Proc GLM (in SAS) to calculate influence statistics for each observation. This process uses the Cook's Distance statistic. The conventional cut off for Cook's D is 4/Number of observations, this is used identify the extreme values in the dataset. Given the inclusion of accurate LEA identifiers, outlier analysis is carried out for the Rent per Month for each property separately for each of the 137 LEAs. For the outlier checks each property is classified as an apartment or not. The Start Quarter for each rental agreement is used as the covariate variable in the regression analysis. This methodology is different from that used in the 2016 Q4 Index and has led to some revisions in the historical estimates.

Table A.1: **Comparison of Model Estimates**

	LEA Model Q2 2017 Coefficient	LEA Model Q3 2017 Coefficient
1 Bedroom	-0.215	-0.215
3 Bedrooms	0.113	0.112
4 Bedrooms	0.219	0.216
5 bedrooms	0.258	0.261
Detached	0.011	0.0117
Semi-Det.	0.000	0.00127
Terrace	-0.022	-0.0200
Other Property	-0.305	-0.301
Part House	-0.245	-0.237
2 Tenants	0.047	0.0485
3 Tenants	0.062	0.0644
4+ Tenants	0.069	0.0688
1-6 months tenancy	-0.031	-0.0322
7-9 months tenancy	-0.079	-0.0825
Over 1 year tenancy	-0.057	-0.0576
Fortnightly rent	-0.052	-0.0493
Yearly rent	-0.120	-0.122
Quarterly rent	0.113	0.0825
Third level	-0.006	-0.0103
Time * LEA	Yes	Yes
Adjusted R-squared	0.677	0.680
Observations	1,011,462	1,003,158

The methodology generates an Index of rent growth. From 2017 Q1, the Index is based in 2007 Q4 for each LEA. To estimate current standardised rent levels in each LEA (i.e. rent levels that take into account the different composition of rental properties), we apply the growth rate generated by the model to an initial average value of rents in each LEA. These are compared to a national average rent (as in Table 1) from 2007 Q4. The base rents for 2007 Q4 are taken as per the initial LEA model presented for the 2016 Q4 iteration of the model and outlined in Lawless et al. (2017).

A number of points should be noted with the methodology. First, for each quarter, the new tenancy agreements are added to the dataset and the Index is estimated again from scratch. Furthermore, where late tenancies have been registered with the RTB after the publication of a previous report but relate to historical time periods, these will be included in the updated Index thus allowing for retrospective revisions of historical growth rates as would be the case with other national statistical producers. With any econometric analysis, the number of observations included in the analysis will differ from the actual number of registered tenancies that is reported by the RTB. This is due to a range of factors including missing information for key variables in the analysis, the removal of outliers which drops certain information and other data processes needed for regression work.

Given the small number of observations in many LEAs, it is not unexpected that there could be some volatility in the average rents, growth rates and Index number over time. This is due to the fact that where there are a small number of observations for an LEA, minor fluctuations in the number of observations can have a large influence on estimates and, over time, changes to the number, structure, and type of agreements can lead to large quarter-on-quarter changes. It could also be the case that the retrospective addition of late registered tenancies can have a large effect on the sample size for some areas. In this regard, large revisions and considerable swings in estimated standardised rents can occur for different LEAs. The inclusion of additional observations may also change some of the base coefficients if changes in composition occur. Approximately 30,000 observations have been included in the regression for 2017 Q3 (out of a total of 1,000,000 in the full regression).

In this iteration of the report, new models were estimated for the county level, the national house and apartment split as well as the Greater Dublin Area excluding Dublin, cities and the rest of the county. Each iteration of tables presented in the report is taken from different regression results. A more detailed description of these results is available on request from the ESRI. For Dublin, the figures presented throughout are taken from the county-level model.

The analysis in report does not make any seasonal adjustment to rent levels. Highly seasonal patterns are noticeable in the data and any interpretation of the results should be cognisant of this.

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The RTB Rent Index is produced by the ESRI based on anonymised data supplied by the RTB. It is produced using a hedonic regression. Details on the methodology are available from www.RTB.ie and www.esri.ie . There may be revisions to earlier quarters due to retrospective registrations. Historic time series for the index and the rent values are also available at the websites.

Average rents for different property types, sizes and locations are available on the RTB website.
Produced in conjunction with the ESRI.