The RTB Rent Index shows 7% annual increase in national rents as two new Rent Pressure Zones announced

- The Q2 2019 RTB Rent Index shows the national standardised average rent was €1,202 per month.
- Report shows a 7% annual increase and a 3% quarter-on-quarter rise in national standardised average rent indicating a strengthening in the quarterly inflation.
- The average rent for Dublin was €1,713 representing an increase of €114 since Q2 2018.
- Based on the new Rent Pressure Zone criteria, Carlow Local Electoral Area and Macroom Local Electoral Area are to become Rent Pressure Zone areas.

26th September 2019: According to the latest Rent Index from the Residential Tenancies Board (RTB), in the April-June period (Q2) of 2019, the standardised national average rent was €1,202 per month, up from €1,123 one year earlier (€79 increase). On a quarter-on-quarter basis, rents grew nationally by 3% in Q2 2019.

The RTB Rent Index, which is compiled in conjunction with the Economic and Social Research Institute (ESRI), is the authoritative guide to the Irish rental market. It is based on actual rents paid on 19,047 tenancies registered with the RTB in the quarter.

Following referral from the Housing Agency and the Minister for Housing, Planning and Local Government, Eoghan Murphy TD, the RTB, using the Q2 2019 Rent Index has confirmed to Minister Murphy that two Local Electoral Areas (LEAs), Macroom LEA and Carlow LEA meet the designation criteria. As a result, these LEAs will be designated Rent Pressure Zones as of today, 26th September 2019.

Commenting on the latest Rent Index Report, Rosalind Carroll, Director of the Residential Tenancies Board said:

“We know Rent Pressure Zones are having an impact at an individual level. The RTB is supporting compliance through public awareness campaigns, online resources and information.

However, there is no one quick fix for the rental sector and regulation is only part of the answer. The market is complex, our research illustrates this and we will be working with the ESRI to gain further insights into the factors driving rent inflation. It is important that policy is informed by the most accurate information in order to avoid any unintended consequences.

It is really important that landlords and tenants go to www.rtb.ie where they can check if their rental home is in a Rent Pressure Zone and what rent can be charged.”
Growth remains high in Dublin where the standardised average rent is now €1,713 per month, up from €1,599 (€114) in the same quarter the previous year. This represents a 7.1% annual increase in rent in the capital. On a quarterly basis the standardised average rent has increased by €57 per month (3.5%) in comparison to Q1 2019.

Outside of Dublin, the standardised average rent is considerably less, standing at €903 in Q2 2019. There are also very different rental markets across LEAs with standardised average rents ranging from €2,328 in Stillorgan, County Dublin, to €489 in Lifford-Stranorlar, County Donegal.

As of Q2 2019, there were seven counties where the standardised average rent exceeds (or equals) €1,000 per month – Cork, Dublin, Galway, Kildare, Louth, Meath and Wicklow. Limerick falls just under this €1,000 threshold with a standardised average rent of €991. The high rental levels in these areas relative to other counties reflects the concentration of demand close to the country’s largest employment hubs.

RTB Director Rosalind Carroll added;

“The RTB Rent Index is an important tool in helping understand the rental sector. While the pace of rental growth has slowed since our last quarterly report, the continued growth levels over consecutive quarters is not sustainable. The average national rent at this point is now 21% higher than the peak in Q4 2007 and the Dublin average rent is 32% higher than the peak.

To gain a more in-depth understanding of the drivers of this growth, the RTB will be working with the ESRI to provide further analysis and evidence to inform policy.

There has been significant legislative change implemented in the last four months and since the 1st July the RTB has increased powers to investigate and sanction non-compliance with Rent Pressure Zone measures, in particular where there is knowing non-compliance. It will take time to see the impact of these changes. Our first investigations under these new powers have now been officially commenced”.

The full Q2 2019 RTB Rent Index Report and supporting info-graphic, can be downloaded here:

- Q2 2019 RTB Rent Index Report
- Supporting infographic

Accompanying photography can be downloaded here

ENDS

For more information or to arrange an interview with Rosalind Carroll, Director of the Residential Tenancies Board please contact:

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NOTES TO EDITORS

*New Rent Pressure Zones*

For an area to be designated as a Rent Pressure Zone, it must meet the following criteria:

- **Criteria 1:** The annual rate of rent inflation in the area must have been 7% or more in four of the last six quarters.
- **Criteria 2:** The rent is above standardised average rent appropriate for that area.

Table 1: New Rent Pressure Zones Designated on the 26th of September 2019

<table>
<thead>
<tr>
<th>Local Electoral Area</th>
<th>County</th>
<th>Year-on-year Change in Rents Q2 2019</th>
<th>Number of Quarters &gt;7% growth</th>
<th>Standardised average rent Q2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlow LEA</td>
<td>Carlow</td>
<td>+12.69%</td>
<td>4</td>
<td>€879.80</td>
</tr>
<tr>
<td>Macroom LEA</td>
<td>Cork</td>
<td>+19.15%</td>
<td>4</td>
<td>€915.00</td>
</tr>
</tbody>
</table>

Appendix 1: Q2 2019 RTB Rent Index Summary Results

The Dublin Market

- Dublin's rental market continues to be the largest in the country in Q2 2019, accounting for more than two-in-five new tenancies that were registered with the RTB.
- The standardised average rent for Dublin in Q2 2019 was €1,713, up from €1,599 in the same quarter the previous year.
- This represents a 7.1% annual increase in rent in the capital. On a quarterly basis the standardised average rent increased by €57 per month or 3.5% in comparison to Q1 2019.

Outside Dublin

- Outside of Dublin, the standardised average rent is considerably less than in the capital standing at €903 in Q2 2019.

Greater Dublin Area (Meath, Kildare, Wicklow)

- The standardised average rent for the GDA (excluding Dublin) stood at €1,194 in Q2 2019 up from €1,118 the previous year. The quarter-on-quarter growth rate in the GDA (excluding Dublin) was 3.3 per cent in Q2 2019, an acceleration from the 0.4 per cent quarterly growth rate in Q1 2019.

Non-GDA

- Outside the GDA, the standardised average rent stood at €861 in Q2 2019, up from €799 the previous year. The Rent Index for the rest of the country stood at 112 in Q2 2019, an increase of 3 index points in comparison to Q1 2019.
- The quarter-on-quarter growth rate for outside the GDA was 2.2% in Q2 2019. On a year-on-year basis, rents outside the GDA were up by 7.7 per cent.
Cities
- Elsewhere in the country, the second highest standardised average rents in Q2 2019 were in Cork City at €1,177 per month, however Cork City experienced the slowest annual growth out of the cities at 4.2%.
- Galway City standardised average rents stood at €1,177 (5.7% year-on-year change) for Q2 2019.
- Waterford had the fastest growth rate of 13.9% annually – standardised average rent of €843. This may partly be due to Waterford City having the lowest base rent level (2.1% quarter-on-quarter) in comparison to the other major cities.
- Rents in Limerick City increased 10.2% annually to €973.

Rental Developments across counties
- The county with the lowest standardised average rent was Leitrim at €560 per month. This is more than €1,100 per month less expensive than rents in Dublin.
- In general, the border and midlands counties had the lowest rents in Q2 2019, with Monaghan, Donegal, Leitrim, Roscommon, Mayo, Cavan and Longford all having standardised average rents below €650 euros per month.
- Seven counties (Carlow, Kildare, Laois, Limerick, Offaly, Waterford and Westmeath) grew at double digit levels in Q2 2019, representing the fastest growing rents on a year-on-year basis.
- A full county by county breakdown is available on p20 of the Q2 2019 RTB Rent Index.

New versus Renewal Tenancies
- The annual growth rate of standardised average rent for new tenancies increased by 7.3% to €1,277 in Q2 2019 while the part IV renewals increased by 7.5% to €1,010.
- The year-on-year growth was faster for renewed tenancies compared to tenancies being registered for the first time.

Rental developments across cities RTB Rent Index – Irish Cities Index Q2 2019

<table>
<thead>
<tr>
<th></th>
<th>Index Q2 2019</th>
<th>Standardised Average Rent Q2 2019</th>
<th>Standardised Average Rent Q1 2019</th>
<th>Q-o-Q Change (%)</th>
<th>Standardised Average Rent Q2 2018</th>
<th>Y-on-Y Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cork City</td>
<td>121</td>
<td>1177</td>
<td>1149</td>
<td>2.4</td>
<td>1130</td>
<td>4.2</td>
</tr>
<tr>
<td>Dublin City</td>
<td>135</td>
<td>1691</td>
<td>1617</td>
<td>4.6</td>
<td>1555</td>
<td>8.8</td>
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<tr>
<td>Galway City</td>
<td>116</td>
<td>1117</td>
<td>1093</td>
<td>2.2</td>
<td>1057</td>
<td>5.7</td>
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<tr>
<td>Limerick City</td>
<td>125</td>
<td>973</td>
<td>942</td>
<td>3.3</td>
<td>883</td>
<td>10.2</td>
</tr>
<tr>
<td>Waterford City</td>
<td>114</td>
<td>843</td>
<td>826</td>
<td>2.1</td>
<td>741</td>
<td>13.9</td>
</tr>
</tbody>
</table>

Many Irish renters live in urban centres and prefer to live close to jobs and amenities. To provide more insight into rental developments across cities in Ireland, we present standardised average rents for each of the cities. The data is presented in Table 7. (See p18 of the Q2 2019 RTB Rent Index).

For more information, please see; [www.rtb.ie](http://www.rtb.ie)