



Bord um Thionóntachtaí Cónaithe
Residential Tenancies Board

Residential Letting Agents Report

December 2023



Acknowledgements

This research was conducted, and reports produced, by Amárach Research on behalf of the Residential Tenancies Board. The RTB would like to acknowledge the contributions made to this research by a number of individuals; groups; and, organisations. The RTB would like to thank the Letting Agents from across the country who took part in the research.

The RTB would also like to thank Amárach Research, in particular Gerard O'Neill, Michael McLoughlin, and Michele Cluskey, for undertaking this research on behalf of the RTB.

We would like to thank the external members of the Project Steering Group, Eddie Lewis (Institute of Public Administration) and Shane Burke (The Housing Agency), who provided invaluable guidance to the RTB throughout the project.

We would also like to thank the RTB Research Committee, chaired by Paddy Gray, who provided us with valuable comments on earlier drafts of the report and insights and inputs throughout this process.

Finally, we would also like to acknowledge the work of the RTB officials, particularly Alice Long, Anna Reymond, Brian Gallwey and Caren Gallagher.

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Executive Summary

Background

The Tenant, Landlord and Letting Agent research study was commissioned by the Residential Tenancies Board (RTB) and is one of the largest studies of the rental sector ever conducted in Ireland. The purpose of the study is to provide up-to-date and robust information on the landlords, tenants and letting agents in the rental sector.

The first year of the project was conducted in 2019/20. The second year of the project began in April 2022 and was completed in July 2023. The 2022/23 research followed the same methodology as that of 2019/20.

The letting agent research focussed on agents who were licensed to let residential property in the Republic of Ireland and consisted of both quantitative and qualitative elements.

This report presents findings from the 2022 letting agent research. Where relevant the results of the 2020 research are also shown thus allowing for comparison and the identification of sectoral trends.

Approach

The 2022 letting agent research included an online survey amongst 143 letting agents and in-depth telephone interviews with 13 letting agents. A similar approach was used in the 2020 letting agent research, but the number of online interviews achieved was lower (81).

Key Findings

This section of the report presents a summary of the key findings from the national online survey of letting agents. Comparisons are made between 2022 and 2020 where relevant.

Many of the themes that emerge in this component of the quantitative research programme mirror key findings in the research undertaken among the landlord and tenant stakeholder groups. They also reflect the findings reported in the qualitative research undertaken with individual letting agents.

Profile of letting agents in the sector

Overall, the profile of letting agents that completed the 2022 online survey was similar to that of letting agents who completed the 2020 online survey.

The vast majority were single branch operations (87% in 2022 vs 86% in 2020) spread throughout the Republic of Ireland.

All were operating as either micro or small enterprises as none of the branches whose agents participated had more than 50 employees. In 2022, nearly half (46%) employed three or less.

Most of the letting agents in 2020 and 2022 were well established – in 2022 nearly half (48%) were in business twenty years or more.

Agents typically provided a range of property services including residential lettings. There was an increase in 2022 of branches providing property management as a service from 26% in 2020 to 33% in 2022.

The rental stock

The average number of residential lettings that were managed on behalf of landlords rose steadily between 2019 and 2021. However, the rate of increase declined between 2021 and 2022.

Between 2021 and 2022, the median number of units available to let dropped from four units to one unit, suggesting a decline in supply. In 2022, more than one third (36%) of respondents indicated that the branch had no residential lettings available to let. The corresponding figure for 2020 was 19%.

The average number of properties undergoing refurbishment and being let for the first time also declined between 2020 and 2022.

In 2022, the median number of new tenancy agreements negotiated for property owners in 2021 was 15 overall but higher in Dublin (17). This is not surprising given the presence of a large international workforce in Dublin. Dublin is also the main hub for third level students in Ireland.

Market overview

When considering the private rental business in their own locality, the majority (62%) of respondents in 2022 were of the opinion that it had declined compared to 2021, reflecting the lack of new supply and the stability of tenant occupancy. One in five (20%) felt that the local private rental business had remained the same and 15% felt that it had grown.

When asked about rent levels locally, the majority (69%) of respondents in 2022 believed that rents had increased compared to 2021. One in five (21%) felt that local rents had remained the same and 5% stated that they had decreased compared to 2021. Amongst agents based outside Dublin, an even higher proportion (73%) believed that rents had increased compared to 2021.

When asked about their expectations for 2022 compared to 2021, the majority (57%) of agents stated that they were expecting to manage fewer residential lettings on behalf of landlords in 2022. When asked why they were expecting to manage fewer residential lettings, the main reason given by 95% of respondents was that 'landlords are leaving the market or selling due to a variety of reasons (including adverse media portrayal, high levels of taxation, legislation and too much administration/paperwork)'.

Rent and rent arrears

The results indicate that rent arrears were not a significant issue for agents in 2022. The average number of tenancies in rental arrears per branch was 3.43 and the median was zero. The proportion of branches where there were no arrears was 47%. In 2020, the average number of tenancies in rental arrears per branch was higher (5.19) but the median was also zero.

In 2022, the vast majority (86%) of letting agents stated that they did not offer incentives to attract private tenants. A small minority stated that they offered 'rent free periods' (2%) and 'rent discounts' (2%).

Supply and demand

In 2020, two thirds (67%) of those interviewed perceived that 'demand is greater than supply', In the 2022 survey, this figure increased to 98%. Therefore, it is clear that demand for residential property continues to far outstrip supply.

In 2022, the dearth of supply was perceived across all rental property types but was most acute for houses (single dwelling) and apartments in purpose-built developments, where the proportion of respondents stating that 'demand is greater than supply' was 95% and 93% respectively.

Management

The range of management services offered by letting agents to landlords increased in 2022, thus underlining the increasing complexity of the private rental sector. Services that increased the most in 2022 include 'deal with disputes (RTB or Courts)' (+9%), 'registration of tenancy with the RTB' (+8%), 'other regulatory compliance' (+8%), 'issue notices of termination' (+7%) and 'rent collection' (+7%). This indicates that landlords have become more reliant on letting agents being the source of up-to-date information that directly affects them. They do not have the time to keep up to date with all the changes to rules and regulations.

With regard to information required when screening tenants, there has been an increase in 2022 in the proportion of agents looking for a payslip (from 33% in 2020 to 50%) and a bank statement (from 22% in 2020 to 35%). It is most likely that these agents are looking for confirmation that prospective tenants can afford the rent, particularly in Dublin where rents are higher. In 2022, a personal reference was considered more important than a payslip amongst agents based outside Dublin (49% vs 29% in Dublin).

When setting rents in an RPZ, the key determining factor in 2022 was the 'maximum Rent Pressure Zone limit' (51%), whereas in 2020, agents were most likely to set rents 'in line with market rents in the local area' (38%). When setting rents outside of RPZs, the basis mainly used is 'in line with market rents in the local area' (68% in 2022 and 70% in 2020).

When dealing with disputes, the majority of letting agents prefer mediation to adjudication. In 2022 more than half (57%) stated that they preferred mediation (66% in 2020) and 28% preferred adjudication (25% in 2020). However, in 2022 when asked what method was most frequently used, a higher proportion (38%) ended up using adjudication. Rent arrears continues to be the most common reason for bringing a dispute to the RTB Dispute Resolution Service followed by overholding – although rent arrears were considered less of an issue in 2022 (37%) than they were in 2020 (54%) and overholding was considered more of an issue (21% in 2022 up from 13% in 2020).

Introduction



1.1 Introduction

The Tenant, Landlord and Letting Agent research study was commissioned by the Residential Tenancies Board (RTB). It is one of the largest studies of the rental sector ever conducted in Ireland.

This study is a central pillar of the RTB research programme, the overall aim of which is to create evidence-based reporting on important issues in the sector.

The purpose of the research project is to provide up-to-date and robust information on the landlords, tenants and letting agents in the rental sector. The research project is part of a strategic priority for the RTB to use data and research to promote a better understanding of the rental sector, monitor trends, assess their impact and influence policy and outcomes. One of the RTB core service areas is providing accurate information, data and insights to inform the public and policymakers.

The first phase of the project was conducted in 2019/2020. The second phase of the project began in April 2022. The 2022 research followed the same methodology as that of 2019/2020 to allow for robust comparability of results.

1.2 Research Objectives

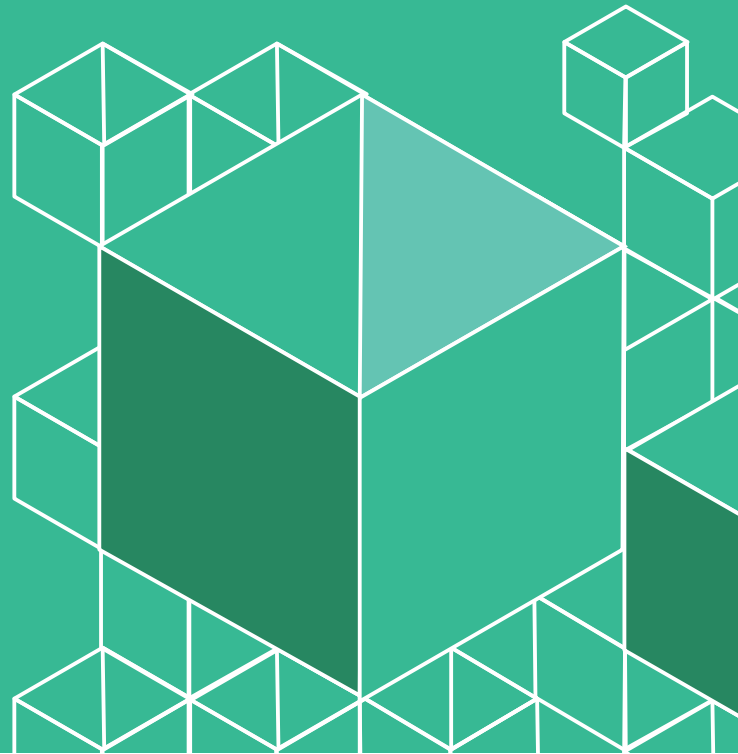
The research objectives for the project were as follows:

- ▶ help create an accurate profile of landlords, tenants and letting agents in the private rental sector;
- ▶ establish an evidence base of data around the actions and intentions of private landlords and tenants across a range of thematic areas;
- ▶ collect information that will facilitate the monitoring of sectoral trends over time; and
- ▶ gain insights into the drivers of behaviour of key stakeholders within the sector.

1.3 Report Structure

This report presents findings from the 2022 letting agent research. Where relevant, the results of the 2020 research are shown alongside those of 2022 to allow for comparability and the identification of sectoral trends. The comparison of results also takes into account the impact of the COVID-19 pandemic on the private rental sector in Ireland.

Letting Agent Research



2.1 Research Methodology

As was the case in the previous study, the methodology consisted of both qualitative and quantitative research elements. The quantitative methodology was conducted first. In the quantitative questionnaire, respondents were invited to engage in a qualitative research exercise. Those who opted in were then included in this qualitative exercise.

2.2 Sampling Approach Quantitative

The quantitative research was undertaken among a database of property agents which is publicly available from the Property Services Regulatory Authority (PSRA). The database included a comprehensive list of property agents who operate within the Republic of Ireland and the property activities for which each was licensed.

For the 2020 research, Amárach interrogated the database and identified those agents who were licensed to let residential property. In the database provided these were grouped by firm. Given that we were seeking to ascertain the organisation's perspectives on the residential letting market, Amárach sought to identify the agent who was in charge of the residential letting activity in each practice. Other than the name of the organisation, the name of the individual agent and the activities for which they were licensed, no contact details were provided in the database. Each identified eligible agent was then contacted by Amárach's call centre and invited to participate in the research. Given the timeframe of the 2020 research, many were working remotely because of the COVID-19 pandemic. Those who agreed to engage in the research programme shared their email addresses with Amárach Research. The most effective way of carrying out data collection was using an online methodology which overcame the challenge of remote working. Those who agreed to participate were sent an online link via email. When they clicked on the link, they were brought to the survey page, hosted on an Amárach server and they completed the survey online.

This element of the research was completed between November and December 2020. With many businesses working remotely and with the residential lettings sector particularly impacted by the COVID-19 pandemic, reaching agents who would engage in the research programme was challenging.

The same database of survey leads was used for the 2022 survey. Prior to commencing fieldwork, the leads were updated to reflect changes made to the PSRA register, including the addition of new agents that were added to the 2022 PSRA database since 2020.

The approach to surveying in 2022 was the same as 2020 – agents were sent an online link via the email address provided. The second online survey was completed between September and October 2022.

Typically, Business to Business research is built on smaller sample sizes and lower participation rates than consumer research. The target sample was 150 surveys in both 2020 and 2022. In total, 81 letting agents completed the 2020 online survey. This represented a response rate of c.10% on the total eligible database. Given the context and circumstances surrounding the survey (for the most part during the 2020 data collection period, agents and agencies appeared to operate remotely), this was a positive engagement and response.

A total of 143 letting agents completed the 2022 online survey. This represented a response rate of c.19% on the total eligible database and showed a notable improvement compared to the 2020 survey.

For the 2020 survey, the initial intention was to set regional targets to ensure that the sample was representative of letting agents by region. These regional targets were based on the tenancies by local authority file provided by the RTB. However, given the shortage of available leads, there were no actual quotas set for the 2020 survey. Instead, the responses by region were monitored as fieldwork progressed. A similar approach was followed in 2022. The results set out in Table 2.1 indicate that letting agent branches located in the Dublin region were somewhat under-represented in both surveys. However, the regional profile was broadly similar in 2020 and 2022 thus enabling a comparison of the results.

Table 2.1: Letting Agents - Target vs Achieved

Base: All letting agents	Target 2020/2022 ¹ (N=150)	Achieved 2020 (N=81)	Achieved 2022 (N=143)
Region			
Dublin	39%	31%	31%
Leinster (excluding Dublin)	21%	32%	26%
Munster	25%	25%	29%
Connacht and Ulster	15%	12%	14%

1 Private tenancies registered with the RTB at the end of 2020 LA Level

2.3 Sampling Approach Qualitative

The qualitative element of the letting agent research consisted of in-depth telephone interviews.

As part of the quantitative research programme, respondents were asked whether they would be willing to engage in further research on the topic. In 2020, 27 of the 81 respondents (33%) said that they were prepared to undertake further engagement. Through this opt-in methodology we identified 13 respondents who agreed to take part in a telephone interview. Each of these 13 participants were interviewed by a senior member of the project team and each of these one-to-one interviews lasted 45-60 minutes. The qualitative research was completed in December 2020.

A similar approach was adopted for the 2022 qualitative research. In 2022, a total of 143 respondents completed the online survey, 58 (41%) of whom agreed to take part in further research. Once again, 13 respondents were randomly selected through this opt-in methodology who agreed to take part in a telephone interview lasting 45-60 minutes. The interviews for the second wave of qualitative research were completed in November 2022.

Across both waves of qualitative research, the participants were drawn from a range of different types of letting agencies – varying by scale, geography and market focus. Included in the qualitative research were agents who managed small portfolios of 40 to 60 properties and those who managed portfolios of several thousand properties on behalf of institutional investors. Many of the property agents were also landlords in their own right in a personal capacity. They had practical as well as professional experience of engaging in the residential rental market.

2.4 Survey Instrument – Quantitative

The main survey instrument for the Letting Agent survey was designed by Amárach with input from the RTB Research Team and project steering group. The survey was then scripted for data collection online.

The survey instrument used in 2022 closely matched that of the previous survey to facilitate like-for-like comparisons. Any changes that were made to the 2022 survey were done in collaboration with the RTB Research Team.

The Quantitative Findings

3



This section of the report presents the findings from the online survey of letting agents. There were 81 successful surveys completed in 2020 and 143 successful surveys completed in 2022. Where comparisons could be made, the results of the 2020 survey are shown alongside those of the more recent survey.

The number of responses received in 2020 means it is only possible to report the findings for each question in their entirety. Bringing the analysis to the level below that of the overall sample would result in base sizes that are simply too small for robustness and credibility. However, the greater number of responses received in 2022 means that where relevant, the results are presented for 2022 in total and by region (Dublin versus outside Dublin).

The results are presented under the following headings:

- ▶ The Profile of Letting Agents in the Sector
- ▶ The Rental Stock
- ▶ Market Overview
- ▶ Rent
- ▶ Residential Property Supply and Demand
- ▶ Property Management

3.1 The Profile of Letting Agents in the Sector

The following section sets out the profile of letting agents who participated in the quantitative research programme.

Role and Responsibility

The 2022 survey showed a similar profile to 2020 in that the greatest proportion of respondents were the director of the letting agency (48% vs 53% in 2020); 20% were the manager (vs 11% in 2020); 18% were the owner/part owner (vs 26% in 2020); 7% were employees (vs 6% in 2020); 6% were the company secretary (vs 1% in 2020) and 1% were partners (vs 2% in 2020). This is outlined in Table 3.1.

Table 3.1: Profile of the survey respondents (n=143 (2020=81) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	81	143
Sole owner/part owner	26%	18%
Director	53%	48%
Manager	11%	20%
Partner	2%	1%
Company Secretary	1%	6%
Employee	6%	7%

S2 What is your job title?

In total, 94% said their business was a company; 3% said that they were sole traders and 1% said that it was a partnership. This was in line with 2020.

In 2022, the majority (87%) were single branch operations, followed by 10% who said that they had two or three branches, 2% who had between four and five branches and 1% who had more than 10 branches. Once again, these results were in line with 2020 as can be seen in Table 3.2.

Table 3.2: Number of branches in the business (n=143 (2020=81) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	81	143
1 branch (this one)	86%	87%
2-3 branches	9%	10%
4-5 branches	1%	2%
6-10 branches	2%	-
More than 10 branches	-	1%
Don't know	1%	-

Q2 How many branches does the business have across the Republic of Ireland?

Given the shortage of available leads, there were no actual quotas set for the 2020 and 2022 surveys. There were regional targets based on the tenancies by local authority file provided by the RTB and the responses by region were monitored as fieldwork progressed (please see Section 2.2).

In 2022, a wide regional spread was achieved - nearly one third (31%) of the letting agents surveyed were located in Dublin, followed by a similar proportion (29%) in Munster, 26% in the rest of Leinster and the remainder (14%) in Connaught/Ulster. Although letting agent branches located in Rest of Leinster represented a smaller share in 2022 (26% vs 32% in 2020), the regional profile was broadly similar in both surveys thus enabling a comparison of the results. The results are presented in Table 3.3.

Table 3.3: Regional distribution of respondents (n=143 (2020=81) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	81	143
Dublin	31%	31%
Rest of Leinster	32%	26%
Munster	25%	29%
Connaught/Ulster	12%	14%

Regional Distribution of Respondents

Table 3.4 shows that within each of these regions there was a presence in every county in the country in 2022.

Table 3.4: County distribution of respondents (n=143 (2020=81) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	81	143
Carlow	-	3%
Cavan	2%	1%
Clare	1%	2%
Cork	20%	17%
Donegal	-	3%
Dublin	35%	38%
Galway	7%	8%
Kerry	5%	7%
Kildare	5%	10%
Kilkenny	4%	6%
Laois	2%	3%
Leitrim	2%	1%
Limerick	4%	3%
Longford	1%	1%
Louth	5%	4%
Mayo	4%	3%
Meath	6%	9%
Monaghan	1%	1%
Offaly	6%	2%
Roscommon	4%	4%
Sligo	1%	2%
Tipperary	2%	3%
Waterford	4%	5%
Westmeath	4%	3%
Wexford	5%	8%
Wicklow	9%	6%
All areas	5%	3%

Q3 Which of the following areas does this branch cover?

All of the respondents were operating in letting agent businesses that would fall under a definition of Small or Medium Enterprises (SMEs). SMEs are defined by the CSO² as enterprises with less than 250 persons engaged. SMEs are further split into Micro enterprises with less than 10 persons engaged, other Small enterprises with between 10 and 49 persons engaged and Medium sized enterprises with between 50 and 249 persons engaged.

² <https://www.cso.ie/en/releasesandpublications/ep/p-bii/bii2015/sme/#:-:text=SMEs%20are%20defined%20as%20enterprises,50%20and%2049%20persons%20engaged.>

None of the branches whose agents participated in this research exercise employed more than 50 people and in 2022 nearly half (46%) employed three or less. A similar proportion (44%) worked in offices with 4-10 employees and just 10% of respondents worked in offices with more than 11 employees. The average number employed in the branch was 5.58 in 2022. This was slightly lower than 2020 (5.95) but the median was higher (4 vs 3 in 2020), as can be seen in Table 3.5.

Table 3.5: Number of employees in branch offices (n=143 (2020=81) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	81	143
1	12%	10%
2	27%	17%
3	12%	19%
4	16%	12%
5	1%	18%
6-10	17%	14%
11-50	12%	10%
Don't know	1%	-
Mean	5.95	5.58
Median	3	4

Q4 Approximately how many people are employed in this branch?

As was the case in 2020, most of these letting agents are long established. Nearly half (48%) have been in business twenty years or more and a further third (32%) have been in business for between 10 and 20 years. These results are more or less on par with the results of the 2020 survey. Nearly one in five (18%) have been operating for less than a decade, as Table 3.6 demonstrates. Only 1% have been operating less than a year, compared to 5% in 2020.

Table 3.6: Length of time in business (n=143 (2020=81) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	81	143
Less than a year	5%	1%
1 year or longer but less than 5 years	7%	10%
5 years or longer but less than 10 years	10%	7%
10 years or longer but less than 20 years	32%	32%
20 years or longer	46%	48%
Don't know	-	1%

Q5 How long has this branch been operating?

All those who completed the survey provided residential letting agency services (it was a precondition of participation); 75% were estate agents; 57% were auctioneers; 48% offered commercial letting agency services while 33% offered property management – which was described for this purpose as the management of a multi-unit development on behalf of a management body. When compared to 2020 it is interesting to note that there was an increase in 2022 of branches providing property management as a service from 26% in 2020 to 33% in 2022. Please see Table 3.7.

Table 3.7: Services provided by the branch (n=143 (2020=81) agents)

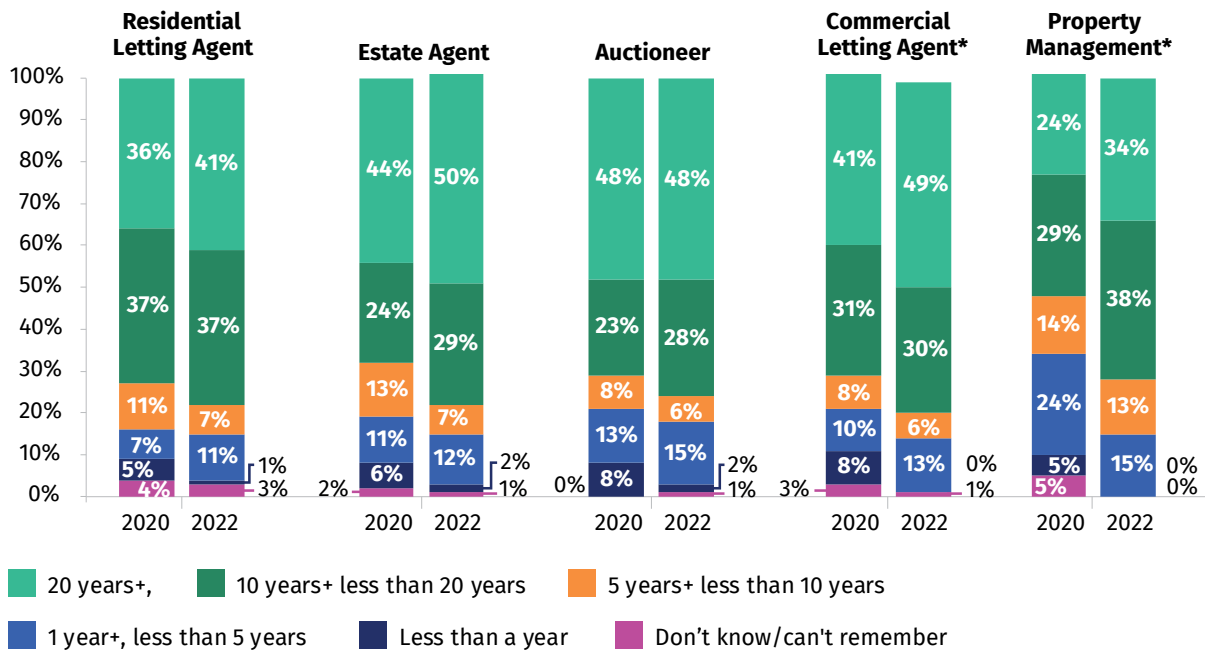
Base: All letting agents	2020	2022
	Total	Total
N=	81	143
Residential Letting Agent	100%	100%
Estate Agent	78%	75%
Auctioneer	64%	57%
Commercial Letting Agent	48%	48%
Property Management	26%	33%
Valuations	2%	4%
Other	1%	2%

S3 What property services does this branch provide?

Figure 3.1 illustrates that across all business types, they have typically provided this range of property services over a long period of time. The proportion of letting agents offering each service for 10 years or longer has increased since 2020. For example, in 2022, 78% of branches have been providing residential letting agent services for 10 years or longer, compared to 73% in 2020.

Conversely, the proportion of letting agents offering each service for less than a year has declined since 2020. This makes sense given that only 1% have been operating less than a year, compared to 5% in 2020.

Figure 3.1: Length of time services have been provided by the branch excluding agents not providing service



Q6 And for how long has this branch been providing these services?

*Caution: low base

3.2 The Rental Stock

Respondents were asked a series of questions about the residential lettings that they currently manage and to compare that figure to last year (Table 3.8). They were also asked in detail about the number of lettings that they had that were available to let, as Table 3.9 demonstrates.

The average number of residential lettings that branches managed on behalf of landlords rose by 20% in 2020 - from a mean of 104.39 units in 2019 to a mean of 125.95 units in 2020. Between 2020 and 2021 the average number rose another 10% to 138.11 units and between 2021 and 2022 the rate of increase slowed to +5% (a mean of 145.26 units). However, between 2021 and 2022 the median remained the same (60 units).

Table 3.8: Number of residential lettings managed by branch (n=143 (2020=81) agents)

Base: All letting agents	2020		2022	
	Last year (2019)	Currently (2020)	Last year (2021)	Currently (2022)
	Total	Total	Total	Total
N=	81	81	143	143
None	21%	19%	7%	6%
1-5	9%	9%	4%	5%
6-10	2%	2%	3%	5%
11-50	15%	17%	23%	27%
51-100	15%	15%	15%	15%
101-250	16%	17%	17%	15%
250+	10%	15%	14%	17%
Don't know	12%	6%	17%	10%
Mean	104.39	125.95	138.11	145.26
Median	50	53	60	60

Q9b And approximately how many residential lettings did the branch manage on behalf of landlords this time **last year**?

Q7b And approximately how many residential lettings does the branch **currently** manage on behalf of landlords?

When asked about the number of residential lettings that were available to let, the results suggest that the number stayed the same in 2020 relative to 2019. The median number of units available to let was two in 2019 and 2020. Between 2020 and 2021 the median number of units available to let rose to four, signifying an increase. However, between 2021 and 2022 the median number dropped to one unit, suggesting a decline in supply. Interestingly, in 2022 more than a third (36%) of all respondents indicated that the branch had no residential lettings available to let.

Table 3.9: Current availability of properties to let (n=143 (2020=81) agents)

Base: All letting agents	2020		2022	
	Last year (2019)	Currently (2020)	Last year (2021)	Currently (2022)
	Total	Total	Total	Total
N=	81	81	143	143
None	23%	19%	12%	36%
1-5	51%	53%	34%	41%
6-10	5%	7%	9%	4%
11-50	9%	11%	8%	3%
51+	1%	6%	3%	8%
Don't know	11%	4%	34%	8%
Median	2	2	4	1

Q9a Approximately how many residential lettings did the branch have this time **last year** that were available to let?

Q7a Approximately how many residential lettings does the branch **currently** have that are available to let?

Respondents were also asked about the portfolio that was currently available to let. They were asked how many of the properties were letting for the first time and how many were undergoing refurbishment. The results are set out in Table 3.10.

In 2020 and 2022, the vast majority of respondents said that they had no properties undergoing refurbishment (71% and 73% respectively). The average number of properties being refurbished was 1.04 in 2020 and 0.37 in 2022 but the median was the same (0).

The median number of fully vacant properties being let for the first time declined slightly from 2 in 2020 to 1 in 2022.

Table 3.10: Properties undergoing refurbishment excluding agents with no units available to let (n=80 (2020=63) agents)

Base: All letting agents	2020		2022	
	Fully Vacant: Letting for first time	Undergoing refurbishment	Fully Vacant: Letting for first time	Undergoing refurbishment
	Total	Total	Total	Total
N=	63	63	80	80
None	11%	71%	34%	73%
1	35%	10%	24%	16%
2	17%	11%	20%	6%
3	6%	3%	11%	3%
4	6%	-	3%	-
5	3%	2%	1%	-
6-10	5%	-	1%	-
11-50	11%	3%	3%	-
51+	5%	-	-	-
Don't know	-	-	4%	3%
Mean	7.58	1.04	1.66	0.37
Median	2	0	1	0

Q8 How many of these residential lettings are currently: Fully vacant – letting for the first time?

Q8 How many of these residential lettings are currently: Undergoing refurbishment?

In the more recent survey, letting agents were asked how many new tenancy agreements the branch negotiated for property owners in 2021. The results are presented in Table 3.11.

The median number of new tenancy agreements negotiated in 2021 was 15. It was slightly higher for agents based in Dublin (17) when compared to agents based outside Dublin (15). This is not surprising given the presence of a large international workforce in Dublin. Dublin is also the main hub for third level students in Ireland.

One in twenty (5%) agents stated that no new tenancy agreements were negotiated in 2021; 19% negotiated between one and ten new tenancy agreements; 34% negotiated between 11 and 50 new tenancy agreements and 7% negotiated more than 50; 35% stated that they didn't know how many new tenancy agreements were negotiated by the branch in 2021.

Table 3.11: Number of new tenancy agreements negotiated for property owners in 2021 (n=143 agents)

Base: All letting agents	2022		
	Total	Region	
		Dublin	Non-Dublin
N=	143	45	98
None	5%	2%	6%
1-5	8%	9%	7%
6-10	11%	13%	10%
11-50	34%	22%	40%
51+	7%	16%	3%
Don't know	35%	38%	34%
Mean	27.26	37.86	22.69
Median	15	17	15

Q10 Approximately how many new tenancy agreements did the branch negotiate for property owners in 2021?

3.3 Market Overview

The 2020 and 2022 survey, participants were asked a series of questions aimed at understanding their sense of change in the private rental sector. The questions related firstly to the size of the business and then to the level of rents.

In 2020, when considering the private rental business in their own locality compared to 2019, one third (33%) stated that the rental business had increased locally, 43% believed that the local rental business had stayed the same and 21% believed that rental business locally had declined.

In 2022, however, letting agents appear to have taken a different perspective. When considering the private rental business in their own locality, the majority (62%) believed that business had declined compared to 2021. One in five (20%) stated that business locally had remained the same as 2021 and 15% believed that business had grown locally. Please see Table 3.12 for details.

Table 3.12: Private rental business locally (n=143 (2020=81) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	81	143
Private rental business in this branch has grown compared to this time last year	33%	15%
Private rental business in this branch has remained the same as last year	43%	20%
Private rental business in this branch has declined compared to this time last year	21%	62%
Don't know	2%	3%

Q11 Has the private rental business in this branch grown, remained the same or declined in 2022 when compared to this time last year? (2020 – Has the private rental business in this branch grown, remained the same or declined in 2020 when compared to 2019 before the pandemic started?)

When looked at by region, the results for 2022 are similar for letting agents based in Dublin versus letting agents based outside Dublin. A slightly higher proportion of letting agents based in Dublin believed that business had grown locally (20% vs 13% outside Dublin) as can be seen in Table 3.13.

Table 3.13: Private rental business locally – by region (n=143 agents)

Base: All letting agents	2022		
	Total	Region	
		Dublin	Non-Dublin
N=	143	45	98
Private rental business in this branch has grown in 2022 compared to 2021	15%	20%	13%
Private rental business in this branch has remained the same in 2022 as 2021	20%	13%	23%
Private rental business in this branch has declined in 2022 compared to 2021	62%	60%	62%
Don't know	3%	7%	1%

Q11 Has the private rental business in this branch grown, remained the same or declined in 2022 when compared to this time last year?

In 2020, when asked about rent levels locally compared to 2019, nearly one third (31%) stated that rents had increased locally, 46% believed that rents locally had stayed the same and 20% felt that rents locally had declined. These results are in line with those for private rental business locally as outlined above.

In 2022, once again the view of letting agents appears to have changed. When considering rent levels locally, the majority (69%) believed that rents have increased when compared to 2021. One in five (21%) stated that rents locally have remained the same as 2021 and 5% believed that rents had decreased locally. Table 3.14 illustrates the details.

Table 3.14: Private rental costs locally (n=143 (2020=81) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	81	143
Rents in this branch have increased when compared to this time last year	31%	69%
Rents in this branch have remained the same as last year	46%	21%
Rents in this branch have decreased when compared to this time last year	20%	5%
Don't know	4%	5%

Q12 Have rents in the private rental business in this branch increased, remained the same or decreased in 2022 when compared to this time last year? (2020 – Have rents in the private rental business in this branch increased, remained the same or decreased in 2020 when compared to 2019 before the pandemic started?)

When looked at by region, the results for 2022 were somewhat different for letting agents based in Dublin compared to letting agents outside Dublin. A higher proportion of letting agents based outside Dublin were of the opinion that rents have increased locally when compared to 2021 (73% vs 60% inside Dublin) whereas a higher proportion of letting agents based inside Dublin believed that rents have stayed the same locally (31% vs 16% outside Dublin) as can be seen in Table 3.15.

Table 3.15: Private rental costs locally – by region (n=143 agents)

Base: All letting agents	2022		
	Total	Region	
		Dublin	Non-Dublin
N=	143	45	98
Rents in this branch have increased in 2022 compared to 2021	69%	60%	73%
Rents in this branch have remained the same in 2022 as 2021	21%	31%	16%
Rents in this branch have decreased in 2022 compared to 2021	5%	4%	5%
Don't know	5%	4%	5%

Q12 Have rents in the private rental business in this branch increased, remained the same or decreased in 2022 when compared to this time last year?

As a follow up to the level of local rent movement question, those who said that they had either increased or decreased were asked by what percentage rental levels had changed. In 2022, amongst those who believed that local rental levels had increased when compared to 2021 (99 letting agents), 60% estimated the change was between 1 and 10%. The average rent increase was estimated at 10.25% and the median was 10%. The base size was too low for 2020 to allow for comparison of results.

When asked about their expectations for 2021 when compared to 2020, the responses were quite evenly split, as Table 3.16 demonstrates. The highest proportion (37%) believed that they would be managing the same number of properties in 2021 when compared with 2020. One in five (19%) believed that they would be managing fewer properties and 32% believed that they would be managing more properties in 2021 when compared with 2020.

However, the responses for 2022 were quite different. When asked about their expectations for 2022 when compared to 2021, the majority (57%) stated that they were expecting to manage fewer residential lettings in 2022. One in five (22%) were expecting to manage the same number and 13% were expecting to manage more when compared to 2021.

Table 3.16: Residential lettings expect to manage (n=143 (2020=81) agents)

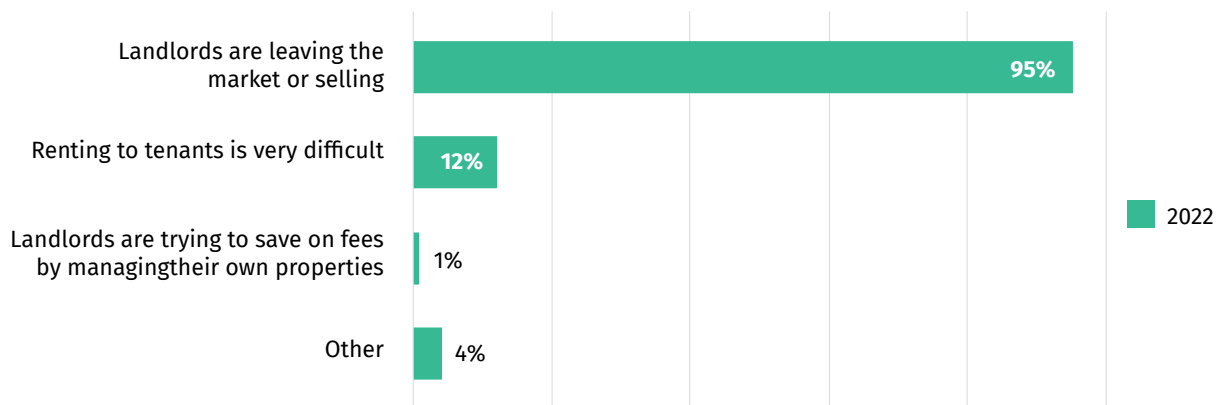
Base: All letting agents	In 2021 vs 2020	In 2022 vs 2021
	Total	Total
N=	81	143
Expect to be managing more	32%	13%
Expect to be managing the same	37%	22%
Expect to be managing fewer	19%	57%
N/A – don't manage residential lettings	10%	4%
Don't know	2%	3%

Q15 Do you expect to be managing more, the same or fewer residential lettings on behalf of landlords in 2022 when compared to 2021? (2020 – Do you expect to be managing more, the same or fewer residential lettings on behalf of landlords in 2021 when compared to 2020?)

Letting agents who anticipated that the portfolio would change in 2022 were asked to expand on their answer. Those who expected to manage fewer residential lettings on behalf of landlords in 2022 gave verbatim responses to this question and their answers were post coded. Multiple responses were allowed.

As can be seen in Figure 3.2, nearly all respondents (95%) gave the reason that ‘landlords are leaving the market or selling due to a variety of reasons (including adverse media portrayal, high levels of taxation, legislation and too much administration/paperwork)’. A much smaller proportion (12%) mentioned that ‘renting to tenants is very difficult (law favours the tenant and support for landlords is poor especially when tenants breach the terms of the lease)’ and 1% stated that ‘landlords are trying to save on fees by managing their own properties’.

Figure 3.2: Reasons why expect to manage fewer residential lettings in 2022 excluding landlords who don’t expect to be managing fewer lettings (n=82 agents)



Q16b Why do you expect to be managing **fewer** residential lettings on behalf of landlords in 2022?

3.4 Rent

Survey participants were asked a small number of questions about rent arrears and incentives offered to attract private tenants.

The issue of rent arrears was explored in detail in two questions. Firstly, respondents were asked to identify the number of private tenancies that were in rent arrears currently. They were then asked to consider the rent arrears scenario that pertained to last year. The results are shown in Table 3.17.

Rent arrears appear to be less of an issue in 2022 than they were in 2020.

In 2020, the average number of tenancies in rental arrears per branch was 5.19. The median was zero. The proportion of branches where there were no arrears was 56%. When asked to think back to 2019 the average number of tenancies in rental arrears per branch was higher (9.3) as was the median (2).

In 2022, the average number of tenancies in rental arrears per branch was 3.43. The median was zero. The proportion of branches where there were no arrears was 47%. When asked to think back to 2021 the average number of tenancies in rental arrears per branch was slightly higher (4.33) but the median was still zero.

Table 3.17: Rent arrears (n=143 (2020=81) agents)

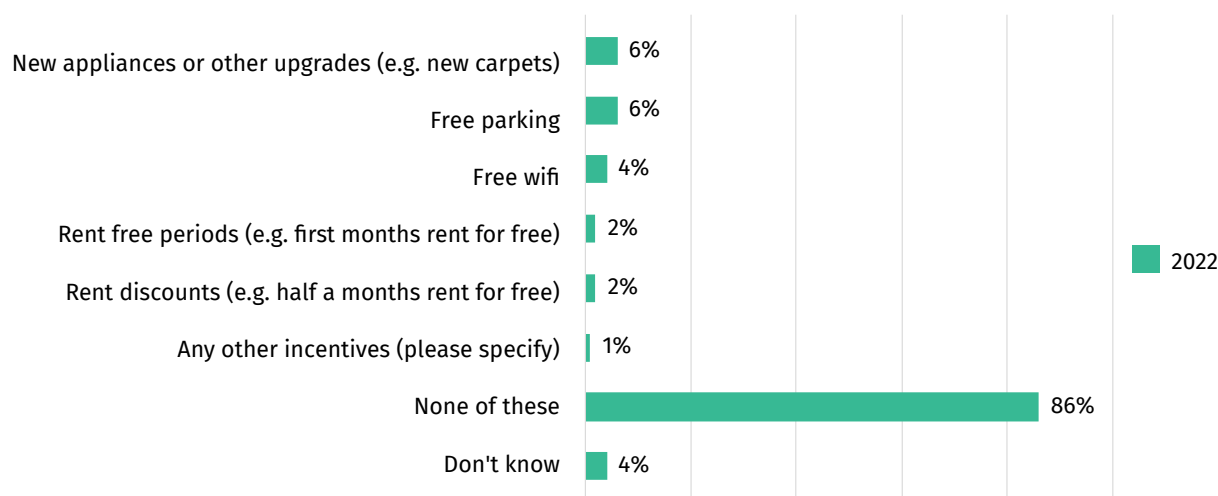
Base: All letting agents	2020		2022	
	Last year (2019)	Currently (2020)	Last year (2021)	Currently (2022)
	Total	Total	Total	Total
N=	81	81	143	143
None	37%	56%	47%	47%
1	6%	16%	11%	8%
2	11%	7%	10%	7%
3	9%	2%	3%	3%
4	1%	4%	1%	2%
5	12%	1%	3%	6%
6-10	9%	2%	6%	3%
11-50	6%	5%	5%	4%
51+	4%	1%	1%	1%
Don't know	5%	5%	12%	20%
Mean	9.30	5.19	4.33	3.43
Median	2	0	0	0

Q18 Roughly how many of the private tenancies that the branch manages were in rent arrears this time last year?
 Q17 Roughly how many of the private tenancies that the branch manages are currently in rent arrears?

In 2022, survey respondents were also asked if their branch offered incentives to attract private tenants. They were prompted with a list of incentives and asked which ones, if any, they offered. The results are laid out in Figure 3.3.

The vast majority (86%) of letting agents stated that ‘none of these’ incentives were offered by their branch to attract private tenants. A small minority indicated that they offered ‘new appliances or other upgrades’ (6%), ‘free parking’ (6%) and ‘free wifi’ (4%). An even smaller proportion offered ‘rent free periods’ (2%) and ‘rent discounts’ (2%).

Figure 3.3: Incentives offered by branch (n=143 agents)



Q19 Which, if any, of the following incentives does your branch offer to attract private tenants?

3.5 Supply and Demand

In this next section, letting agents were asked a series of questions about the supply of residential rental property in their branch catchment areas.

In 2020, it was perceived that there was a lack of supply overall, with two thirds of respondents (67%) indicating that 'demand is greater than supply', 16% stating that 'supply is meeting demand' and 15% stating that 'supply is greater than demand'. However, in 2022 nearly all respondents (98%) were of the opinion that 'demand is greater than supply' as seen in Table 3.18.

Unlike other questions, this question focused on the situation as applied in the market currently.

Table 3.18: Supply and demand (n=143 (2020=81) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	81	143
Supply is greater than demand	15%	1%
Supply is meeting demand	16%	-
Demand is greater than supply	67%	98%
Don't know	2%	1%

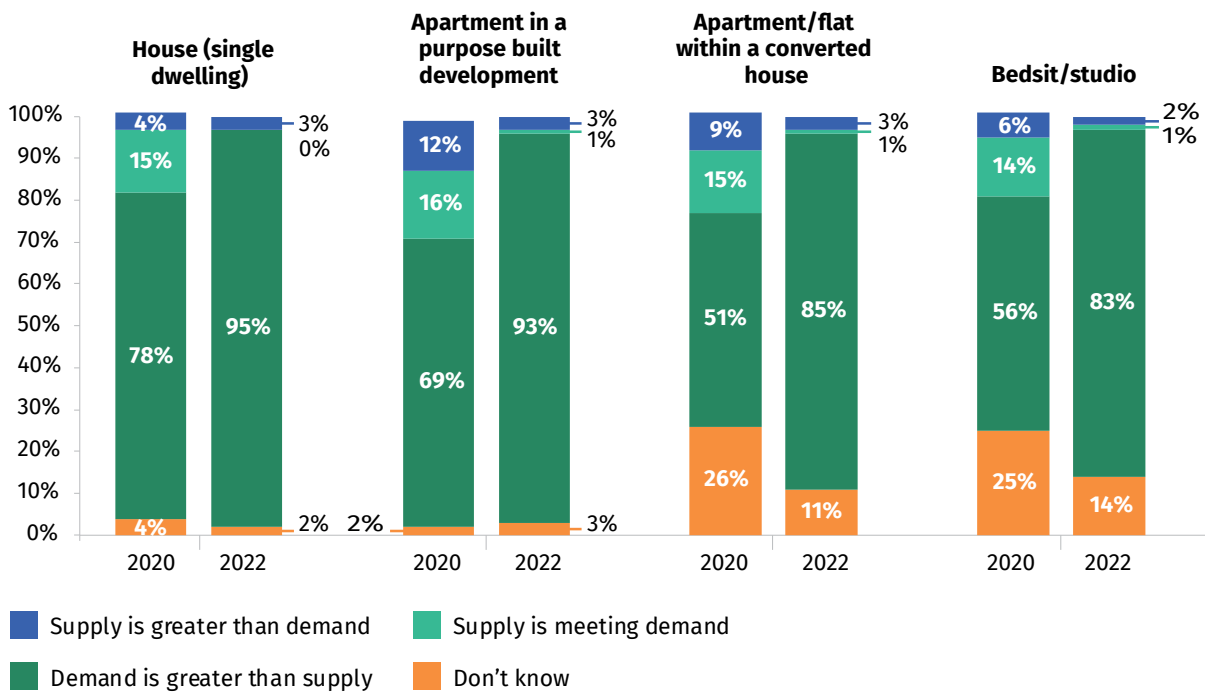
Q24 Overall, how would you best describe the supply of residential rental properties currently on the market in the area(s) where this branch operates?

Figure 3.4 looks at supply versus demand across different residential rental property types.

In 2020, demand was greater than supply across all rental property types. In the case of houses (single dwellings) and apartments in purpose-built developments, supply pressures were particularly acute.

The results indicate that supply pressures were even more severe in 2022. Once again this was most evident for houses and apartments in purpose-built developments where the proportion of respondents stating that 'demand is greater than supply' was 95% and 93% respectively. The highest response for 'supply meeting demand' was only 1% in 2022.

Figure 3.4: Demand and supply for different property types (n=143 (2020=81) agents)



Q25 For each of the following residential rental property types, how would you best describe the supply currently on the market in the area(s) where this branch operates?

3.6 Management

Management Services Offered

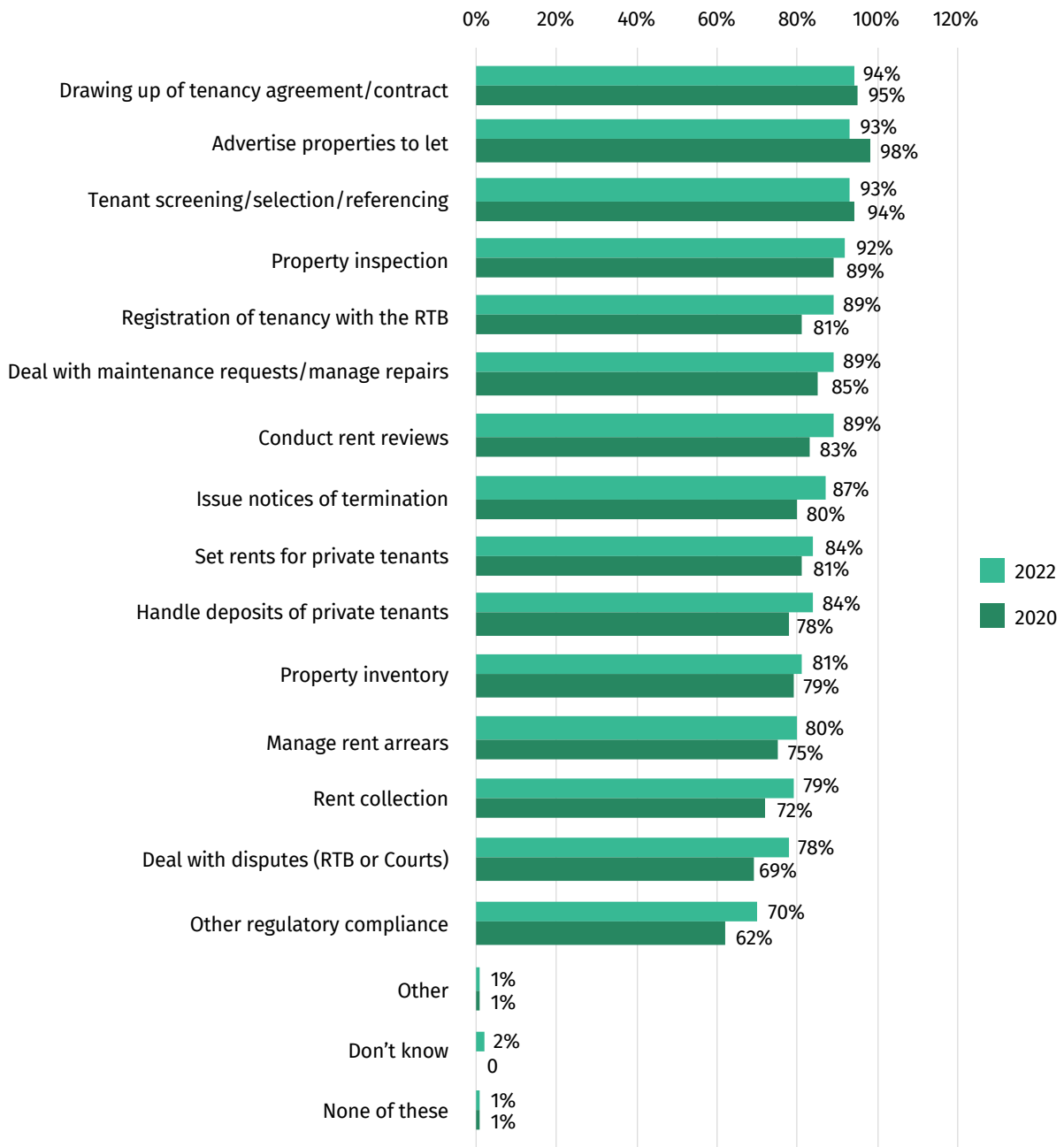
The agents were asked about the services that they offered to landlords in the context of property management, with the answers shown in Figure 3.5. The range of services that they provide is comprehensive. In the case of each management activity, the majority of agents offer the service.

In 2020, the only areas where service provision is below 70% are ‘dealing with disputes (RTB or Courts)’ where 69% offer the service and ‘other regulatory compliance’ (62%).

In 2022, there are no areas where service provision is below 70%. In fact, the proportion of agents offering each service is higher in 2022 except for the top three services – ‘drawing up of tenancy agreement/contract’, ‘advertise properties to let’ and ‘tenant screening/selection/referencing’.

Services that increased the most in 2022 include ‘deal with disputes (RTB or Courts)’ (+9%), ‘registration of tenancy with the RTB’ (+8%), ‘other regulatory compliance’ (+8%), ‘issue notices of termination’ (+7%) and ‘rent collection’ (+7%).

Figure 3.5: Management services provided by the branch to landlords (n=143 (2020=81) agents)



Q26 Which of the following letting agent services does this branch currently offer?

When looked at by region, the 2022 results indicate in Table 3.19 that letting agents based in Dublin are more likely to offer the following services than letting agents outside of Dublin: property inventory (91% vs 77%), other regulatory compliance (76% vs 67%) and setting rents for private tenants (89% vs 82%).

Table 3.19: Management services provided by the branch to landlords by region (n=143 agents)

Base: All letting agents	2022		
	Total	Region	
		Dublin	Non-Dublin
N=	143	45	98
Drawing up of tenancy agreement or contract	94%	93%	94%
Advertise properties to let	93%	96%	92%
Tenant screening or selection or referencing	93%	91%	94%
Property inspection	92%	93%	91%
Registration of tenancy with the RTB	89%	89%	89%
Deal with maintenance requests or manage repairs	89%	93%	87%
Conduct rent reviews	89%	91%	88%
Issue notices of termination	87%	87%	88%
Set rents for private tenants	84%	89%	82%
Handle deposits of private tenants	84%	84%	84%
Property inventory	81%	91%	77%
Manage rent arrears	80%	80%	81%
Rent collection	79%	78%	80%
Deal with disputes (RTB or Courts)	78%	78%	79%
Other regulatory compliance	70%	76%	67%
Other	1%	0	2%

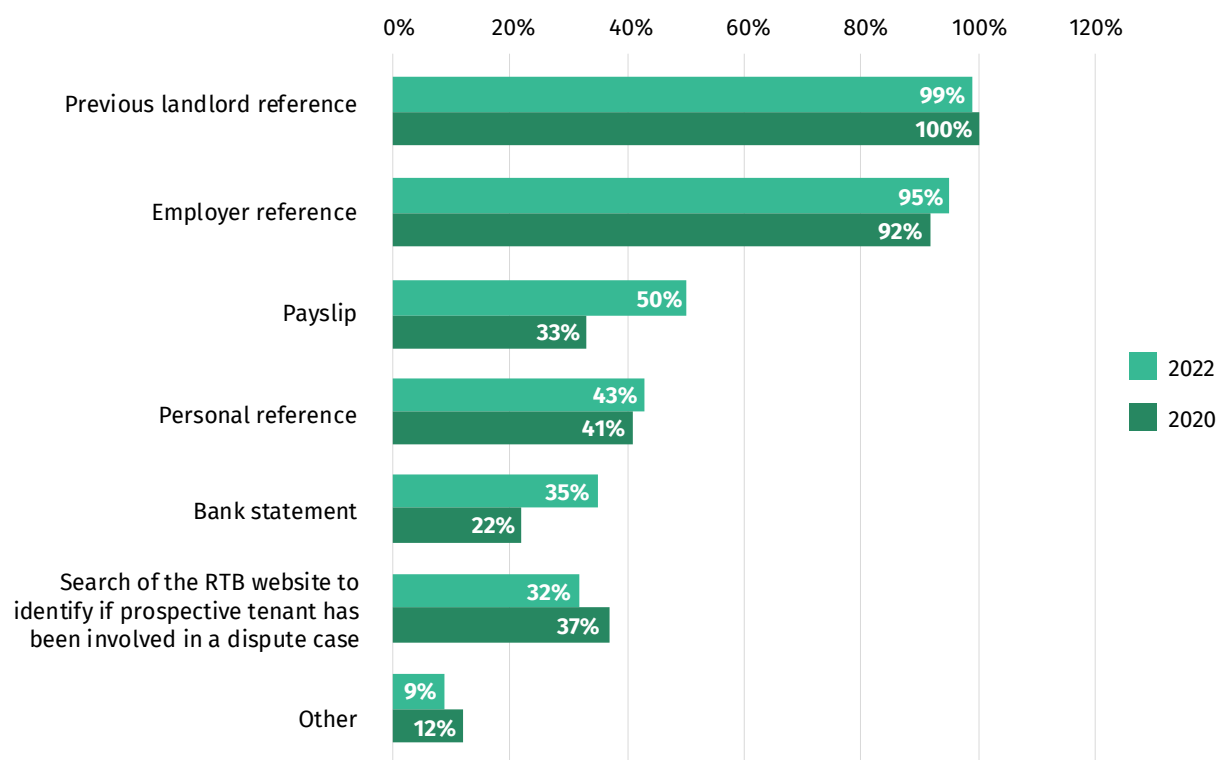
Q26 Which of the following letting agent services does this branch currently offer?

Information Sought from Tenants

Those agents who offered tenant screening/selection and referencing services, were asked what the branch requires when they are screening and selecting tenants for private rental properties. Figure 3.6 contains detailed findings.

In 2022, nearly all agents (99%) look for references from a previous landlord, 95% look for an employer reference and 43% look for a personal reference. These results are very similar to those from the 2020 survey. There has been an increase in the proportion of agents looking for a payslip (from 33% to 50%) and a bank statement (from 22% to 35%). One third (32%) are likely to search the RTB website to identify if the prospective tenant has been involved in a dispute case, this was slightly lower than in 2020 (37%).

Figure 3.6: Information requested from prospective tenants excluding agents who don't offer tenant screening/selection as a service (n=133 (2020=76) agents)



Q27 Which of the following does this branch require when screening/selecting tenants for private rental properties?

When looked at by region, the 2022 results indicate that there is a greater requirement for an employer reference and a payslip amongst agents based in Dublin. A personal reference is considered more important than a payslip amongst agents based outside Dublin (49% versus 29% in Dublin). Please see Table 3.20 for more details.

Table 3.20: Information requested from prospective tenants by region excluding agents who don't offer tenant screening/selection as a service (n=133 agents)

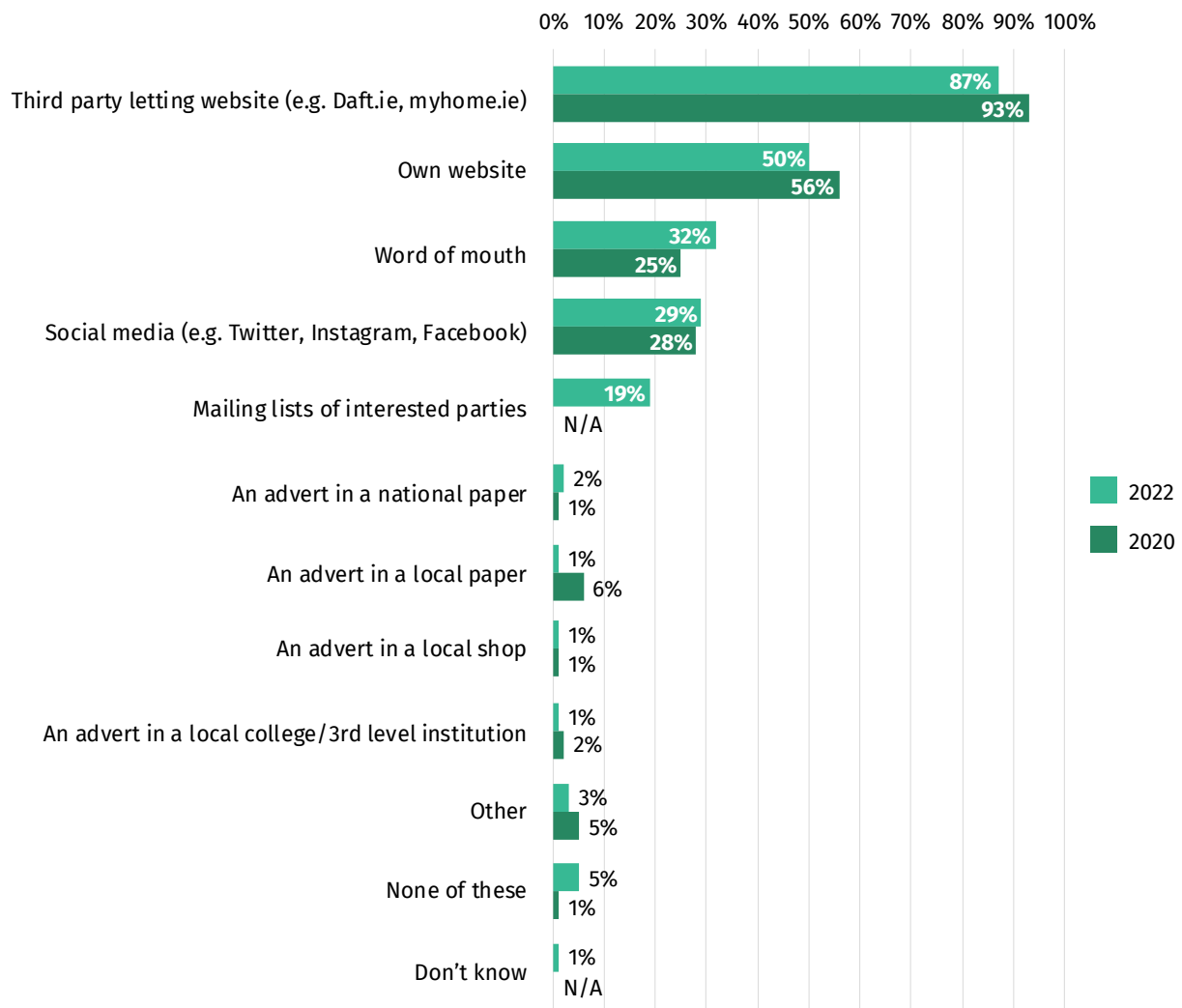
Base: All letting agents	2022		
	Total	Region	
		Dublin	Non-Dublin
N=	133	41	92
Previous landlord reference	99%	98%	100%
Employer reference	95%	100%	92%
Payslip	50%	56%	47%
Personal reference	43%	29%	49%
Bank statement	35%	32%	36%
Search of the RTB website to identify if prospective tenant has been involved in a dispute case	32%	34%	30%
Other	9%	12%	8%

Q27 Which of the following does this branch require when screening/selecting tenants for private rental properties?

Marketing Properties to Rent

The agents were asked what means they use to market properties to rent. The responses are contained in Figure 3.7. The 2020, research highlighted the continuing importance of third-party letting websites when marketing properties. In 2022, nearly nine in ten (87%) respondents say that they use these platforms, down slightly from 2020 (93%). A majority (50%) use their own website, also down slightly from 2020 (56%). Word of mouth appears to have increased in importance – one third (32%) use this to market properties (up from 25% in 2020). Other resources include social media (29%) and mailing lists of interested parties (19% - added to the 2022 survey). The decline of print media is reflected in the low response for an advert in a local paper (1%) and an advert in a national paper (2%).

Figure 3.7: Marketing channels (n=143 (2020=81) agents)



Q28 Which, if any, of the following does this branch use to market properties for private rental?

The 2022 results indicate that third-party letting websites feature more strongly amongst agents based in Dublin (96% vs 84% outside Dublin). Whereas outside Dublin there appears to be greater use of word of mouth (36% vs 24% in Dublin), social media (32% vs 22%) and mailing lists of interested parties (26% vs 4%) to market properties for private rental. Please see Table 3.21 for details.

Table 3.21: Marketing channels by region (n=143 agents)

Base: All letting agents	2022		
	Total	Region	
		Dublin	Non-Dublin
N=	143	45	98
Third party letting website (e.g. Daft.ie myhome.ie)	87%	96%	84%
Own website	50%	51%	50%
Word of mouth	32%	24%	36%
Social media (e.g. Twitter Instagram Facebook)	29%	22%	32%
Mailing lists of interested parties	19%	4%	26%
An advert in a national paper	2%	0	3%
An advert in a local paper	1%	0	1%
An advert in a local shop	1%	2%	1%
An advert in a local college or 3rd level institution	1%	2%	0
Other	3%	4%	2%
None of these	5%	0	7%
Don't know	1%	2%	1%

Q28 Which, if any, of the following does this branch use to market properties for private rental?

Deposit Procedures

Those who said that they handle deposits from private tenants (please see Figure 3.5) were asked what was the most common deposit amount that the branch charges to private tenants. In 2022, nearly all agents (99%) stated that they charge one month's rent, compared to 94% in 2020.

Table 3.22: Deposit sought from prospective tenants excluding agents who don't offer handling deposits as a service (n=120 (2020=63) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	63	120
One month's rent	94%	99%
Less than one month's rent	-	-
More than one month's rent	6%	1%

Q29 What is the most common deposit amount that this branch charges to private tenants?

Setting Rental Levels

Agents who said that one of the management functions they provided to landlords was setting rents for private tenants (please see Figure 3.5) were asked what basis the branch used for setting rents in Rent Pressure Zones (RPZs). Given that the regulations in relation to setting rents within RPZs are different to the regulations outside RPZs, respondents were given the opportunity to outline how they dealt with rent setting in both circumstances.

Table 3.23 contains the responses from both surveys.

In 2020 and within Rent Pressure Zones (RPZs), the most important basis identified was in line with market rents in the local area (38%), followed by maximum RPZ limit (35%) and amount of rent that was last set under a tenancy for the property (17%). In contrast, outside Rent Pressure Zones, the main basis for setting rents was in line with market rents in the local area at 70%.

In 2022 and within RPZs, the majority (51%) stated that the maximum RPZ limit was the basis mainly used for setting rents. This was followed by the amount of rent that was last set under a tenancy for the property (17% on par with 2020) and in line with market rents in the local area (13%). Similar to 2020, the basis mainly used for setting rents outside RPZs was in line with market rents in the local area at 68%.

Table 3.23: Setting rental levels excluding agents who don't offer setting rents as a service (n=120 (2020=66) agents)

Base: All letting agents	2020		2022	
	Inside RPZs	Outside of RPZs	Inside RPZs	Outside of RPZs
	Total	Total	Total	Total
N=	66	66	120	120
In line with market rents in the local area	38%	70%	13%	68%
Maximum rent pressure zone limit	35%	5%	51%	--
Amount of rent that was last set under a tenancy for the property	17%	5%	17%	3%
Advised by landlord	5%	3%	3%	6%
Other	5%	8%	3%	3%
Don't know/not applicable	2%	11%	13%	20%

Q30a What basis does this branch mainly use for setting rents **in Rent Pressure Zones?**

Q30b What basis does this branch mainly use for setting rents **outside of Rent Pressure Zones?**

During 2021, rent setting rules changed in RPZs. Prior to this, rents could not be increased by more than 4% per annum in an RPZ. However, since December 2021 rents cannot be increased by more than general inflation or 2% per annum, whichever is lower.

In the 2022 survey, letting agents were asked if they were aware of this recent change to rent setting rules in RPZs. An overwhelming majority (98%) of these agents stated that they were aware.

Approaches to Property Inspections

Another key aspect of property management service provided by agents to landlords is inspection of properties. Those agents who provide this service were asked about the frequency of inspection and the notice provided for inspections.

Table 3.24 contains the responses to the frequency of inspection question. In 2022, most agents (85%) stated that they inspect private rental properties that are under management annually or more often, 11% undertake it less often than once a year and 2% stated that they never do it. This last figure may be the result of the fact that the service is offered by agents but not availed of by their clients. When compared to 2020, the frequency of inspection appears to be somewhat higher in 2022 (85% vs 74% conduct annual inspections).

Table 3.24: Frequency of property inspections excluding agents who don't offer property inspections as a service (n=131 (2020=72) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	72	131
Regularly (annually or more often)	74%	85%
Occasionally (less than once a year)	18%	11%
Never	3%	2%
Other (please specify)	4%	-
Don't know	1%	1%

Q32 How often does this branch inspect private rental properties that are under management?

When looked at by region, it appears that in 2022 agents based in Dublin were more likely than agents based outside Dublin to inspect properties annually or more often (95% vs 81%) as can be seen in Table 3.25.

Table 3.25: Frequency of property inspection by region excluding agents who don't offer property inspections as a service (n=131 agents)

Base: All letting agents	2022		
	Total	Region	
		Dublin	Non-Dublin
N=	131	42	89
Regularly (annually or more often)	85%	95%	81%
Occasionally (less than once a year)	11%	2%	16%
Never	2%	2%	2%
Don't know	1%	0	1%

Q32 How often does this branch inspect private rental properties that are under management?

Those who undertake regular or occasional inspections were then asked about the notice provided to the tenant in advance of the inspection. In 2022, the majority (52%) provided more than a week's notice; 28% provided between 5 and 7 days' notice; 11% provided between 3 to 4 days' notice, while 2% provided 1 to 2 days' notice.

In 2020, a higher proportion stated that they provide more than a week's notice (66% versus 52% in 2022). Table 3.26 has more details.

Table 3.26: Notice provided to tenants of property inspections excluding agents who don't inspect properties that are under management regularly or occasionally (n=127 (2020=59) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	59	127
More than 1 week	66%	52%
5-7 days' notice	20%	28%
3-4 days' notice	7%	11%
1-2 days' notice	5%	2%
Less than a days' notice	-	-
Other (please specify _____)	2%	-
Don't know (DNRO)	-	7%

Q33 In general, how much notice is provided for inspections?

Fixed Term Tenancies

The survey respondents were asked whether the branch they operated in offered fixed term tenancies to private tenants. In 2022, three in four (76%) agents responded that they did, compared to 86% in 2020, as Table 3.27 illustrates.

Table 3.27: Provision of fixed term tenancies (n=143 (2020=81) agents)

Base: All letting agents	2020	2022
	Total	Total
N=	81	143
Yes	86%	76%
No	14%	24%

Q34 Does the branch offer fixed term tenancies to private tenants?

Those who offered fixed term tenancies through their branches were then asked about the type of tenancies that they offered and the main fixed term tenancy that was offered to private tenants. The results are contained in Table 3.28.

In both surveys the most common fixed term tenancy was a one-year fixed term. In 2022, this was offered by 88% of branches and the main fixed term tenancy for 87% (similar to 2020). While 23% of agents in 2022 offered fixed term tenancies of less than one year, it is the main type of tenancy offered by only 8% of respondents. Similarly, while 9% of agents offered fixed term tenancies for two years, it is the main type of tenancy offered by only 1% of respondents.

Table 3.28: Types of fixed term tenancies offered excluding landlords who don't offer fixed term tenancies (n=108 (2020=70) agents)

Base: All letting agents	2020		2022	
	Fixed Term Tenancies Offered	Main Fixed Term Tenancy Offered	Fixed Term Tenancies Offered	Main Fixed Term Tenancy Offered
	Total	Total	Total	Total
N=	70	70	108	108
Less than 1 year fixed term	17%	4%	23%	8%
1 year fixed term	91%	86%	88%	87%
2 year fixed term	4%	1%	9%	1%
3 year fixed term	3%	1%	3%	-
4 year fixed term	4%	3%	4%	1%
5 year fixed term	3%	4%	3%	-
More than 5 years	-	-	4%	2%
Other (please specify)	-	-	1%	1%
Don't know	-	-	1%	-

Q35a Which of the following fixed term tenancies are offered to private tenants?

Q35b What is the main fixed term tenancy offered to private tenants?

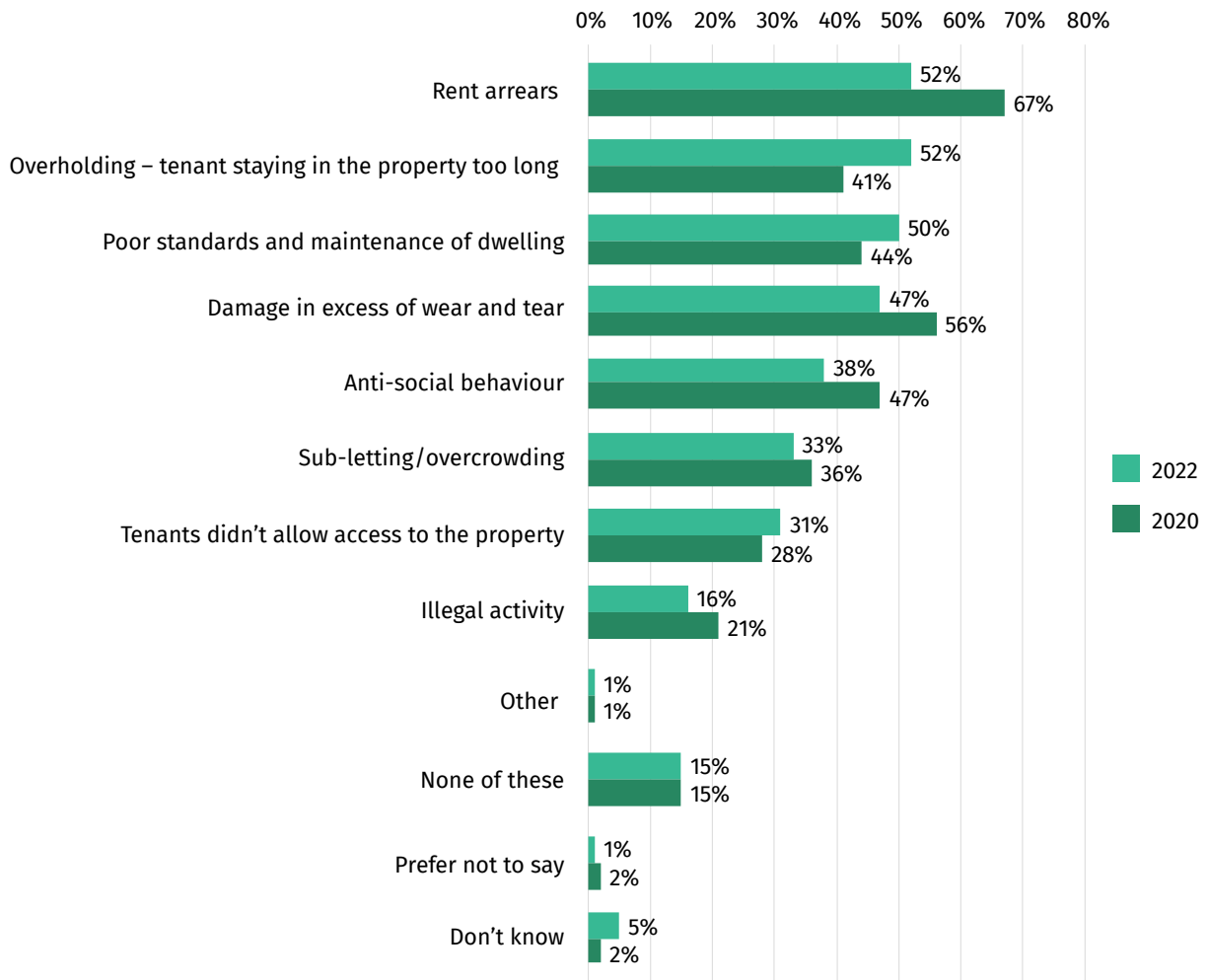
Tenant Issues

Survey respondents were asked about issues that they may have experienced with private tenants in the last year (last two years in 2020). Figure 3.8 provides the detailed responses.

It is important to note that in 2020 the letting agents were recounting their experience as agents over the past two years, whereas in 2022 the question was asked in the context of the last year.

In 2022, the majority of agents had experienced issues with rent arrears (52%), overholding (52%) and poor standards and maintenance of dwelling (50%). Nearly half (47%) cited problems with damage in excess of wear and tear. Other problems experienced by the branch included anti-social behaviour (38%), sub-letting/overcrowding (33%) and tenants not allowing access to the property (31%). Illegal activity was mentioned by 16% of agents.

Figure 3.8: Issues with tenants over the past year (2020 – past 2 years) (n=143 (2020=81) agents)



Q36 In the last year, has this branch experienced any of the following problems with private tenants?

When looked at by region in 2022, agents that were based in Dublin were more likely to mention problems with sub-letting or overcrowding (47% vs 27% outside Dublin), whereas agents based outside Dublin were more likely to have experienced rent arrears (54% vs 47% in Dublin) and damage in excess of wear and tear (49% vs 42% in Dublin). Table 3.29 has more details.

Table 3.29: Issues with tenants over the past year by region (n=143 agents)

Base: All letting agents	2022		
	Total	Region	
		Dublin	Non-Dublin
N=	143	45	98
Rent arrears	52%	47%	54%
Overholding – tenant staying in the property too long	52%	49%	54%
Poor standards and maintenance of dwelling	50%	49%	51%
Damage in excess of wear and tear	47%	42%	49%
Anti-social behaviour	38%	36%	40%
Sub-letting or overcrowding	33%	47%	27%
Tenants didn't allow access to the property	31%	36%	30%
Illegal activity	16%	13%	17%
Other (please specify)	1%	0	2%
None of these	15%	18%	14%
Prefer not to say	1%	0	2%
Don't know	5%	2%	6%

Q36 In the last year, has this branch experienced any of the following problems with private tenants?

Dispute Resolution

Where problems do occur, there are different approaches that can be taken for resolution. Letting agents were asked for their preferred approach when dealing with disputes with tenants. In 2022, they were also asked for the approach most frequently used. The results are displayed in Table 3.30.

In both surveys, the preferred method when dealing with disputes was mediation where the landlord or letting agent and tenant find solutions to the dispute – 57% mentioned this in 2022 (66% in 2020). In 2022, half that proportion (28%) stated that adjudication was the branch's preferred method when dealing with disputes. However, a significant proportion ended up using adjudication most frequently (38%).

Table 3.30: Preferences for dispute resolution excluding landlords who don't offer to deal with disputes as a service (n=112 (2020=56) agents)

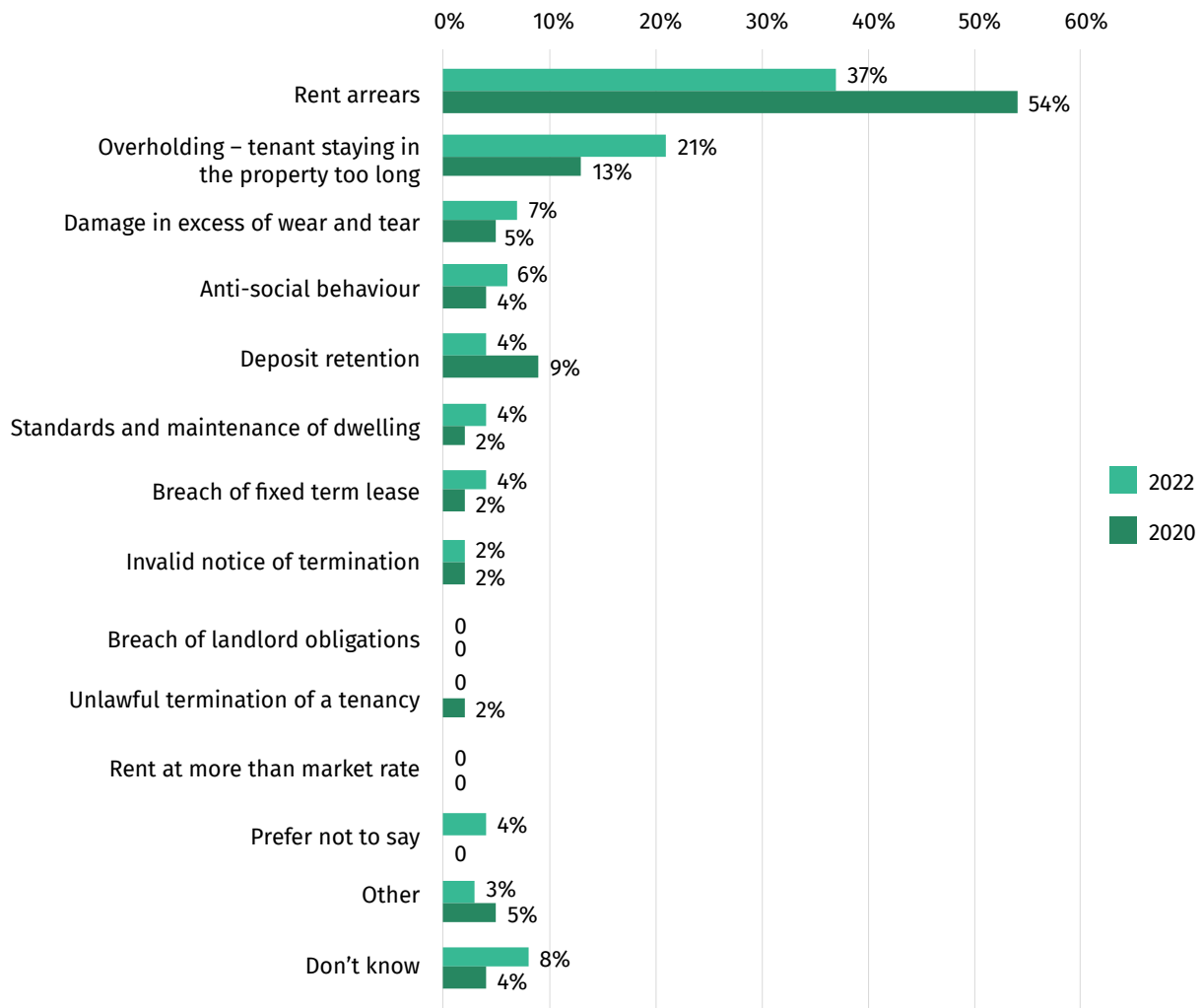
Base: All letting agents	2020	2022	
	Preferred Method	Preferred Method	Most Frequently Used
	Total	Total	Total
N=	56	112	112
Mediation – where landlord/letting agent and tenant find solutions to dispute	66%	57%	44%
Adjudication – where an adjudicator investigates a case and based on evidence decides how dispute should be resolved	25%	28%	38%
Other	4%	4%	4%
None of these	5%	5%	7%
Prefer not to say	-	4%	2%
Don't know	-	2%	5%

Q37a Which one of the following is the branch's **preferred method** when dealing with disputes (RTB or Courts) with tenants?

Q37b And which one of the following is **most frequently used** when dealing with disputes (RTB or Courts) with tenants?

Finally, the letting agents were asked what, in their experience, was the most common reason for bringing a dispute to the RTB Dispute Resolution Service. Of those who answered the question (and this was a subsample because not all agents offer to deal with disputes as a service), the main reason given in 2022 was rent arrears (37%), followed by overholding – staying in the property too long (21%). These were also the main reasons given in 2020 when a higher proportion mentioned rent arrears (54%) and a lower proportion selected overholding (13%). Other reasons are included in Figure 3.9.

Figure 3.9: Most common reason for bringing a dispute to the RTB Dispute Resolution Service excluding landlords who don't offer to deal with disputes as a service (n=112 (2020=56) agents)



Q38 In your experience, what is the most common reason for bringing a dispute to the RTB Dispute Resolution Service?

3.7 Conclusions – Quantitative Research

Many of the themes that emerge in this component of the quantitative research programme mirror key findings in the research undertaken among the landlord and tenant stakeholder groups. They also reflect the findings reported in the qualitative research undertaken with individual letting agents. There is an increase in the proportion of residential lettings that are being managed on behalf of landlords. An increase was also seen in 2022 in the range of management services offered by letting agents to landlords, thus underlining the increasing complexity of the private rental sector. Landlords are becoming more reliant on letting agents as a source of up-to-date information that directly affects them. However, going forward letting agents are expecting to manage fewer residential lettings overall because they believe that landlords will continue to exit the sector for a variety of reasons (including adverse media portrayal, high levels of taxation, legislation and too much administration/paperwork). All are agreed that demand continues to far exceed supply and looks set to do so for the foreseeable future. When compared to 2021 the majority of agents agree that the private rental business in their own locality has declined, reflecting the lack of new supply and the stability of tenant occupancy. Most agents also believe that rent levels have increased locally when compared to 2021, particularly outside Dublin. There appears to be an increase in 2022 in the proportion of agents looking for documentation (e.g. payslip, bank statement) when screening tenants, particularly in Dublin where rents are higher. This finding was also reflected in the Tenant survey.

The Qualitative Findings

4



Background

The research of letting agents was undertaken using two research methodologies. The quantitative research findings have been outlined in the previous section. The identification of the agents for engagement with the qualitative research component was one of the outcomes of the quantitative research element. The same approach was adopted for the qualitative research in 2020 and 2022. This is outlined in Section 2.3.

The Recruitment Process for the Qualitative Research Programme

The Property Services Regulatory Authority, via the Residential Tenancies Board, provided a publicly available database of property agents in the Republic of Ireland. The same database of survey leads was used for both surveys with the addition of new agents that were added to the 2022 PSRA database since 2020. Those who were licensed to deal with residential property were invited to complete a survey hosted by Amárach Research. One of the final questions of that survey was to invite agents to participate in this qualitative research exercise. Of those who expressed a willingness to engage in this qualitative research element, 13 were selected randomly to take part in a telephone interview lasting 45-60 minutes. The interviews for the first wave of qualitative research were completed in Q4 2020 and the interviews for the second wave were completed in Q4 2022.

Across both waves of qualitative research, an even spread of agents was achieved by region (Dublin, Rest of Leinster, Connaught and Munster). They also ranged in scale from small agents managing portfolios of 20-100 properties, to much larger organisations managing hundreds and even thousands of units on behalf of institutional investors or receivers. Many were operating independently and competing against the larger branded franchise companies. The number of people working in the branch ranged from 2-25 including part-time employees.

All of those interviewed were the key decision takers within their organisations. Most had practical experience of the market through a series of cycles. They all had at least 10 years' experience in the property rental management business.

Services Provided

All of the agents interviewed in both waves of research indicated that they offer the full range of letting and management services. Residential letting and property management constitute a core part of their business – in general, property management accounts for a higher proportion of business than let only. In fact, the latter appears to be diminishing and some pointed out that they are not in favour of the ‘let only’ model – ‘if you are managing something, you are invested in it’. On the other hand, agents that offer a ‘let only’ service point out some of the difficulties that they have experienced with managed lets including the sourcing of reliable contractors to maintain property standards and the administrative burden which has increased significantly in recent years.

Most rental portfolios are a mix of houses and apartments that are located in towns/cities. It is generally accepted that it is easier for agents and landlords to manage properties if they are located nearby.

The majority of managed lets are on behalf of small landlords (1-2 properties), although a number of agents also manage properties for medium landlords (3-10 properties).

All of the agents interviewed in 2020 and 2022 offer a complete letting and management service. This includes:

- ▶ The advertising of properties
- ▶ The screening and selection of tenants
- ▶ Drawing up of the tenancy agreement/contract
- ▶ The identification of the market rent
- ▶ The registration of tenancies with the RTB and other regulatory compliance
- ▶ Property inventory
- ▶ Property inspections
- ▶ The collection of rent
- ▶ Property management including maintenance requests.
- ▶ Rent reviews and managing rent arrears
- ▶ Issuing notices of termination
- ▶ Dispute management – all had experience of dealing with the RTB dispute resolution process, but it was a route that universally they sought to avoid. In general, agents try to resolve tenant issues through mediation rather than adjudication. This was also one of the main findings from the quantitative research.

One agent described his business as a ‘one stop shop’.

Most offer other services as well, including sales and valuation (both residential and commercial). A small number are also involved in block management with larger landlords.

There appears to be less advertising of properties (on property letting websites or letting agent’s own website) than when the first wave of research was conducted. Instead, many talked about the importance of word of mouth in sourcing new tenants. As supply is so tight, most agents have long waiting lists. They tend to take friends of good tenants or employees of a local business. If the rental property is in a Rent Pressure Zone and the rent is significantly below that of the market rent, then there would be a reluctance to advertise the property due to the volume of enquiries it would attract.

Since the COVID-19 pandemic with emergency changes to legislation, landlords have come to rely heavily on letting agents being the source of up-to-date information that directly affects them. Many landlords do not have the time to keep on top of the fast-moving details, so letting agents have been vital during this period. They have also had to take on the role of mediator between landlords and tenants in some cases. Where tenants have been unable to pay rent, for example, letting agents have had to keep the peace and facilitate communication to keep relations friendly and professional.

Maintenance and Inspections

One of the findings from the 2022 Large Landlord Research (conducted as part of the research project) was that many large landlords have their own in-house property management team. However, none of the letting agents that were interviewed in 2020 and 2022 were organised in this way. They had a portfolio of service providers who they could call on as required. “We have somebody for everything. We have maintenance broken down from 24-48 hours or seven days to manage the expectations of tenants.”

Some agents highlighted that they are finding it very difficult to source licensed tradespeople to carry out essential maintenance work on rental properties. The current regulations require an electrician to do electrical work, a gas plumber to inspect a gas boiler etc. One agent mentioned the difficulty they have finding a gas plumber as there are so few new plumbers entering the sector. They put this down to a general decline in the popularity of apprenticeships in recent years. There was a drop in apprenticeship registrations between 2021 and 2022 of 4%.³

A landlord has the right to carry out routine inspections of the property, and regular inspections should be undertaken.⁴ According to the agents interviewed, inspections normally occur once or twice a year depending on landlord requirements.

The Housing Assistance Payment (HAP) is a form of social housing support provided by local authorities. Local authorities make a monthly rental payment on behalf of a tenant to a landlord, subject to terms and conditions, including rent limits. In return the HAP tenant pays a weekly contribution towards the rent to the local authority. HAP properties, like other rental properties, must comply with rental accommodation standards. As part of a HAP tenant’s application, the landlord (or his agent) must certify that the property meets the required standards. The local authority will inspect the property to make sure it meets the standards.⁵

Some agents believe that ‘over regulation is driving landlords out of the market and in some cases underground’. Consequently, they feel that some landlords may be reluctant to register the property with the RTB. However, they also acknowledge that tenants who qualify for the new €500 tax credit that was announced in Budget 2023 will want to be registered with the RTB so that they can claim the tax credit.

Landlords Exiting the Market

In 2020, the research findings highlighted that the portfolio of smaller agents has declined significantly in recent years. In 2022, agents were keen to point out the continuing decline of smaller landlords in the private rental sector. Small landlords (1-2 properties) account for a relatively high proportion of residential lets overall (86%⁶). All of the agents that were interviewed reported losing a number of small and medium landlords (3-6 properties) in the past year. They stated that smaller landlords have been exiting the market for various reasons and that they are not being replaced in significant numbers. They believe that there are very few new investors coming into the market. Some agents stated that they don’t expect their business to grow because there are so many smaller landlords selling up. One agent said that they might have to start advertising in the national press for landlords. This would be their first time ever advertising – heretofore, they have always relied on word of mouth to generate new business.

³ <https://www.irishexaminer.com/news/arid-1059631.html#:~:text=There%20was%20a%20drop%20more,strategy%20to%20tackle%20housing%20shortages.>

⁴ <https://www.rtb.ie/during-a-tenancy/maintenance-inspections-and-access/inspections-and-access>

⁵ <https://hap.ie/landlords/property/>

⁶ RTB Tenancy/Landlord data October 2021

Many of these smaller landlords have been operating in the private rental sector for a long time and have very low levels of debt. According to the letting agents interviewed, their desire to exit the sector is driven by a number of factors including:

- ▶ Increased regulation and the fact that they believe regulation is balanced more in the tenant's favour.
- ▶ It is difficult to make a reasonable return after tax. The treatment of rental income for overseas funds is in stark contrast to the tax regime in place for private landlords.
- ▶ Insufficient tax incentives.
- ▶ Landlords no longer have any control or influence over their private assets, they cannot determine who may live/may not live in their property.
- ▶ The Winter 2022/2023 Eviction Ban means that landlords cannot get their property vacant and are constricted with a tenant in situ.
- ▶ Properties have increased in value for some landlords. During the recession landlords couldn't sell so those who have finished paying off their debt are taking advantage of higher prices and disposing of their assets.
- ▶ Landlords are frustrated with bad press/the negative portrayal of landlords in the media.
- ▶ Rent Pressure Zones have created a two-tier market. Landlords that never increased the rent are stuck on a low rent (+2% per annum) unless they leave the property vacant for 2 years.
- ▶ Upkeep and maintenance of property including HAP inspections.
- ▶ Annual registration fees and increased administrative workload. Growing dissatisfaction with the service offered by the RTB.
- ▶ Vacant property tax.
- ▶ Fear of the impact of future Government policy.

In a bid to encourage small landlords to stay in the private rental sector, Budget 2023 provided additional tax relief. The sum that landlords can claim against taxes in pre-letting expenses was doubled to €10,000, with the qualifying time for such expenses being incurred halved from 12 to six months.⁷ This relief is aimed at encouraging landlords in the private residential sector to return empty properties to the market as quickly as possible. Agents agree that the increased relief is welcome but also feel that it is not sufficient to encourage landlords to stay in or return to the private rental sector. They believe that there is such a low turnover of these properties coming back on the market that only a small cohort can avail of this additional tax relief. It was suggested that allowing refurbishment during a tenancy as a tax write off might be helpful for some landlords.

As was the case in the previous research, some of these agents are landlords in their own right (this came up spontaneously rather than as a direct focus of the interview). They also see themselves in the smaller landlord category and believe that they are likely to exit from the private rental market. One or two have taken a decision to cut back their own presence as a letting agent, reducing their business in scale with the departure of their core client landlords. These agents don't see any new landlords coming into the sector in the short-term and are nearing retirement themselves.

However, most of the agents interviewed in 2022 intend to continue and try to grow their business as best they can. They believe that landlords who have letting agents managing their property and providing a good service are more likely to stay in the private rental sector.

⁷ <https://www.charteredaccountants.ie/News/housing-measures-27-september-2022>

Agents indicated that they need more properties to let/manage to replace the ones that are being sold. Some agents are considering moving into block management. *“It’s a growth area for us and an area we might be spending more time at during the downturn in the rental market. You have to hedge yourself as well and think ahead.”*

They see a trend to scale in service provision for their own services. The complexities and increased regulation mean that managing properties is a more onerous task than in years gone by. That requires a level of specialism and resources that a small SME in this space will struggle to provide.

Absence of Rental Stock

Before the COVID-19 pandemic, the rental market was seen by those interviewed in 2020 to be completely driven by the absence of supply of rental properties. No matter where the agents were located all believed that they could rent multiples of the portfolio that they currently had under management.

The demand for properties was, they argued, exacerbated by the effective absence of building in the decade after the crash of 2008. The absence of supply was across all market sectors and property types.

In 2022, the agents that were interviewed are still of the same opinion - that the key market driver of not enough properties being built has been aggravated by the desire of many smaller landlords to exit the market. At best supply is perceived to be ‘tight’ and there is widespread agreement amongst agents that the supply problem will deteriorate further in 2023.

All are agreed that there is very limited or zero rental stock currently available except for new units that are coming on stream. Any new supply has the advantage of being A rated but this comes at a significant cost. Agents believe that there are no new landlords buying for investment purposes – the rate of return that they can expect is too low. New units/blocks are all with the larger funds – pension funds, investment funds, REITS etc. They say that it used to be a transient sector whereby tenants would stay in a property for one or two years and then move on to a bigger rental unit or they would buy. But now they are stuck, there is nowhere else to rent and tenants can’t afford to buy.

Most agents stated that they had people contacting them every day who were due to be evicted. As very few agents have any vacancies, some have stopped taking people’s contact details, not wanting to give them false hope.

According to these agents a lot of vacant properties are obsolete and more rental stock will go that way because minimum standard regulations are improving. Agents are in favour of improving standards but point out that landlords cannot afford to upgrade/refurbish their properties so that when tenants leave it won’t be possible to relet them. Therefore, they suggest that landlords need to be incentivised to stay in the sector by allowing them to write off refurbishment expenses against future rental income.

Agents acknowledge the efforts being made by the Government to increase the housing supply. However, they argue that it will be several years before the supply of new housing is sufficient and that it is necessary to make use of existing supply in the meantime. They recommend bringing vacant properties back into the sector by giving tax incentives to landlords to refurbish them. They believe that there are large numbers of derelict properties (particularly in city centres – Dublin, Cork etc), but that none of them are available for sale. Some agents stated that they have customers who would be very interested in buying property, renovating it and renting to the city council. They firmly believe that the only way that supply can be increased in the short terms is by refurbishing the existing stock of properties that is there. They expressed concern that the longer these properties are left the more they will deteriorate. But once the supply is there, they believe that rents will find their level. They maintain that the market can look after itself if left alone.

Impact of Changes to Legislation and Increased Regulation

Those interviewed in 2020 came across as being in favour of a more professional market and welcomed the improvement to the rental sector.

However, they thought that the pace and complexity of regulatory change had made the market unattractive for smaller landlords. They argued that the volatility of these changes was destabilising, and they believed that regulatory moves failed to take account of the legitimate needs of landlords.

They were of the view that in order to achieve compliance all landlords, regardless of the size of their portfolio, needed to hand over the management of their properties to a professional. The days of the amateur or accidental landlord were, in their eyes, over. Changing regulatory requirements results in additional costs for landlords – which in turn impacts on their economic viability.

In 2022, these agents are still of the view that regulation is geared more towards protecting the tenant rather than protecting the landlord. They believe that it is one sided in favour of the tenant. Most, if not all, cited examples where tenants had not complied with regulation (e.g. paying rent) and landlords were left with no effective means of redress. They maintain that if a landlord/agent is in breach of a regulation then a determination order is obtained, whereas if a tenant is in breach it takes a long time to get through to a tribunal to get a determination order.

Increased regulation in some cases is seen to bring additional risk. The time for dispute resolution processes to play out can result in an individual landlord sitting on a loss of up to 18 months' rent. While large institutional landlords may have a large enough portfolio, so that the revenue loss is small in overall portfolio terms, the smaller landlord does not have that resilience or ability to manage the risk.

In 2022, phrases such as “utter chaos” and “a catastrophe for landlords” were used by agents to describe the impact of certain legislative changes that have taken place. Many cited the recent ban on winter evictions as an example. Agents feel that the wording used in the legislation is often ambiguous - not clear enough for either a lay person or a smaller landlord to understand. As a result, agents spend a lot of time trying to navigate the legislation. One agent stated that he had 11 tribunal cases in the past two years and all were to do with the legislation. As the role of the RTB is to adjudicate rather than to advise, agents feel that they have been of little assistance to landlords or agents when trying to understand the legislation.

The consensus amongst the agents interviewed in 2022 is that even though landlords own the property, the tenants have all the rights and the Government controls the property. They believe that this has led to a significant number of landlords exiting the sector in the last 12-18 months.

While agents agree that tenants should have rights, they feel that the sweeping changes brought about by the legislation do not consider the nuances of the industry, in particular the needs of landlords.

They note that as soon as one change has been implemented along comes another. They feel that the approach of the current Government is reactive rather than proactive and that no thought is being given to the long-term effect these changes might have (i.e. the exodus of smaller landlords from the sector).

Some agents refer specifically to the legislation around standards for rental properties – they feel that the standards required are too high in some cases, particularly for properties that were built 20 years ago.

With regard to the legislation around rent control, while interest rates continue to rise landlords cannot raise their rents because of RPZ restrictions.

As a consequence of over-regulation, many agents believe that there is a danger that a black market is starting to emerge. They state that over-regulation is driving landlords out of the sector and underground. They argue that so much legislation is not required and that the market would find its own equilibrium if left alone. They feel that the legislation is being enforced to deal with the minority of landlords that are perceived to be greedy and that the majority of landlords and smaller landlords, in particular, are not driven by profit.

HAP and Housing Support Payments

HAP was created in 2014 and became nationally operational in 2017. In the 2020 research, all but one agent had tenants availing of HAP. In 2022, agents pointed out that they have noticed an increase in the number of HAP tenants - even households where there are two adults working full-time still require rental assistance. Depending on the agent interviewed, they estimated that between 10% and 60% of their tenants are in receipt of rental assistance, primarily HAP. Unlike rent supplement, recipients of HAP can continue in full-time employment.

In general, agents see it as no different to other forms of rental income, with some arguing that it can be less risky than depending on a private tenant's income. Most profess to see no real difference between HAP and non-HAP tenants.

There is a strong view amongst agents that HAP underpins the minimum value on a property. It increases the value. Many believe that HAP is the driving force behind higher rents and not the private sector. They state that the thresholds for HAP are continually increasing.

Coupled with the absence of supply, the scale of the HAP payment means that those tenants who are not HAP eligible, or who may be just above the HAP threshold, are effectively locked out of the sector. They simply do not have enough take home income to pay the market rent. Landlords and agents are not legally required to rent to a person getting HAP. They can choose any tenant for their property. However, they are not allowed to refuse to rent to someone just because they receive HAP. This means they cannot treat a tenant getting HAP support any differently than they would treat a tenant who does not receive HAP⁸.

However, agents are keen to point out that once you understand the HAP process it generally works well for all parties concerned. Agents tend to manage the full application on behalf of landlords as they know and understand what is required. Some mentioned that initially there can be a small delay in terms of payments coming through for landlords.

Although it is widely accepted that HAP helps to improve minimum standards of accommodation for HAP tenants, many of the agents interviewed in 2022 stated that they and the landlords have an issue with the HAP inspections. They feel that the standards required are often too high for rental properties and put significant cost pressure on smaller landlords in particular.

They note that there can be issues with the top-up payment that tenants make to HAP. Tenants pay a weekly HAP rent contribution to the local authority, based on their income and ability to pay.⁹ If tenants fall behind in making their top-up payments, HAP will delay payment to the landlord who then has to suffer the consequences. This can act as a disincentive to landlords who might then have to spend up to 18 months trying to evict a tenant for failing to pay the rent.

Overall, agents feel that HAP is a short-term solution to a long-term problem and that the state has abandoned its responsibility for providing social housing.

Impact of COVID-19

Both waves of research indicate that the COVID-19 pandemic has had less of an impact on the private rental sector than agents anticipated at the start of the pandemic.

They believe that Government supports to those who were laid off, or where salaries were supported, served to underpin take home pay. Most landlords and agents resisted attempts to reduce rents – and pointed tenants to Government supports. Some tenants were allowed use their deposit to pay the rent and others were offered rent free periods.

In 2022, not a single agent mentioned that they had any tenants currently in rent arrears as a result of COVID-19.

⁸ <https://www.hap.ie/tenants/discrimination/#:~:text=Landlords%20and%20agents%20are%20not,just%20because%20they%20receive%20HAP.>

⁹ https://www.citizensinformation.ie/en/housing/renting_a_home/housing_assistance_payment.html

Some agents said that they used it to their advantage by changing the payment system – tenants were asked to change over to paying the rent through the bank rather than over the counter.

During the pandemic many people purchased property away from city centres as they moved to working from home and some agents ran out of properties to sell. In Q2 2022, landlords started exiting the sector and agents noticed an increase in the number of rental properties for sale. However, with interest rates rising they believe that private buyers are being more cautious.

Traditional methods of letting properties were impacted for health and safety reasons. Many letting agents started offering virtual viewings to renters, using modern technology to guide them through properties remotely. They feel that digital marketing has become essential for agents. In addition to video marketing, letting agents have been enhancing their presence on social media accounts and improving their websites. Some agents do extensive pre-screening before viewing. A very small number of viewings then take place.

According to agents, demand was strong in 2020 and even stronger in 2022. They still anticipate hundreds of responses to each advertisement for a property rental. For that reason, some no longer choose to advertise properties on property letting websites. Or they might advertise the property for a very short time. Many agents have waiting lists from which they source suitable tenants.

They firmly believe that their experience in potential tenant evaluation is now an even more critical service to landlords. The way they see it is the more they invest in tenant selection/screening at the outset, the more they get back over the term of the lease. They believe that they have only ‘one shot at getting the right tenant’.

Rent Pressure Zones

Rent Pressure Zones (RPZs) were introduced in Ireland in 2016. However, they commenced in different areas on different dates.¹⁰

The system for calculating allowable rent increases in RPZs has changed a number of times. Between 24 December 2016 and 15 July 2021 rent increases in RPZs were capped at 4% per year. From 16 July 2021 to 10 December 2021, annual rent increases in RPZs were capped at the rate of inflation. Since 11 December 2021 annual rent increases in RPZs are capped in line with the rate of general inflation or 2% a year, whichever is lower.¹¹

All of the agents that were interviewed over both waves of the research understood the rationale for RPZs and believed that they will continue past 2024.

In the 2020 research, the feedback from agents was that RPZs gave predictability and reduced some of the pressure on agents to increase rents to unsustainable levels.

In 2022, agents pointed out that RPZs guaranteed a rent increase for every property managed. Currently landlords have a guaranteed increase of 2% per annum – agents believe that this compares very favourably to other sectors. As property managers, agents also have a guaranteed increase in fees of 2% per annum.

However, it is widely accepted that there have been a number of unintended consequences as a result of RPZs. They have created a two-tiered system for rental values and property values. Landlords who are kind to their tenants are trapped on a low rent. The longer the tenancies are, the more the unintended consequences of RPZ rules are felt. Landlords trying to recover from the recession/negative equity have been further penalised through no fault of their own apart from being a fair landlord who did not increase the rent every year in line with the market. Whereas the more assertive landlords who pushed rent increases through every year have been protected.

10 <https://ipoa.ie/all-about-rent-pressure-zones/>

11 https://www.citizensinformation.ie/en/housing/renting_a_home/rent_increases.html

Many agents argue that landlords who took a longer-term view or who did not demand the maximum allowable rent, are penalised when a tenancy comes to an end. This can lead to huge variations in rent for comparable properties. Those landlords who increased rents every year are able to ask for a higher rent than those who left the rent as was for a period. This impacts on both the rental value and the capital value of the property if it goes to sale. The way agents see it is that landlords are being penalised for acting in the tenant's favour.

In general, agents state that they try to keep rents at market rent unless the landlord insists on a lower rent because they like the tenant.

There is a sense from agents that the 'one size fits all' approach is a mistake and that many excellent landlords have left the sector because of this. Currently the rent attaches to the property and not the tenant. Agents suggest that landlords should be allowed to reset the rent (i.e. bring the rent closer to/ up to 20% of the market rent) once the tenant leaves. However, they don't believe that this will change because it may result in rents being driven upwards. Their opinion is that by legislating so much against landlords there have been unintended consequences – landlords are being driven out of the market and in some cases underground.

As a result of the 2% rent cap that is currently in place, many agents mentioned the fact that entry prices for rent have become a lot more important for landlords. In this way, RPZs are perceived to be driving entry prices even higher.

Agents also pointed out that some landlords are happy enough to leave properties vacant rather than lock in at a lower price. They mentioned cases where landlords (with the tacit support of some agents), have carried out minimum levels of refurbishment on properties and put them back on the market at a far higher rent. They believe that the RTB should be more proactive in dealing with this, given that they have a register of rental agreements and leases.

RTB – Annual Tenancy Registration

Since 4 April 2022, landlords must register residential tenancies with the RTB every year and update the RTB if information about a tenancy changes. The RTB uses this information to keep a public register of tenancies¹². Prior to this date, landlords had to register residential tenancies every four years.

The agents that were interviewed in 2022 believe that annual tenancy registration is an effective revenue generating scheme for the RTB. Landlords that used to pay €90 every four years to register a tenancy now have to pay €40 every year.

In general, agents feel that there is nothing wrong with the RTB looking for a record of registration every year. They believe the difficulty is that they are trying to link this to the Department of Social Protection. The details in the tenancy registration form need to match exactly those at the Department of Social Protection, otherwise the registration form is rejected. According to those interviewed, landlords and agents should have been informed of this at the outset as the process of completing these forms is very time consuming. Elderly landlords in particular find the online process very difficult.

In November 2021, the RTB moved to a new online account and registration portal for landlords and agents. However, the new online portal was deemed unreliable and 'not fit for purpose' by all those agents interviewed. One agent stated that he was managing 200 properties, 100 of which had incurred late fees because of the new system. Due to issues experienced trying to register properties online, the pausing of late fees has been introduced by the RTB. Agents feel that the RTB should not be allowed to fine agents and landlords if their own service is not fit for purpose.

Some agents also highlighted the length of the registration application form (paper version) – it was stated that the original form was 5-6 pages but that the new form is 14 pages long. It was suggested that landlords and agents should have been given access to an instruction video containing clear information on how to create and manage their RTB online account and how to register their tenancies. As it is, the time involved in completing the registration forms is substantial.

¹² <https://www.citizensinformation.ie/en/housing/renting-a-home/registering-a-tenancy/>

For many agents the new registration process is their main grievance. They argue that landlords and agents want to comply with the law, but that the new system is very frustrating and that they are unhappy with the administrative workload. One of the larger agents stated that they have to bring in staff on a Sunday and pay them overtime to upload registrations. It appears to agents that the RTB are taking the registration payments but saying that the applications are invalid. It was also pointed out by one agent that the RTB only recognise PPS numbers which institutional landlords don't have – therefore, the agents who manage properties on behalf of these larger landlords can't register new apartment blocks. Agents called for a system to be put in place that is more user friendly than the current one.

Agents believe that the new tenancy registration process is a key driver of landlords who are selling and exiting the sector. Furthermore, they believe that it has damaged the relationship between the RTB and landlords/agents.

According to agents, the RTB used to be efficient but not any longer. They believe that the RTB hasn't been able to cope with the volume of registrations resulting from the move to annual registration. One agent suggested that they should have waited until the four years were up for each tenancy before moving to an annual registration. The workload would have been more manageable. Going forward agents are concerned that the administrative burden will get worse. They say that the process needs to be streamlined but they feel that there is no incentive for change.

Another issue raised by some agents is the requirement that all notices of termination served on a tenant must be copied to the RTB at the same time. This requires an RT number, which agents don't have as this is sent to the landlord and tenant when a tenancy is registered and not the agent. This can result in there being a delay in serving the notice of termination. For all Notices of Termination to be deemed valid, they must be copied to the RTB at the same time as it is served on the tenant. Failure to do so means that the Notice of Termination is invalid¹³.

Overall communication and engagement with the RTB is considered poor by most letting agents. The feedback is that agents and landlords can't get through to the RTB on the phone, the RTB doesn't reply to emails or letters and the webchat service is no longer functioning. It was suggested that each letting agent would have an RTB account manager, similar to the system already in place with HAP and some property letting websites.

RTB Dispute Resolution Service

In both waves of the research, it emerged that all of the agents interviewed had some experience of dealing with the RTB dispute resolution process, but it was a route that universally they sought to avoid.

The overriding sense is that the scales are tipped in favour of the tenant and that this is exacerbated by the length of time it takes to get a resolution. The lengthy dispute resolution process can result in a financial loss for the landlord – both legal costs plus rental income foregone. This means additional risk for landlords. Outstanding rent is rarely paid and there is no protection for landlords. If the RTB decides that the tenant should pay damages, it is the landlord who has to go and chase the tenant for the money.

According to agents, the system allows a six-month process for adjudication and a further six months for tribunal. Therefore, it takes a year to get a decision that could be enforceable and all the while that process of enforcement is getting longer and longer because the notice periods have increased. From 6 July 2022, the notice periods a landlord must provide a tenant when ending a tenancy have increased¹⁴. In general, agents are of the opinion that a long notice period is currently very fair and necessary.

It is not surprising that most agents take the view that the best way to deal with disputes is not to go to the RTB. Rather, they prefer to focus on forging a good relationship with tenants. They believe that problem free tenancies are the result of a fair and reasonable attitude on behalf of both the landlord and the tenant. Most want to make the relationship work.

13 <https://www.rtb.ie/ending-a-tenancy/notices-of-termination/sample-notices-of-termination>

14 <https://www.rtb.ie/ending-a-tenancy/notice-periods-that-a-landlord-should-give>

Some agents mentioned telephone mediation which was introduced by the RTB a few years ago. This was seen to be a step forward by some as it helped to solve minor disputes.

According to agents, RTB staff are instructed not to give advice where there is a dispute or in matters relating to a dispute. Tenants are aware that landlords are struggling to get advice from the RTB and agents feel that some tenants are taking advantage of this.

Conclusions

In 2022, nearly all agents stated that they would continue to provide a residential letting and property management service. Only one agent felt that it was no longer financially viable for them to continue providing a service and they were looking at retiring within the next five years.

Supply was considered the main issue facing letting agents in 2020 and 2022. Agents agree that more properties need to be built to counter the absence of building in the decade after the crash. However, it will be several years before an adequate supply of new housing can be provided. Agents believe that it is necessary to make use of the existing supply in the meantime by bringing vacant properties back into the sector. This would be achieved through giving tax incentives to landlords to refurbish them.

Agents agree that demand will continue to rise and that the supply issue will get worse before it gets better. They believe that many of the migrants who have arrived here within the last few years may choose not to return home, preferring to stay in Ireland and seek employment here. They won't be able to purchase property for a number of years and in the meantime, they will have to rent. As a result, most agents believe that rents will continue to rise.

There is genuine concern amongst agents about future Government policy and the impact that this may have on landlords and institutional investors. Agents do not believe that a change in Government will make a positive difference to the supply issue.

With landlords continuing to exit the sector, the lack of supply will become a greater challenge for many agents. Some have already moved into block management and others are considering this as an option worth considering for the future.

Some agents suggested that a future downturn in the Irish economy may help to alleviate the supply issue. If people leave Ireland to seek employment elsewhere or return to their country of origin this will mean less demand for rental property overall.

In order to try and retain landlords, agents are urging the Government to provide more incentives and tax breaks. Some landlords are switching to providing short-term lets on Airbnb because the money is better, there are fewer regulations and "they do not have to worry about bad tenants".¹⁵ Agents agree that this is an area that the Government needs to look at more closely.

Going forward, many agents are concerned about the impact of the new registration process on their business in terms of the volume of paperwork and the cost of employing someone to assist with the increased administrative workload. They recommend that the online registration process be streamlined and made more user friendly.

Agents would like to see the RTB improve their communication with agents and landlords. They would also like to see them provide a better service overall – specifically one that remains unbiased in their judgements between landlords and tenants. It was suggested that the provision of an Account Manager or direct contact at the RTB would go a long way to improve the overall service received by agents and their landlords.

15 <https://www.theguardian.com/technology/2022/jul/31/landlords-evicting-tenants-for-airbnb-and-holidays-lets-report-finds>

Appendix I

Discussion Guide 2022

Residential Letting Agents

In-depths Topic Guide

Introduction

- ▶ Purpose of research.
- ▶ Ask about recording.
- ▶ Recording and confidentiality of responses/ contributions.
- ▶ Explain context of the discussion.
- ▶ Introductions: What is their role in the company, job title etc

The Agency

- ▶ First of all, can you tell me a bit about this letting agency?
 - How does this branch/office operate?
 - Independently?
 - Part of a network of branches?
 - Franchise?
 - Head office?
 - If working as part of a network of branches, ask
 - What determines how this branch/office operates?
 - Is policy dictated by head office and consistent across branches?
 - How many branches are there across the Republic?
 - Which area(s) does this branch/office cover?
 - How many people are currently employed in this branch/office?
 - How long is this branch/office in operation?

Services Provided

- ▶ What property services does this branch/office provide (auctioneer, estate agent, residential letting, commercial letting, property management etc)?
- ▶ Can you tell me a bit more about the services this branch/office provides?
 - What are the main services provided?
 - Has the demand for different services changed over time?
 - What proportion of your business overall comes from residential letting?
 - What proportion comes from managed versus unmanaged residential letting?

- ▶ I'm interested in the residential letting side of the business.
 - How long has this branch/office been providing a residential letting service?
 - Does this branch/office also provide a residential letting management service on behalf of landlords? If yes,
 - How long has the branch/office been providing this service?
 - Who makes the day-to-day decisions? Is it the landlord, the letting agent or are decisions made jointly?

The Private Rental Market - Overall

- ▶ I'm interested in finding out how the private rental market has changed in the last year with the relaxing of restrictions (unprompted and open ended).
- ▶ What are the drivers for change? (unprompted)

And then...

What about the impact of:

- Regulation?
- Legislation? What is your general impression of the legislative changes that have taken place in 2021/2022?
- Tenant expectations?
- Demand?
- Supply?
- Rental prices?
- Competition from within the PRS sector?
- Rental pressure zones (RPZs)?
- Airbnb or that model of short-term letting?
- ▶ In overall terms do you feel that the private rental market has changed for better or worse?
 - Why do you say that?
 - Is it better/worse for landlords, tenants, or both?
- ▶ Would you say that the sector in Ireland has become more/less professional?
 - Why do you think that is?
- ▶ Who is most impacted by the changes in the sector?
 - What category of landlord? Why do you say that?
 - What category of tenant? Why do you say that?
- ▶ Have there been any unintended consequences of the legislation?
 - If yes, can you be more specific in terms of the legislation?
 - **Changes to rent setting rules in Rent Pressure Zones?** Prior to December 2021 rents could not be increased by more than 4% per annum in an RPZ. Since December 2021 rents cannot be increased by more than general inflation or 2% whichever is lower.
 - **Extended notice periods** which a landlord must provide to a tenant when serving them with a notice of termination?
 - **Annual tenancy registration from April 2022.**
 - What have the unintended consequences been?

- Impact on supply and demand in the private rental sector
- Impact on tenants

The Private Rental Market - Local

- ▶ Now I want you to think about the private rental business in this branch/office...
 - Has the demand for residential lettings in this branch/office grown in the last year?
 - What impact, if any, did this have on rents in this branch/office?
 - What about the number of residential lettings that the branch/office manages on behalf of landlords?
 - Has this grown in the last year?
 - If yes, why do you think that is?
 - What is the average length of time that it takes to re-let a rental property that becomes vacant?
 - Has this changed over time?

Impact of Covid-19

- ▶ Approximately what % of the private tenancies that the branch managers are currently in rent arrears?
- ▶ And roughly what % of the private tenancies that the branch managers were in rent arrears this time last year?

Rent Pressure Zones

- ▶ Are you aware of Rent Pressure Zones?
 - If yes, how would you say RPZs have impacted:
 - On the private rental sector in general?
 - On you as a letting agent?
 - Are you aware of exemptions to RPZs?
 - During 2021 rent setting rules changed in RPZs. Prior to this, rents could not be increased by more than 4% per annum in an RPZ. However, since December 2021 rents cannot be increased by more than general inflation or 2%, whichever is lower.
 - Are you aware of this recent change to rent setting rules in RPZs?
 - What impact do you think recent legislative changes will have on...
 - The sector in general?
 - Your business?
 - Positive/negative?
 - Why do you say that? Please explain.
 - In general, how do you feel about RPZs as a measure to address rental inflation?
 - RPZ measures are due to expire at the end of 2024. Do you think that RPZ legislation is working as it should be in the areas they are currently being applied?
 - If RPZs are not working as well as they might
 - What changes do you think should be made, if any, to the current RPZ measures?
 - How would these changes impact?
 - Tenants?

- Landlords?
- Are there any other measures that could be introduced to deal with rental inflation?
- ▶ What impact do you think a three-year rent freeze would have?
 - On the private rental sector in general?
 - On you as a letting agent landlord?

Rental Assistance

- ▶ Do you have properties let to households on rental assistance (e.g. HAP, RAS, Rent Supplement)?
 - If yes, what are the protocols if a tenant informs you that they will be using HAP?
- ▶ Has there been an increase in the number of private tenants moving onto Rent Supplement or Housing Assistance Payment (HAP) in the last year?
 - Are there any issues that arise when existing tenants notify you that they are looking to move to rental assistance? If yes, what are they?
- ▶ How do you think these forms of support impact -
 - On the private rental sector in general?
 - On you as a letting agent?
- ▶ Do you think that supports like this help to regulate the private rental sector and improve standards of accommodation, or not?
 - Why do you say that?

Property Supply and Demand

- ▶ Tell me about the supply of private rental properties currently on the market in the area(s) where this branch/office operates.
 - Is supply greater than demand, meeting demand or is demand greater than supply? Overall and by property type
 - House, apartment in a purpose-built development/converted house, bedsit/studio etc.
 - Studio, 1 bed, 2 bed, 3 bed, 4+ bed.
- ▶ Which property types are in most demand?
 - Has this changed in recent years?
- ▶ Is there a preference for furnished vs unfurnished?
 - Has this changed over time?
- ▶ Which property types are hardest to let?
- ▶ Has there been a shift in demand since the pandemic?
 - For certain locations?
 - For certain types of property?
- ▶ What about luxury or high-end properties?
 - Does this branch/office let this type of property?

- What is demand like for luxury properties in the areas where this branch/office operates?
 - Has this changed over time?
- ▶ What could the government be doing more of in your opinion to address the shortage of private rental properties in the areas where this branch/office operates (e.g. more tax incentives)?
 - At a central level?
 - At a local level?

Property Developers

- ▶ Does your branch/office engage with property developers?
 - If yes,
 - at what stage of a new property development would your branch/office typically engage with the property developer?
 - For what type of development?
- ▶ Are developers influenced by RPZ measures?
 - If yes, how are they influenced?
 - Are they holding off on letting properties?

Property Management

- ▶ Can you tell me about the type of landlord that engages the services of this branch/office?
 - Do they tend to be small (1-2 tenancies), medium (3-99 tenancies) or large (100+ tenancies) landlords?
 - Has this changed over time?
- ▶ What services do landlords use this branch/office for?
 - What are the main services used by landlords? Top 3
 - Drawing up of tenancy agreement/contract
 - Advertising properties to let.
 - Tenant screening/selection/referencing
 - Setting of rents
 - Conducting rent reviews
 - Dealing with maintenance requests
 - Property inspections
 - Property inventory
 - Registration of tenancies with RTB
 - Issuing notices of termination
 - Managing rent arrears
 - Handling deposits
 - Dealing with disputes
 - Rent collection.
 - What services are being requested more often/less often these days?

- If 'conducting rent reviews' provided as a service
 - How often does this branch/office conduct rent reviews?
 - What determines the rate of increase/decrease and does the landlord usually agree this at the beginning of the tenancy?
- If 'manage property inspections'
 - Does this branch/office carry out formal or informal inspections of properties that are under management?
 - If yes, how often do these inspections take place?
 - Regularly (annually or more often)
 - Occasionally (less than once a year)
- If 'manage maintenance requests'
 - What are the most common maintenance requests that this branch/office has had to deal with?
 - Broken appliance
 - Plumbing
 - Painting
 - Replacement furniture
 - Damp/mould
- ▶ Does the branch/office offer fixed term tenancies to private tenants?
 - If yes, what is the main fixed term offered and why?
 - Is there a demand amongst tenants for longer tenancies?
 - If yes, would you consider offering a longer fixed term to private tenants?
 - If no, why is that? What would make you consider offering a longer tenancy?
- ▶ What (other) requests do you get from private tenants?
 - Allow pets.
 - Other (specify)
- ▶ How often does this branch/office experience problems with tenancies that are under management?
 - What are the main problems experienced?
- ▶ If 'deal with disputes'
 - How does the branch/office prefer to deal with disputes?
 - Who is the main contact with the tenant – is it the branch/letting agent, the landlord or does it vary?
 - How many disputes, if any, have ended up before the RTB in the last 2 years?
 - In general, have you been satisfied with
 - The outcome of the dispute
 - The RTB's handling of the process.

Maintaining Vacancies

- ▶ What percentage, on average, of the rental stock managed by your branch/office is vacant at any given time?
- ▶ What is the average length of time for reletting and has this changed over the past year?

- ▶ In your opinion is it more beneficial to maintain vacancies rather than reduce rent?
 - Why is that?
- ▶ How often does this practise of maintaining vacancies occur?
 - In the private rental market in general?
 - In your branch/office?
- ▶ With what type of unit does the practise of maintaining vacancies occur?
 - All types/across the board?
 - More likely with modern, high-end units?
- ▶ On average, how long can these vacancies be maintained for?
- ▶ Do you see this as a temporary or a permanent feature of the market?
 - Why do you say that?
 - Will be corrected as demand increases etc.
- ▶ How might landlords and letting agents be persuaded to change this approach of maintaining vacancies in the private rental market?

Incentives to attract tenants

- ▶ What incentives does your branch/office use to attract tenants?
 - New appliances or other upgrades (e.g., new carpets)?
 - Free parking?
 - Free Wi-Fi?
 - Gym onsite?
 - Cinema room onsite?
 - Conference facilities?
 - Rent free periods e.g., first month's rent for free?
 - Rent discounts e.g., half a month's rent for free?
 - Any other incentives? Please specify.
- ▶ In general, are you instructed by the landlord to offer incentives, or do you suggest to landlords that incentives are offered?
- ▶ If offer rent free periods, ask:
 - When did your branch/office begin this practice of offering rent free periods?
 - How often does this occur?
 - Regularly/occasionally/rarely
 - With what type of unit does the practice of offering rent free periods occur?
 - All types/across the board?
 - More likely with modern, high-end units?
 - In general, how long are these rent-free periods?
 - How successful are rent free periods at attracting tenants?

- Do you consider the 'rent amount' to be the rent paid including the discount or excluding the rent-free period?
- Are rent free amounts factored into the rent amount recorded on the tenancy registration form?
- ▶ In general, how does your branch/office charge for services?
 - Separately?
 - Included in the rent?
 - Which services are charged for separately?
 - Which services are included in the rent?

Vacant Property Tax

A new Vacant Property Tax may be introduced by government in the September budget to ensure that empty properties that are habitable are used.

- ▶ What impact do you think a Vacant Property Tax would have?
- ▶ Would your branch/office be willing to reduce rent levels to increase occupancy levels?
 - If no, why not?

Future intentions

- ▶ In terms of residential letting, where do you see demand in the future/next few years?
 - Unit types?
 - Location?
- ▶ Do you see rent levels increasing, decreasing, or staying the same in the next 12 months?
- ▶ What about rent levels in the medium-longer term? Do you see them increasing, decreasing, or staying the same?

We are nearing the end of the interview now...

This is the last set of questions

- ▶ Do you see a role in the future for letting agents like yourself in the private rental sector?
- ▶ What are the biggest challenges facing letting agents like yourself in the private rental sector over the next 2 to 3 years?

Finally....

- ▶ Is there anything that you thought might have come up in our discussion that has not or anything that you thought about as we talked through that you would like to raise?

Reiterate confidentiality and close.



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