



Bord um Thionóntachtaí Cónaithe
Residential Tenancies Board

Rental Sector Research Summary 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 Tenants, Landlords and 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.

Authors: Amárach Research

Date: 13 December 2023

Residential Tenancies Board, PO Box 47, Clonakilty, County Cork, Ireland.

Contents

About the Research	2
1 Tenant Research	4
2 Landlords	14
3 Letting Agents	35



About the Research

This research, commissioned by the Residential Tenancies Board and undertaken by Amárach Research, forms a significant part of the RTB's ongoing research programme. It represents a continuation of one of the largest and most comprehensive studies of the rental sector ever conducted in Ireland.

The purpose of the research project is to:

- ▶ 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.

There are multiple components to the primary research elements as follows:

- ▶ Research among those living in rented accommodation (qualitative and quantitative).
- ▶ Research among landlords (qualitative and quantitative).
- ▶ Research among letting agents (qualitative and quantitative).

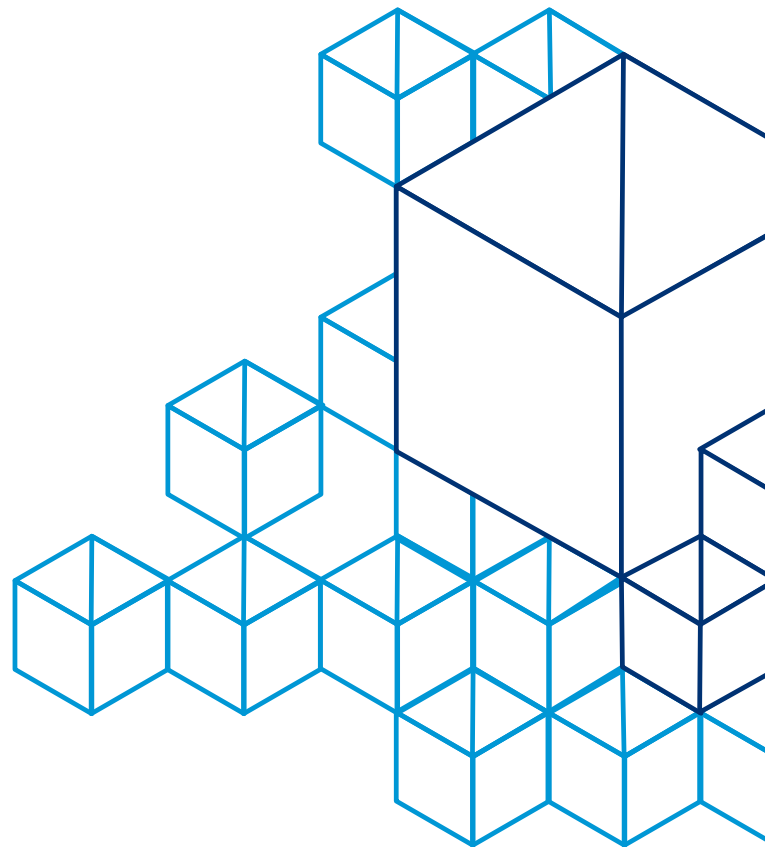
The first wave of the research project began in September 2019 and was completed in December 2020. Like many research projects during 2020, the project was impacted by the COVID-19 pandemic. The stages of the research that ran into the latter half of 2020 were used to capture the impact of the pandemic on some landlords and letting agents in the surveys/interviews.

The second wave of the research project began in April 2022 and was completed in July 2023. The 2022/23 research followed the same methodology as that of 2019/20 to allow for robust comparability of results. The comparison of results also takes into account the impact of the COVID-19 pandemic on tenants, landlords and letting agents operating in the private rented sector.

The fieldwork dates for the research were as follows:

	Wave 1: 2019/2020	Wave 2: 2022/23
Tenants	Survey: September 2019-March 2020 Focus groups: November-December 2020	Survey: October 2022-February 2023 Focus groups: July 2023
Small landlords (1-2 properties)	Survey: February-May 2020	Survey: April-June 2022
Former small landlords who exited the sector	Survey: February-May 2020	Survey: April-June 2022
Former small landlords who increased properties to 3+	Survey: February-May 2020	Survey: April-June 2022
Medium landlords (3-20 properties)	Survey: September-November 2020	Survey: June-August 2022
Medium landlords (21-99 properties)	In-depth interviews: November-December 2020	In-depth interviews: September-October 2022
Large landlords* (100+ properties)	In-depth interviews: November-December 2020	In-depth interviews: September-November 2022
Letting Agents	Survey: December 2020 In-depth interviews: November-December 2020	Survey: September-October 2022 In-depth interviews: November 2022

*Additional interviews were carried out with large landlords in Q4 2021.



Tenant Research

1



Introduction

This element of the research project, commissioned by the Residential Tenancies Board and undertaken by Amárach Research, includes a nationally representative survey of tenants living in the private rented sector in Ireland. It forms a key part 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 tenant research is to provide up-to-date and robust information on tenants 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.

The first phase of the tenant research was conducted in 2019/20. The second phase began in October 2022 and was completed in July 2023. The 2022/23 research followed the same methodology as that of 2019/20. The tenant research focused on tenants living in accommodation that is privately rented in Ireland.

Research Methodology

The research methodology consisted of both quantitative and qualitative elements. The quantitative element consisted of a nationally representative face-to-face survey of tenants living in accommodation that is privately rented in Ireland. The qualitative element consisted of a number of thematic focus groups amongst private renters.

The same methodology was used to conduct both phases of the quantitative research. The sampling approach taken was a quota-based methodology, similar to that used for many large-scale national surveys. The sample was representative of the Irish population aged 19+ living in accommodation in the private rented sector. To achieve this, quotas were set on age and gender to align with the Central Statistic Office's Census 2016.

The 2022/23 survey achieved a total sample of 1,200 face-to-face surveys across 150 sampling points. The margin of error was 2.83% at a 95% confidence interval.

The 2019/20 survey achieved a total sample of 1,038 face-to-face surveys across 130 sampling points. The margin of error was 2.94% at a 95% confidence interval. The target sample was 1,200 surveys but fieldwork was cut short due to restrictions imposed by the COVID-19 pandemic.

While all efforts were made to achieve a wholly representative survey sample (using quota controls), some variables are weighted to proportionately represent the population of those living in the private rented sector.

In 2019/20, a minimum quota was introduced on apartments before fieldwork began and 26% of surveys were achieved amongst private renters in apartments (purpose-built developments or apartments/flats within a converted house). In 2022/23, the minimum quota on apartments was increased to 35% to bring it more in line with 2016 CSO estimates¹, thus ensuring that tenants renting privately in apartments were adequately represented in the survey.

In 2019/20, approximately one in five (19%) of all those surveyed were in receipt of some form of rental assistance (Housing Assistance Payment (HAP), Rental Accommodation Scheme (RAS) or Rent Supplement). In 2022/23, the survey aimed to increase the proportion of tenants in receipt of rental assistance to bring it more in line with current estimates (c.30%)². However, the rental assistance cohort proved to be very difficult to reach and a similar result to that of the previous survey was achieved.

Fieldwork for the 2019/20 tenant survey was carried out between September 2019 and March 2020.

Fieldwork for the 2022/23 tenant survey took place from October 2022 to February 2023.

The main survey instrument for the tenant survey was designed by Amárach with input from the RTB Research Team and the project steering group. The survey was then scripted for face-to-face data collection on CAPI (Computer Assisted Personal Interviewing) devices using the international industry standard software Voxco. The survey script used in 2022/23 was broadly similar to that used in the previous research to facilitate like-for-like comparisons. Any changes that were made to the 2022/23 survey were done in collaboration with the RTB Research Team.

Pilot surveys were undertaken using CAPI with eligible respondents to test the questionnaire changes. These pilot surveys were spread by region and inside/outside Rent Pressure Zones (RPZs) to ensure that a representative sample was achieved.

A total of five focus groups were conducted in 2019/20, the first of which was an exploratory focus group. The four main focus groups were as follows:

- ▶ Two general tenant focus groups.
- ▶ One with non-Irish nationals living in the private rented sector.
- ▶ One with older people age 45+ living in the private rented sector.

In 2022/23, the qualitative element consisted of four focus groups with tenants living in the private rented sector. These groups matched those of 2019/20 with the exception of the older renter group. This was replaced with a focus group of private renters on rental support.

This commentary combines findings from both the qualitative and quantitative research.

1 <https://www.cso.ie/en/releasesandpublications/ep/p-tah/tenureandhouseholdsinireland2016-2019/demography/>

2 Housing Schemes – Tuesday, 5 Apr 2022 – Parliamentary Questions (33rd Dáil) – Houses of the Oireachtas Table H8 <https://www.gov.ie/en/publication/802ec-2020-annual-statistics-report/>

Profile of Renters

It is clear from both surveys that the majority of tenants surveyed have a history of renting in the private rented sector. In 2022/23, a total of 59% of tenants stated that they were 'living in another rental property before moving into their current property', 19% were 'living in the family home with my parents' and 17% were 'living abroad'. These results are in line with 2019/20.

Similarly in the qualitative research, most of the group participants had lived in multiple properties, with one or two exceptions.

Tenants: A Profile (n=1,200 (2020=1,038))

- ▶ 78% of tenants are in employment, compared to 66% in 2019/20.
- ▶ The average length of time renting in the private rented sector is 5.03 years (5.01 years in 2019/20).
- ▶ The average tenant has been renting in their current property for 3.44 years (3.79 years in 2019/20).
- ▶ The average number of properties rented in Ireland is 2.19 (2.43 in 2019/20).
- ▶ The average number of occupants living in a rented property is 3.14 (3.04 in 2019/20).
- ▶ 59% of tenants were living in another rental property before moving into their current property (on par with 2019/20).
- ▶ 33% are living with a spouse/partner with children (34% in 2019/20).
- ▶ 29% are living with others (sharing), up from 24% in 2019/20.
- ▶ 40% of all tenants surveyed are non-Irish citizens (38% in 2019/20).

The age profile of tenants was pre-determined in each survey as quotas were set to align with the national profile of private renters age 19+ from the CSO Census 2016. Young adults aged 19-24 represented 13% of the total sample. The largest single category was aged 25-34, accounting for 43% of all private tenants surveyed. Tenants aged 35-44 were the second largest cohort (27%) and 17% were aged 45 years or older.

Deposits and Rent

The 2022/23 survey results indicate an upward trend in deposits and rents. This trend is evident both in Dublin and outside Dublin.

The 2022/23 survey results also show that a higher proportion of tenants have had a rent increase within the last 12 months when compared to 2019/20.

Tenants in the survey were asked what percentage of their monthly net income (after tax) goes towards paying rent (excluding bills, service charges etc). On average, tenants spent 32.44% of their monthly net income on rent in 2022/23 (higher in Dublin, those renting an apartment and those renting for less than one year). The median percentage spent on rent was 30% (on par with 2019/20). In 2022/23, more than half (57%) stated that they spent 30% or less of their monthly net income on rent (up from 50% in 2019/20). One in four (25%) tenants spent 31%-40% and 18% stated that they spent more than 40% of their monthly net income on rent (down from 27% in 2019/20). Please note that tenants in receipt of HAP/ Rental Assistance are included in the results for percentage of monthly net income spent on rent.

The fact that the median percentage spent on rent (30%) has not changed, may be explained by the higher proportion of (a) tenants in employment (78% up from 66%) and (b) tenants in the AB socio-economic group (16% up from 12%) in the 2022/23 survey.

The vast majority (93%) of tenants indicate that they were able to pay their monthly rent on the date it was due within the last 12 months of being surveyed. Feedback from the in-depth interviews with medium and large landlords also indicated that the proportion of tenants currently in rent arrears was not significant.

Although most tenants still pay rent directly to the landlord, the proportion that pay rent to a letting agent has increased.

Tenants: Deposits and Rent

- ▶ 92% of tenants paid a deposit when first renting their current property (87% in 2019/20).
- ▶ 82% of tenants that paid a deposit paid one month's rent as the deposit (88% in 2019/20).
- ▶ At a national level, the median deposit paid was the same in both surveys (€1,000).
- ▶ At a national level, the median rent on the property was higher in 2022/23 (€1,300 vs €1,000 in 2019/20).
- ▶ 93% of tenants were able to pay their monthly rent when it was due within the last 12 months of being surveyed (94% in 2019/20).
- ▶ 31% indicated that their current rent was higher than when they first moved in (vs 25% in 2019/20).
- ▶ 60% of these tenants had their most recent rent increase within the last 12 months of being surveyed (54% in 2019/20).
- ▶ Overall, 69% stated that their rent has not increased since they moved in – 50% of those renting for five years or longer.
- ▶ Two-thirds (66%) were paying rent directly to a landlord (83% in 2019/20), whereas 28% were paying rent to a letting agent (12% in 2019/20). The remainder paid their rent to a friend or family member they are living with (4% in 2022/23 and 3% in 2019/20) or another housemate (2% in 2022/23 and 1% in 2019/20).

Motivations for Renting

The research shows that tenants have varying motivations for renting. In 2022/23, the main reasons were because tenants can't get a mortgage, closely followed by personal reasons and employment reasons. Flexibility is also a key factor for tenants - renting suits their current situation and allows them flexibility about where they live. Fewer than 1 in 10 (8%) are currently renting while saving for a deposit, down from 15% in 2019/20.

Tenants: Motivations for Renting

- ▶ 30% mention their inability to get a mortgage as a reason for renting (20% in 2019/20).
- ▶ 29% say that they rent for personal reasons (19% in 2019/20).
- ▶ 28% are renting for employment reasons (12% in 2019/20).
- ▶ 26% say that renting suits their current situation (21% in 2019/20).
- ▶ 15% rent because it's convenient to work, college etc (24% in 2019/20).
- ▶ 13% say that renting allows them to live somewhere they cannot afford to buy (8% in 2019/20).
- ▶ 8% are currently saving for a deposit (15% in 2019/20).

Future Intentions

In terms of future intentions, although the greatest proportion of tenants in 2022/23 saw themselves still renting privately in five years' time, nearly half thought they would become an owner occupier (house/apartment) in the longer term (10 years' time), more or less on par with 2019/20.

The proportion who saw themselves still renting privately in ten years' time has dropped to 16% (from 25% in 2019/20), whereas there is a significant increase in the number of private tenants who don't know where they see themselves living in 10 years' time (from 14% in 2019/20 to 26% in 2022/23).

Tenants: Future Plans

- ▶ 34% of renters expect to be owner occupiers in five years' time (on par with 2019/20).
- ▶ 49% expect to be owner occupiers in 10 years' time (50% in 2019/20).
- ▶ 44% see themselves still renting privately in five years' time (49% in 2019/20).
- ▶ 16% see themselves still renting privately in 10 years' time (25% in 2019/20).
- ▶ 9% see themselves renting from the Local Authority or AHB in 10 years' time (11% in 2019/20).
- ▶ 26% aren't sure where they see themselves in 10 years' time (may consider emigrating or returning to family home) up from 14% in 2019/20.

In 2019/20, a large minority (43%) of tenants who saw themselves purchasing a property within the next 10 years expected that becoming a homeowner would reduce their monthly housing costs. The figure for 2022/23 is somewhat higher (51%) and is probably driven by higher rents. One in five (22%) expect monthly housing costs would remain the same (31% in 2019/20) and 9% think their monthly housing costs would go up if they bought (vs 7% in 2019/2020), possibly due to higher mortgage interest rates.

Rental Assistance

The 2022/23 results indicate that amongst those tenants who are on rental assistance, the proportion receiving the Housing Assistance Payment (HAP) has increased from 58% in 2019/20 to 83%. In addition, the proportion of tenants on rental assistance who are having to make a top-up payment to their landlord has increased from 66% in 2019/20 to 88%. In addition, the average top-up payment has increased from €255.88 in 2019/20 to €284.38 in 2022/23.

Tenants: Rent Supports

- ▶ 18% stated that they are in receipt of some form of rental assistance (19% in 2019/20).
- ▶ HAP accounts for 83% of tenants on rental assistance (up from 58% in 2019/20).
- ▶ 88% of all tenants on rental assistance made a top-up payment (vs 66% in 2019/20).
- ▶ Average top-up payment is €284.38 (€255.88 in 2019/20).

Property Inspections and Maintenance Requests

A higher incidence of property inspections (landlord and Local Authority) was recorded in the 2022/23 survey of private tenants. In addition, a higher proportion of these inspections were carried out within the last 12 months. This may be the result of landlords catching-up on essential property inspections following the easing of COVID-19 restrictions.

However, the proportion of tenants that have made a maintenance request to their landlord/letting agent has remained more or less the same. Nearly half of those tenants surveyed who undertook maintenance in their current property that should have been brought to the landlord/letting agent's attention, gave the reason that they did not want to bother the landlord. Indeed, feedback from the qualitative research suggests that some tenants do not want to bother the landlord with maintenance requests for fear they might increase the rent.

Tenants: Property Inspections and Maintenance Requests

- ▶ Two-thirds (66%) say an inventory was carried out on their current property before moving in (55% in 2019/20).
- ▶ 45% have had a landlord inspection of the property since moving in (37% in 2019/20).
- ▶ 75% of these landlord inspections were carried out within the last 12 months (65% in 2019/20).
- ▶ 16% have had a Local Authority inspection of the property since moving in (14% in 2019/20).
- ▶ 60% of these Local Authority inspections were carried out within the last 12 months (41% in 2019/20).
- ▶ 44% of tenants have made a maintenance request to their landlord/letting agent (47% in 2019/20).
- ▶ 24% undertook maintenance work in their current property that should have been brought to the landlord/letting agent's attention (26% in 2019/20).
- ▶ 45% of those who undertook maintenance gave the reason that they did not want to bother the landlord (up from 28% in 2019/20).

Regulations

Overall, there is a greater awareness of Rent Pressure Zones in the 2022/23 survey (44% vs 37% in 2019/20), although the proportion of tenants renting in an RPZ is slightly higher in 2022/23 (75% vs 71% in 2019/20).

Amongst those renting in an RPZ, nearly half (49%) know what an RPZ is. This is higher than the corresponding figure in 2019/20 (41%).

Awareness of the Residential Tenancies Board (RTB) also improved significantly in 2022/23. Similarly, in the qualitative research most group participants were aware of the RTB, having come across it through the registration of their tenancies.

Although the proportion of tenants who stated that they have been in a dispute with a landlord that was brought to the RTB Dispute Resolution Service is very small (3%), this was higher than in the previous survey (1%).

In both surveys, most tenants appeared to have at least 'some knowledge' on a range of issues to do with the rights and responsibilities of landlords and tenants. Tenants were most knowledgeable about tenant's responsibilities for the upkeep of the property and least knowledgeable about RPZs.

Tenants: Regulations

- ▶ Overall, 44% of tenants know what an RPZ is (37% in 2019/20).
- ▶ 75% of tenants in the survey are renting in an RPZ (71% in 2019/20).
- ▶ But only 49% of tenants renting in an RPZ know what it is (41% in 2019/20).
- ▶ 88% of all tenants have a written tenancy agreement (82% in 2019/20).
- ▶ 87% of those with a written agreement have read it (84% in 2019/20).
- ▶ 58% stated that they are familiar with a Building Energy Rating (BER) certificate, vs 46% in 2019/20.
- ▶ 39% were given a Building Energy Rating (BER) certificate, vs 31% in 2019/20.
- ▶ 76% of all tenants are aware of the Residential Tenancies Board (RTB), up from 47% in 2019/20.
- ▶ 3% have been involved in a dispute with a landlord that was brought to the RTB Dispute Resolution Services (up from 1% in 2019/20).

Rental Experience

Overall, the tenant's experience of renting and living in the private rented sector remained positive in 2022/23. A total of 83% were 'positive/very positive' about renting their current property (79% in 2019/20), 14% were 'neutral' and 3% were 'negative/very negative' (on par with 2019/20).

Similar results were seen in the qualitative research. Most group participants were happy enough with where they are renting – they like the area and the amenities.

However, as was the case in 2019/20, the tenants that were surveyed were slightly less positive about their experience of living in the private rented sector in general. In 2022/23, a total of 67% were 'positive/very positive' (down from 72% in 2019/20), 22% were 'neutral' and 11% were 'negative/very negative' (up from 8% in 2019/20).

Whereas in 2019/20 the experience of tenants renting inside Dublin was more or less on par with that of tenants renting outside Dublin, in 2022/23 the experience of tenants renting inside Dublin appeared to be less positive, not only with their current property and neighbourhood but with renting in the private rented sector in general.

The qualitative research provides insight into how the tenants feel about the rental sector. Among renters in general, their main concerns are as follows:

Lack of supply/choice: across all groups the participants all feel that the market is under severe pressure because there is a shortage of properties available to rent. They see their choices in the rental market as extremely limited, so the default is that they stay put. They fundamentally see the absence of supply as the key barrier to moving or to making any material change in the market.

Insecurity of tenure: there is a strong sense of insecurity of tenure and this is compounded by the lack of availability of alternative properties. They believe that the emergence of more secure tenure would make a big difference to private renters. “You have no security – especially with the way the market is. Everyone is just dreading getting a notice of termination”.

Affordability: the key fear is of not being able to find something similar for comparable rent and no one believes that the current situation is improving. Rather they feel that rental prices are becoming higher and supply tighter. For those who are not on rental support, rent varies from between 25% and 40% of their monthly household income.

They are all impacted by the cost-of-living crisis and energy costs in particular. Some want to improve the energy efficiency of their homes, but as private tenants they are not allowed to do so. Their inability to insulate their houses or apply for SEAI grants is a particular bone of contention.

One of the positives cited about renting property is that the tenant is not responsible for the maintenance. Taking maintenance into account, renting a property may be a more affordable option than owning your own home.

Landlords: They generally have a neutral or relatively positive relationship with their current landlord. However, they do worry about the possibility of being exposed to a negative relationship with a future landlord, should they move. Some private tenants deal directly with letting agents, but more do not. There is no sense that dealing with letting agents makes any difference in the way the tenancy is handled.

The Future: With just one or two exceptions amongst non-Irish nationals, all those interviewed would prefer to be property owners. The exceptions are those who have not fully decided as to whether they are staying or not. The availability of affordable property to rent will be one factor which contributes to the stay or go decision.

They would like to buy but cannot afford to. The barriers to affordability mentioned include lack of income, the cost of rent not being taken into account in mortgage calculations, the inability to afford a house on a single salary, the cost of living and higher rental costs in all parts of the country.

Those in middle age are particularly aware of their vulnerability as tenants as they grow older.

Some aspire to buy in the short to medium term, but they would be a small minority. The majority do not see buying as a realistic option in the short, medium or long term.

Non-Irish Citizens

Non-Irish citizens account for a significant proportion of all private tenants surveyed. (40% in 2022/23 vs 38% in 2019/20).

While the demographic profile of non-Irish citizens renting in the private sector is similar in both surveys there are some differences. For example, in 2022/23 a higher proportion of non-Irish citizens are 'rest of world' citizens (48% vs 43% in 2019/20) and a smaller proportion are EU citizens (47% vs 52% in 2019/20). A similar proportion are 'living with my spouse or partner with children' (44% vs 42% in 2019/20) but this compares to 33% of all Irish citizens renting in 2022/23. Amongst those renting for one year or longer, the average time renting is 6.97 years (up from 5.43 years in 2019/20). The average for Irish citizens is 6.35 years in 2022/23. Before moving into their current rental property, 69% were living in another rental property (vs 62% in 2019/20).

A slightly higher proportion of non-Irish citizens are renting in an RPZ (77% vs 72% in 2019/20). Awareness of RPZs is also slightly higher in 2022/23 (33% vs 31% in 2019/20), but still significantly lower when compared to Irish citizens (51% in 2022/23).

Non-Irish citizens are more likely to mention the following in 2022/23 as reasons for currently renting: can't get a mortgage, personal reasons and employment reasons.

Fewer non-Irish citizens see themselves still renting privately in the medium to long term. The trend is similar for Irish citizens. However, the proportion who aren't sure where they see themselves in 10 years' time (don't know, may consider returning home etc) is even higher for non-Irish citizens (34% in 2022/23 vs 13% in 2019/20).

Familiarity with a Building Energy Rating (BER) certificate is much lower amongst non-Irish citizens (43% vs 69% for Irish citizens).

Similar to Irish citizens, a higher proportion of non-Irish citizens had received a landlord inspection of their current property (48% in 2022/23 vs 36% in 2019/20).

Although their experience of renting in Ireland is positive (64% of non-Irish citizens awarded a 'positive/very positive' rating), it shows a decline since 2019/20 when 79% gave a positive rating.

Older Renters Aged 45+

Older renters aged 45+ account for 17% of all tenants surveyed in 2019/20 and 2022/23. This is in line with the national profile of private renters age 19+ from the CSO Census 2016. The socio-economic profile of older renters is different in that the majority (56% in 2022/23) belong to the DE group (semi-skilled and unskilled manual occupations, unemployed and lowest grade occupations) compared to 34% of the total sample of private renters. Older renters are more likely to be living alone and renting for longer than younger renters.

Older renters are also more likely to be in receipt of rental assistance – 29% in 2022/23 compared to 26% in 2019/20. Amongst this group, the majority (87%) are paying a top-up payment to their landlord to cover the difference between their rental assistance and the cost of their rent. This compares to 59% of older renters in 2019/20.

Older renters are more likely to mention the following in 2022/23 as reasons for currently renting: can't get a mortgage, personal reasons and employment reasons.

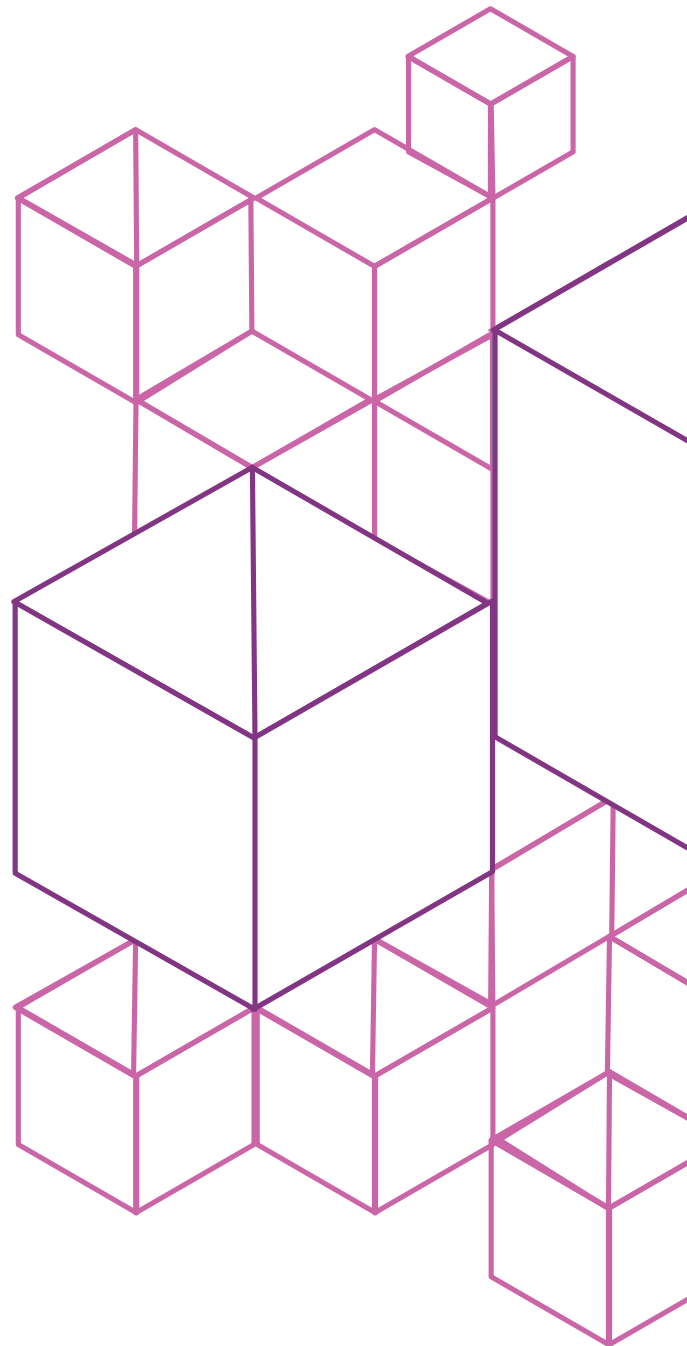
Fewer older renters aged 45+ see themselves still renting privately in the medium to long term (30% see themselves renting privately in 10 years' time vs 44% in 2019/20). This is in line with the total sample. A slightly higher proportion see themselves becoming owner occupiers in that timeframe (28% vs 23% in 2019/20) but one in four (27%) aren't sure where they see themselves in 10 years' time (don't know, may consider returning home etc), up from 18% in 2019/20.

Overall, the level of knowledge amongst older renters of the rights and responsibilities of landlords and tenants is slightly higher in 2022/23 when compared to 2019/20.

Familiarity with a Building Energy Rating (BER) certificate is higher amongst this cohort with 61% stating that they are familiar in 2022/23 (compared to 52% in 2019/20).

In line with the total sample, a higher proportion of older tenants had received a landlord inspection of their current property (53% in 2022/23 vs 41% in 2019/20).

Although their experience of renting in Ireland is positive (67% of older renters aged 45+ awarded a 'positive/very positive' rating), it shows a decline since 2019/20 when 75% gave a positive rating. This decline is in line with the total sample of private renters.



Landlords



In order to understand landlords, the research differentiated between small, medium and large landlords in terms of the number of properties they rent to tenants. This section presents the key findings from the different research elements, beginning with small landlords.

Small Landlords (1-2 properties)

For the purposes of the research, small landlords were defined as those who currently own between one and two properties which they let out to tenants.

The research methodology for the small landlord study consisted of both quantitative and qualitative elements. The different elements are summarised in the following table:

Small Landlord Research (1-2 properties)

Quantitative Element	Qualitative Element
<p>Nationally representative telephone survey of 500 small landlords. (2020 and 2022).</p> <p>Additional shorter telephone surveys were carried out as follows:</p> <ul style="list-style-type: none">▶ Small landlords who had left the sector:<ul style="list-style-type: none">- 2022 x 100 surveys- 2020 x 74 surveys▶ Small landlords who increased their portfolios to three properties or more:<ul style="list-style-type: none">- 2022 x 80 surveys- 2020 x 66 surveys	<p>One exploratory focus group consisting of small and medium landlords to explore areas of interest for including in the main survey instrument (2020 only).</p> <p>One focus group with small landlords who have left the sector (2020 and 2022).</p>

The same quantitative methodology was employed to conduct both the 2020 and 2022 surveys.

A Computer-Aided Telephone Interview (CATI) methodology was used to complete a survey of 500 small landlords (1-2 properties). The margin of error was 4.38% at a 95% confidence interval. Quotas were set based on region and number of tenancies (81% currently own and rent out just one property) to ensure that the sample was representative of the population of landlords. Leads for contacting landlords were provided by the RTB from the RTB register of tenancies. The RTB contacted landlords in advance by email to inform them that the research was taking place and that they may be asked to participate.

Fieldwork for the 2020 small landlord survey was carried out between February and May 2020.

Fieldwork for the 2022 small landlord survey was carried out between April and June 2022.

Additional short telephone surveys were conducted as follows:

In 2022, one hundred (100) landlords who left the sector and were no longer operating as landlords (74 landlords in 2020). These former landlords previously let out either one or two properties but had ceased to be landlords at the time of the survey. These short surveys were conducted to identify the reasons why they no longer operate as a landlord in the sector.

In 2022, eighty (80) landlords owning 3+ properties (66 landlords in 2020). These landlords recently increased the number of rental properties that they were associated with. These short surveys were conducted to identify the reasons that they increased the number of rental properties and to explore their intentions with regard to purchasing more rental property in the future.

The main survey instrument for the small landlord survey was designed by Amárach with input from the RTB Research Team and the project steering group. The survey was then scripted using the international industry standard software Voxco. The survey script used in 2022 was broadly similar to that used in 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.

Pilot surveys were undertaken with small landlords using CATI in 2020 and 2022. The pilot surveys were spread by region and inside/outside Rent Pressure Zones (RPZ) to ensure that a representative sample was achieved. The pilot surveys highlighted any potential issues that could affect data quality and fieldwork efficiency. Findings from the pilot study were also used to improve the survey script.

The qualitative element consisted of two focus groups in 2020 and one focus group in 2022. In 2020, the first focus group was exploratory and included both small (1-2 properties) and medium (3-20 properties) landlords. Its purpose was to explore areas of interest for including in the main survey instrument. The second focus group was with small landlords who left the sector. These landlords were recruited from the small landlord telephone survey and the focus group was conducted in December 2020.

The 2022 qualitative element consisted of one focus group with small landlords who left the sector. These landlords were recruited from the 2022 small landlord telephone survey and this focus group was conducted in July 2022.

Profile

In terms of the small landlord profile, there are notable shifts in various aspects of the small landlord demographic in 2022. Changes in the age profile of landlords indicate a transition to an older cohort. The proportion of small landlords aged 35-44 decreased from 29% in 2020 to 20% in 2022. In contrast, the proportion of small landlords aged 65 and above more than doubled from 10% in 2020 to 23% in 2022. This shift in the age profile needs to be considered when comparing the results for the 2020 and 2022 surveys. An ageing landlord population may have a material effect on the rental market depending on what a landlord is hoping to achieve with a rental property. Older landlords are more likely to sell their property as they near retirement age.

Nearly half (49%) own their current dwelling outright in 2022 compared to 39% in 2020. The percentage of small landlords owning their current dwelling with a mortgage decreased from 51% in 2020 to 43% in 2022.

Small landlords in 2022 have a longer history of letting in the private rented sector. The average number of years as a landlord is 12.38, compared to 10.32 in 2020. Similarly, the average time owning current rental properties increased from 13.94 years in 2020 to 15.89 years in 2022.

Small Landlords: A Profile (n=500)

- ▶ 79% are aged 45 and older (up from 68% in 2020).
- ▶ Vast majority (94%) continue to identify as part-time landlords, with a different primary occupation (96% in 2020).
- ▶ 49% own their dwelling outright, up from 39% in 2020.
- ▶ Average landlord experience is 12.38 years up from 10.32 years in 2020.

The results of both surveys show that there are different pathways to becoming a landlord. In 2022, the greatest share of all rental properties was acquired 'with an owner occupier mortgage'. Once again, only a minority of small landlords acquired their rental property with a buy-to-let mortgage.

Small Landlords: History

- ▶ Nearly half of all rental properties were acquired with an owner occupier mortgage (50% in 2020 and 46% in 2022).
- ▶ 1 in 4 rental properties were acquired with a buy-to-let mortgage (25% in 2020 and 26% in 2022).
- ▶ Nearly 1 in 5 properties were bought outright (15% in 2020 and 19% in 2022).
- ▶ Fewer than 1 in 10 properties were inherited (9% in 2020 and 7% in 2022).
- ▶ 15% previously rented out a greater number of properties than they do now, up from 10% in 2020. Amongst those who sold their properties the main reasons given in 2022 were 'taxation is too high' (45%), 'no longer wish to be a landlord' (31%) and 'being a landlord is not profitable' (31%).

Nationally, houses still account for the majority of all properties let out to tenants (74% in 2020 and 72% in 2022). This is followed by 'an apartment in a purpose-built development' (22% in 2020 and 24% in 2022) and 'an apartment or flat within a converted house' (2% in 2020 and 4% in 2022). In Dublin, 54% of rental properties are houses and 42% are apartments in purpose-built developments. Whereas outside Dublin, 83% of rental properties are houses and 12% are apartments in purpose-built developments. A similar pattern was seen in the 2020 results.

Profile of Tenancies

The average length of tenancy increased in the 2022 small landlord survey when compared to 2020.

In the 2022 survey, the average tenancy is 4.1 years. This compares to an average tenancy of 3.7 years in 2020. Tenants renting for 5-10 years represent the greatest share (24% in 2020 and 23% in 2022) and tenants renting for less than one year account for 14% of all tenancies (down from 16% in 2020).

One of the findings from the tenant focus groups is that tenants are looking to stay in their existing rental property for longer as they seek to avoid higher rents elsewhere. Lack of available stock is another reason that tenants are staying in their current property for longer, even amongst those who can afford to rent elsewhere.

The largest cohort renting from small landlords in 2022 are couples with children (33%). This is followed by 'a single person (including multiples in one property)' at 31%, 'a couple' at 22% and 'a single person with child/children' at 17%.

One in three (34%) properties have tenants on some form of rental assistance in 2022 - slightly higher than 2020 (30%). Housing Assistance Payment (HAP) is still the main form of rental assistance. More than a quarter (27%) of rental properties in 2022 have tenants on HAP compared to 24% in 2020. In properties where tenants are receiving some form of rental assistance, the majority (62%), according to landlords, are paying a top-up contribution. This is in line with the previous survey (61%).

Management of Tenancies/Tenant Relations

With regard to the management of tenancies and relations with tenants, the results were very consistent across both surveys.

Property inspections appear to have declined between 2020 and 2022 but this is not surprising given that landlord access to rental properties was restricted during the COVID-19 pandemic.

It is reassuring to see that the positive landlord-tenant relationship has prevailed, with 90% of small landlords rating the relationship with current tenant as positive or very positive in 2022.

Small Landlords: Management of Tenancies/Tenant Relations

- ▶ Approximately 1 in 5 (22%) small landlords use the services of a letting agent (same in 2020 and 2022).
- ▶ An inventory was carried out on 83% of all properties (either themselves or through their letting agent) in 2020 and 2022.
- ▶ The proportion of rental properties that were inspected was lower in 2022 (79% vs 87% in 2020). This may be the result of fewer inspections being carried out during and after the COVID-19 pandemic.
- ▶ The majority of small landlords state that they provide more than one week's notice for inspections (56% in 2020 and 57% in 2022).
- ▶ Maintenance requests from tenants were reported by three quarters of small landlords (74% in 2020 and 75% in 2022). The principal requests remain the same: plumbing, broken large appliances and broken small appliances.
- ▶ Nearly 3 in 4 (73%) properties have a BER certificate according to landlords in the 2022 survey. But for nearly half (46%) of these properties the BER rating is not known by the landlord.
- ▶ In 2022, the relationship with current tenants is rated as positive or very positive in 90% of tenancies and is similar to 2020 (88%).

Deposits, Rents and Rent Reviews

The 2022 small landlord survey results indicate an upward trend in deposits and rents. This trend is evident both in Dublin and outside Dublin.

At a national level, the median deposit increased from €900 in 2020 to €1,000 in 2022.

The median rent also increased at a national level - from €1,000 in 2020 to €1,100 in 2022.

For most recent tenancies, small landlords believe that the rent was set 'below market rent' in the majority of cases (58%) and 'at market rent' in 39% of all cases. They indicate that only a small number of properties (1%) had the rent set 'above market rent' and 2% said they 'don't know'.

The main motivation for setting rent at the market rent was to set the rent in line with market rents in the local area (60%). The main reasons for setting rent below market rent are because landlords are happy with current tenants (50%) and to keep the rent in line with what the tenant can afford to pay (34%).

For most recent tenancies, small landlords also believe that in most cases (57%), current rent levels are the same compared to the initial rent charged to tenants. For 30% of properties, landlords estimate that current rent levels are higher than the initial rent charged to tenants and for 12% of properties, landlords estimate that current rent levels are lower. These results are in line with those of the tenant survey where the majority (69%) indicated that their current rent was the same/lower than when they first moved into the property.

The results are similar for landlords letting properties to new tenants.

When letting property to a new tenant, small landlords believe that the rent for the new tenant was set 'below market rent' in the majority of cases (52%) and 'at market rent' in 46% of all cases. They indicate that only a small number of properties (1%) had the rent set 'above market rent' and 2% said they 'don't know'.

When last letting property to a new tenant, nearly one in two (46%) properties were set at a rent 'higher than the previous tenants' and a slightly smaller proportion (40%) were set 'the same as the previous tenant'. Fewer than one in ten (9%) properties were set at a lower rent than the previous tenants.

In 2022, when reviewing rent for an existing tenant (excluding properties where tenants had been renting for less than 12 months), small landlords increased the rent for 29% of properties and kept the rent the same for one in four (25%) properties. The proportion that decreased the rent was negligible. However, the greatest proportion (45%) of properties have not previously reviewed the rent. This figure has increased significantly since 2020 (29%).

Rent Pressure Zones (RPZs)

The awareness of RPZs by small landlords has decreased from 85% in 2020 to 74% in the latest survey, affecting all age groups. However, the biggest decline can be seen in landlords aged 55+ from 88% aware in 2020 to 68% in 2022.

Amongst those aware of RPZs, nearly 8 in 10 (77%) state that they are aware of the recent change to rent setting rules in RPZs.

There is a lack of awareness of exemptions to RPZs amongst small landlords with properties in RPZs. In 2022, a total of 38% stated that they were aware of exemptions compared to 43% in 2020.

Attitudes towards RPZs as a measure to address rental inflation remain mixed. In 2022, 28% view them positively, 40% are neutral and 32% view them negatively. In the previous survey, 35% were positive about RPZs, 41% were neutral and 24% were negative. This trend holds across age groups and regions.

Small landlords who have a negative attitude towards RPZs gave the following reasons unprompted in 2022:

- ▶ Unfair to smaller landlords (50%)
- ▶ RPZs do not reflect cost increases to landlords (43%)
- ▶ RPZs do not reflect the market or expenses (39%)
- ▶ RPZs force landlords to increase their rent or get stuck (32%)

Motivation and Outlook

Finance

Small landlords continue to see their rental properties as long-term investments. In 2022, more than half (56%) view their properties as vehicles for rental income, while 42% consider them as long-term assets for capital growth, mirroring the results of the 2020 survey. However, a shift towards seeing properties as a short-term investment for rental income is noticeable, rising from 9% in 2020 to 17% in 2022.

According to small landlords, the majority of properties continue to yield net incomes of less than €10,000 (58% in 2020 and 54% in 2022). However, there is a slight increase in properties generating net incomes exceeding €10,000 (9% in 2022, up from 5% in 2020). Approximately 1 in 10 properties (10% in 2020, 8% in 2022) report making a loss and an additional 27% either prefer not to disclose their financial situation or are unsure about the details.

Future Intentions

The likelihood of small landlords selling property has increased slightly, with 27% of properties likely or very likely to be sold within the next five years (up from 24% in 2020). The majority of properties (52%), however, are unlikely or very unlikely to be sold (on par with 2020) and for 20% of properties landlords are unsure. While some small landlords intend to leave the private rented sector, it should be noted that there will always be new small landlords entering the sector.

For those expecting to sell, the main motivation is that they no longer wish to be a landlord (48% vs 45% in 2020). Other factors that have emerged as significant concerns in 2022 include taxation is too high on rental income (25% in 2020 vs 45% in 2022), being a landlord is not profitable (30% in 2020 vs 43% in 2022) and the regulatory environment (13% in 2020 vs 36% in 2022).

Amongst those landlords who are likely or very likely to sell within the next five years, fewer than one in four (24%) have taken any action with regard to selling their properties. This is on par with 2020.

Small landlord intentions with regard to purchasing more rental property have not changed in the latest survey. The majority are unlikely or very unlikely to purchase another property with the intention of letting it out within the next five years (88% in 2022 vs 86% in 2020). However, a small minority (6% in both surveys) believe that they are likely or very likely to purchase another rental property within this timeframe.

Regulations

Small landlords appear to be more divided on the issue of changes to regulation than they were in 2020.

Small Landlords: Regulations

- ▶ 26% of small landlords feel that recent regulations have made the sector more professional (down from 40% in 2020).
- ▶ 25% feel that recent regulations have made the sector less professional (up from 15% in 2020).
- ▶ Regulation concerns in 2022 are driven by: Controls on rents (35%), frequency of regulatory changes (34%) and length of time for notices of termination (31%).
- ▶ Those likely/very likely to recommend becoming a landlord to a friend or family member increased from 14% (2020) to 19% (2022).
- ▶ However, most small landlords are still unlikely/very unlikely to recommend becoming a landlord (50% in 2020 and 55% in 2022).
- ▶ More than half (53%) say their own experience of being a landlord has been positive/very positive (up from 47% in 2020).
- ▶ Approximately one third are neutral (34% in 2020 and 30% in 2022) and the remainder are negative/very negative about their own experience of being a landlord (18% in 2020 and 17% in 2022).

Former Landlords

In addition to the small landlords surveyed in the research, former landlords were identified and asked a set of supplementary questions.

A total of 100 telephone surveys were conducted with former small landlords in 2022. A smaller number of telephone surveys (74) were carried out in 2020.

Former Landlords:

- ▶ 60% of former small landlords had at least one property in a Rent Pressure Zone.
- ▶ 59% acquired their rental properties with an owner occupier mortgage, 21% used a buy to let mortgage, 15% bought outright and 8% inherited property.
- ▶ 68% sold their rental properties (vs 72% in 2020).
- ▶ 22% recovered their property for personal or family use (vs 23% in 2020)
- ▶ 71% of former small landlords sold their last rental property to an owner occupier. In 2020 and 2022, most small landlords purchased with an owner occupier mortgage or inherited the property.
- ▶ Main reasons for selling included no longer wish to be a landlord (55% in 2020 and 60% in 2022), taxation is too high on rental income (6% in 2020 and 51% in 2022), being a landlord was not profitable (28% in 2020 and 49% in 2022) and the regulatory environment for landlords (4% in 2020 vs 32% in 2022).
- ▶ Although half (49%) wanted to sell for personal reasons, 44% said they would have considered not selling if they had to pay less tax (vs 11% in 2020).

Landlords Who Have Expanded Their Portfolio

Additional short telephone interviews were also conducted with small landlords who expanded their portfolio to consist of three or more rental properties.

A total of 80 telephone surveys were conducted with these landlords in 2022. A smaller number of telephone surveys (66) were carried out in 2020.

Landlords Who Have Expanded Their Portfolio:

- ▶ The average number of properties currently being rented out is 4.1 (4.2 in 2020).
- ▶ 69% of former small landlords who expanded their portfolio have at least one property in a Rent Pressure Zone.
- ▶ 55% acquired their rental properties with a buy to let mortgage.
- ▶ Main reason for expanding was to provide for a future pension (52% in 2020 and 50% in 2022).
- ▶ 16% are likely to purchase another rental property within the next five years (up from 8% in 2020).

Landlords – Medium Landlords

In addition to small landlords, research was also undertaken with medium landlords. The research methodology for the medium landlord study also consisted of both quantitative and qualitative elements. These are summarised in the table below:

Medium Landlord Research

Quantitative Element (3-20 properties)	Qualitative Element (21-99 properties)
Nationally representative telephone survey of 250 medium landlords.	10 in-depth telephone interviews

The same quantitative methodology was employed to conduct both the 2020 and 2022 surveys.

A Computer-Aided Telephone Interview (CATI) methodology was used to complete a survey of 250 medium landlords (3-20 properties). The margin of error was 6.2% at a 95% confidence interval. Quotas were set based on region and number of tenancies to ensure that the achieved sample in each case was representative of the population of landlords. Leads for contacting medium landlords were also provided by the RTB from the RTB register of tenancies. The RTB contacted landlords in advance by email to inform them that the research was taking place and that they may be asked to participate.

Fieldwork for the 2020 medium landlord survey was carried out between September and November 2020.

Fieldwork for the 2022 medium landlord survey was carried out between June and August 2022.

The main survey instrument for the medium landlord survey was designed by Amárach with input from the RTB Research Team and the project steering group. The survey was then scripted using the international industry standard software Voxco. The survey script used in 2022 was broadly similar to that used in 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.

Pilot surveys were undertaken by CATI with medium landlords in 2020 and 2022. The pilot surveys were spread by region and inside/outside Rent Pressure Zones (RPZ) to ensure that a representative sample was achieved. The pilot surveys highlighted any potential issues that could affect data quality and fieldwork efficiency. Findings from the pilot study were also used to improve the survey script.

The 2020 pilot survey highlighted the fact that due to its length and structure, the survey was difficult to administer amongst landlords with more than twenty properties. In addition, it was felt that landlords owning 21-99 properties might behave quite differently to landlords owning 3-20 properties. Therefore, in addition to the survey, in-depth interviews were carried out with medium landlords owning 21-99 properties.

The RTB contacted landlords in this category, informing them of the nature of the study and notifying them that they may be contacted and asked to participate. Amárach's call centre contacted potential participants and arranged for a telephone interview. In total, there were ten in-depth interviews completed in each year of the research. Each interview lasted approximately 60 minutes.

Medium Landlords (3-20 properties)

Profile

Many of the characteristics of medium landlords (3-20 properties) surveyed in 2022 closely mirror those observed in 2020. The majority continue to typically see their property management as a part-time endeavour rather than a full-time profession. This self-perception remained relatively stable between 2020 and 2022.

One change observed in the 2022 survey was an increase in experience amongst smaller medium landlords, with results showing a median of 20 years' experience compared to 15 years in 2020.

Medium Landlords (3-20 properties): A Profile (n=250)

- ▶ 77% consider themselves part-time landlords (79% in 2020).
- ▶ 96% manage their properties as individuals rather than as a company (94% in 2020).
- ▶ Medium landlords are well established and are operating for longer in the 2022 survey (median of 20 years vs 15 years in 2020).

Portfolio of Properties

In terms of rental properties, medium landlords (3-20 properties) are most likely to own and rent out houses, but many also have apartments in their portfolio. In 2022, 76% own houses, an increase from 69% in 2020. Apartments in purpose-built developments are owned by 44% (41% in 2020), followed by apartments within converted houses at 21% (26% in 2020). Ownership of totally owned purpose-built blocks of apartments is 5% (versus 10% in 2020).

The most common unit type among medium landlords (3-20 properties) in 2022 is the two-bed (67%), followed by three-bed (52%) and one-bed (38%). Smaller unit types (studio/bedsit, one bed) were more prevalent in Dublin, whereas larger unit types (three+ bed) were more common outside Dublin.

In 2022, 93% of rental properties are furnished, 1% are unfurnished, and 6% are partially furnished, mirroring the 2020 findings.

Medium Landlords (3-20 properties): Property Portfolios (n=250)

- ▶ 76% have single dwelling houses in their property portfolio (up from 69% in 2020).
- ▶ 44% have apartments in purpose-built developments (41% in 2020).
- ▶ 21% have apartments in a converted house (26% in 2020).
- ▶ 5% have apartments in totally owned purpose-built blocks (10% in 2020).
- ▶ 93% of rental properties are furnished (91% in 2020).

Unlike small landlords (1 or 2 properties), who often become property owners due to circumstances, medium landlords (3-20 properties) are more likely to enter the private rented sector intentionally. This is evidenced by 45% of smaller medium landlords purchasing their rental properties using buy-to-let mortgages, reflecting a strategic approach to property investment. These findings suggest that medium landlords (1-2 properties) approach property management with a mix of experience and intentionality, in contrast to the small landlords (1-2 properties) who may have entered the sector by happenstance. These results are in line with the 2020 survey as can be seen in the table below.

With regards to purchasing and selling rates amongst medium landlords (3-20 properties), purchase rates declined between 2020 and 2022 whilst property sales remained on par. However, these results suggest that overall, more medium landlords (3-20 properties) bought property than sold property within the last 5 years and that despite a decline in purchase rates, most don't plan to exit the sector in the short term.

Medium Landlords (3-20 properties): Purchasing and Selling of Properties (n=250)

- ▶ 45% purchased their rental properties with a buy-to-let mortgage (49% in 2020).
- ▶ 33% bought outright (35% in 2020).
- ▶ 8% purchased with an owner occupier mortgage (8% in 2020).
- ▶ 6% inherited property (7% in 2020).
- ▶ 26% bought a property in the last five years (35% in 2020).
- ▶ Only 4% purchased a property in the last 12 months (8% in 2020).
- ▶ 20% sold a property in the last five years (19% in 2020).

Profile and Portfolio of Larger Medium Landlords (21-99 properties)

The larger medium landlords (21-99 properties) came from all four provinces, operating in both towns and cities. All were family businesses, with the majority owning between 20 and 50 properties. All had practical experience of the sector through a series of economic cycles. With a few exceptions, the building of these portfolios had started several decades ago, often by the parent of the person who is now managing the properties. Most portfolios contained a mix of property type, and the majority of the properties were located in RPZs.

Profile of Tenants

In 2022, the most common types renting from smaller medium landlords (3-20 properties) are single people including multiple singles in one property (42%) and couples (41%), followed by couples with children (33%) and single parents with children (18%). This profile mirrors the 2020 survey, but differs from the small landlord (1-2 properties) survey where couples with children are the predominant tenant group.

Letting websites remain the primary method for finding tenants, with 55% of medium landlords (3-20 properties) and/or their agents using them in 2022, up from 51% in 2020. Additionally, 28% rely on word-of-mouth for sourcing tenants.

The proportion of medium landlords (3-20 properties) with tenants on rental assistance is 59% in 2022, almost on par with 2020 (60%). The majority (56%) of medium landlords (3-20 properties) have at least one property with tenants renting under the Housing Assistance Payment (HAP) scheme, again on par with 2020 (55%).

In the 2022 survey, landlords show greater awareness of top-up contributions for tenants receiving rental assistance, with 70% stating that some or all of their tenants pay a top-up. This is significantly higher than the 2020 survey (55%). In general, larger medium landlords find the HAP system reliable but they are aware that if the tenant doesn't pay their contribution, then HAP don't pay, creating an uncertain environment for the landlord.

Management of Tenancies

The survey highlights that most medium landlords (3-20 properties) prefer to manage their properties themselves, although they are more likely than small landlords to use the services of a letting agent. This hands-on approach to tenancy management is often passed down from one generation of medium landlords to the next. Most of these landlords conduct inventories and property inspections. In terms of maintenance, they strike a balance between self-maintenance and external help. Cost pressures may have led to fewer medium landlords employing an external contractor in 2022 when compared to 2020.

Medium Landlords (3-20 properties): Management Practices

- ▶ 31% used a letting agents or property manager (28% in 2020).
- ▶ 90% conduct inventories either themselves or through their letting agent (88% in 2020)
- ▶ 89% have undertaken a property inspection either themselves or through their letting agent (74% in 2020).
- ▶ 32% employ an external contractor for maintenance (36% in 2020), while 62% use a combination of self-maintenance and external help (55% in 2020).

Larger medium landlords (21-99 properties) are more likely to adopt a business-like approach, often outsourcing maintenance to professionals. They carry out routine maintenance during a tenancy and a full upgrade at the end of the tenancy (if required). They express concerns about rent caps which impact the return on any property improvements.

Word-of-mouth referrals are considered as if not more important than property websites when sourcing new tenants.

Deposits, Rents and Rent Reviews

From July 1, 2019, landlords are required to provide tenants with a Notice of Rent Review. While awareness of the Notice of Rent Review is high in both surveys (80% in 2020 and 82% in 2022), less than half of medium landlords (3-20 properties) have used this Notice of Rent Review in recent reviews. However, the 2022 survey shows an increase in usage of the Notice of Rent Review (from 42% in 2020 to 49% in 2022), indicating improved compliance with rental regulations.

The proportion of medium landlords (3-20 properties) that haven't used this Notice of Rent Review has decreased (16% in 2022 vs 33% in 2020), whereas the proportion that stated they haven't had any rent reviews since July 1, 2019, increased from 25% in 2020 to 33% in 2022.

Similar to the small landlord survey, the 2022 survey for medium landlords (3-20 properties) shows an upward trend in deposits and rents.

The median deposit charged in 2022 for the most recent tenancy was €1,040 at a national level. This is 8% higher than the median deposit charged in 2020 (€960). The practice of setting deposits at 'one month's rent' is followed by 93% of medium landlords (on par with 2020).

In terms of the current monthly rent paid, the results indicate that this was also higher in 2022 when compared to 2020. The median in 2022 was €1,350 for the most expensive rent and €850 for the least expensive rent. In 2022, the median rent for the most expensive rent was 13% higher than in 2020 (€1,200). Similarly, the median rent for the least expensive rent was 13% higher than in 2020 (€750).

Amongst those medium landlords who reviewed the rent for an existing tenant, a higher proportion increased the rent, and a lower proportion kept the rent the same compared to 2020. In 2022, two-thirds (66%) increased the rent (38% in 2020) and 31% kept the rent the same (60% in 2020). The remaining 3% decreased the rent (2% in 2020).

The median rent increase for existing tenants went from 4% in 2020 to 2% in 2022, likely due to recent changes in rent-setting rules (December 2021).

Some of the larger medium landlords (21-99 properties) prioritize tenant retention over higher rents but acknowledge the risk of being locked into lower rates. Their approach to rent adjustment tends to be less systematic, often reflecting the stability of their long-established property portfolios.

Medium Landlords (3-20 properties): Deposits, Rents and Rent Reviews

- ▶ 82% are aware of the Notice of Rent Review (80% in 2020).
- ▶ 49% of those aware have used this in recent rent reviews (42% in 2020).
- ▶ 33% have not had any recent rent reviews since July 2019 (up from 25% in 2020).
- ▶ Median deposit for the most recent tenancy increased in 2022 by 8% at a national level.
- ▶ 93% charged 'one month's rent' as a deposit (same in 2020).
- ▶ Median for the most expensive rent and the least expensive rent have both increased by 13% since 2020.
- ▶ 36% have not previously reviewed rent for existing tenants, up from 22% in 2020.
- ▶ Of those who reviewed rent, 66% increased (38% in 2020), 31% kept it the same (60% in 2020), and 3% decreased.
- ▶ Lower median rent increase in 2022 (2% vs 4% in 2020).

Rent Pressure Zones (RPZs)

In 2022, awareness of Rent Pressure Zones (RPZs) remains high among smaller medium landlords (94% vs 92% in 2020).

Among those aware of RPZs, 89% are also aware of recent rent setting rule changes, whereas this figure is lower (77%) in the small landlord (1-2 properties) survey.

However, only 38% of these smaller medium landlords are aware of RPZ exemptions, slightly lower than in 2020 (43%) and on par with small landlords.

Overall, attitudes toward RPZs among medium landlords (3-20 properties) are less favourable in 2022 compared to 2020, with only 17% providing a positive rating (compared to 32% in 2020). The majority (54%) give a negative rating, compared to 35% in 2020. Small landlords (1-2 properties) also showed less favourable attitudes toward RPZs in 2022.

Medium landlords who have a negative attitude towards RPZs give the following reasons (unprompted) in 2022:

- ▶ Penalised for keeping the rent low (35%)
- ▶ Too broad in reach (26%)
- ▶ Unfair to landlords/one sided in favour of tenants (24%)
- ▶ Market should dictate the price (15%)
- ▶ Prevents investing and upkeep of existing property (5%)

Motivation and Outlook

The Landlord Experience

Overall, medium landlords (3-20 properties) in 2022 rated their experience as a landlord more positive than negative, though a decrease is noted compared to 2020 (43% in 2022, down from 59% in 2020). Conversely, 38% rated their experience as negative in 2022, up from 24% in 2020.

The main driver of a positive experience was their overall 'positive experience with tenants'. Negative experiences were primarily due to dissatisfaction with rules and regulations and a lack of profitability.

When comparing the sentiment of medium landlords (3-20 properties) with small landlords (1-2 properties), small landlords had a more positive experience in 2022, with 53% rating it as positive and 17% as negative.

Rental property as an investment

In 2022, most medium landlords (3-20 properties) still consider their rental properties as a long-term investment for rental income (70%), although the figure for 2020 was higher (78%).

According to the survey results, the net income from rental properties declined for smaller medium landlords in 2022, with a median of €17,500 compared to €23,000 in 2020. This decline in total net income may be driven by different factors including rising costs.

Interestingly, 72% of medium landlords (3-20 properties) report that their property portfolio's current market value exceeds the initial purchase price, an increase from 62% in 2020, indicating property value appreciation.

Future intentions

Overall, the propensity of medium landlords (3-20 properties) to sell property in the short to medium term is slightly higher in 2022 than it was in 2020.

Medium Landlords (3-20 properties): Intentions to Sell

- ▶ 26% likely/very likely to sell a property within the next 12 months (17% in 2020).
- ▶ 29% likely/very likely to sell a property within the next 2 years (26% in 2020).
- ▶ 37% likely/very likely to sell a property within next 5 years (38% in 2020).

When compared to small landlords, medium landlords are more likely to sell within the next five years (37% vs 27%).

Among medium landlords (3-20 properties) likely to sell in 2022, the primary reasons given are 'too much hassle or time needed to manage properties' (47%), 'taxation too high on rental income' (38%), 'exiting the property business completely' (36%), and 'the regulatory environment for landlords' (27%).

Amongst larger medium landlords (21-99 properties) who participated in the in-depth interviews, their desire to exit the sector is driven mainly by: increased regulation and the belief that regulation is balanced more in the tenant's favour, the difficulty in making a reasonable return after tax, and the poor return on investment (ROI) overall.

Properties have increased in value for some landlords. So those who can are taking advantage of higher prices and disposing of their assets.

However, the likelihood of purchasing more property with the intention of letting it out in the future is lower amongst medium landlords (3-20 properties) in 2022.

Similarly, none of the larger medium landlords (21-99 properties) who participated in the in-depth interviews had purchased any property recently and none had plans to expand their portfolio. Many of these landlords are older and have plans to retire in the next 5-10 years.

Although the majority of medium landlords (3-20 properties) are unlikely to reclaim a property from the rental sector within the next five years, the proportion that are likely to reclaim has increased.

Medium Landlords: Intentions to Buy or Reclaim

- ▶ 10% likely/very likely to buy more rental property within the next five years (17% in 2020).
- ▶ 21% likely/very likely to reclaim a property within the next five years (14% in 2020).

Investment in Energy Efficiency

When it comes to plans for investment in energy efficiency, the response from medium landlords (3-20 properties) is mixed. In 2022, nearly half (48%) have already invested or intend to invest in energy efficiency. The majority (52%) have not invested and have no plans to do so, this is higher than the 2020 figure (42%).

Medium Landlords: Investment in Energy Efficiency

- ▶ 39% have already invested in energy efficiency (52% in 2020).
- ▶ 52% have not invested and have no plans to do so (42% in 2020).
- ▶ 9% have not invested but intend to (5% in 2020).
- ▶ 23% of those who invested have availed of a state grant and 8% intend to.

Regulation

Medium landlords (3-20 properties) continue to be divided in terms of their attitude towards recent regulations in the private rented sector, disregarding any emergency legislation as a result of COVID-19.

Medium Landlords: Regulation

- ▶ 35% feel that recent regulations have made the sector less professional (25% in 2020).
- ▶ 25% feel that recent regulations have made the sector more professional (22% in 2020).
- ▶ 40% believe that recent regulations have not changed the rental sector for landlords (53% in 2020).

Overall, medium landlords (3-20 properties) in 2022 are less likely to recommend becoming a landlord to a friend or colleague than medium landlords in 2020. The proportion that are unlikely/very unlikely to recommend becoming a landlord increased significantly from 47% in 2020 to 63% in 2022.

Larger medium landlords (21-99 properties) expressed concerns that increased regulation has made the rental sector more complex and less flexible. They appear to understand the role of the RTB overall, seeing the need for regulation and good governance. However, some issues around regulation were voiced. The following processes were identified as problematic:

- ▶ Online tenancy registration system
- ▶ Dispute Resolution Process
- ▶ Determination Order Enforcement

Landlords – Large Landlords

Large scale landlords in the research are defined as those landlords that let 100 or more residential properties.

A total of 31 interviews were conducted with 17 large landlords over the course of this research. The interviews were carried out in waves as follows:

- ▶ 10 interviews in 2022
- ▶ 12 interviews in 2021
- ▶ 9 interviews in 2020

A total of seven landlords completed one wave, six landlords completed two waves and four landlords completed all three waves of the research.

This section of the summary report presents the findings from the 2022 large landlord qualitative research. In 2022, there were 10 in-depth telephone interviews completed in total with large landlords. The interviews were semi-structured, and each interview lasted an average of 60 minutes. They took place in Quarter 4 2022. Where relevant the results of the large landlord research that was undertaken in Q4 2020 and Q4 2021 are incorporated to allow for comparability and the identification of sectoral trends.

The RTB wrote to landlords in this category on its database, informed them of the nature of the study and invited them to participate. Once they agreed and gave permission for contact details to be shared, the names and contact details were passed to Amárach Research whose call centre then contacted the potential participants and arranged for a telephone interview.

Profile and Characteristics

Given the extent to which these large landlords participated in more than one wave of the research, the profile and characteristics of these participants are broadly similar across all three waves. Most of their portfolios are based in Dublin, though some extend to other urban areas. They typically own and manage hundreds and, in some instances, thousands of properties, almost all of which are located in Rent Pressure Zones (RPZs). Many of these organisations were established or became active in the past decade, with residential property growing as a core activity.

The participants were typically key decision-makers with extensive market experience, including involvement in different property sectors, both domestic and international. They were all speaking on behalf of organisations rather than individual landlords/property owners. The organisations they represent primarily target the medium and high-end of the residential rental market. A minority have other property interests in commercial investment property.

Ambitions

In contrast to medium and small landlords, the larger landlords are ambitious and growing. They tend to take a longer-term view of the sector. This long-term investment approach is a fundamental rationale for their engagement in the sector.

These businesses are funded by a mix of equity and debt. Many are investing with funds sourced from pension funds and these funds are searching for somewhere that will provide a reasonable return in a low interest rate environment.

They favour modern properties, purchased in blocks of at least 100 or 150 units. This allows them to maintain control and offer a consistent product and service to tenants.

In the first wave of research the large landlords that were interviewed envisaged managing property portfolios of several multiples of their current scale in the medium to longer term. However, within the last couple of years many of these landlords have revised their plans for growth, with the market being constantly under review. Some are reluctant to increase portfolio size as the current market is perceived to be too expensive at prevailing prices and too competitive. International investors, in particular, are cautious about investing further in Ireland at the moment. They believe that there are other better opportunities than investing in the private rented sector in Ireland.

Sense of the Rental Sector

Across all three waves of research, interviewees perceived the residential rental sector as fragmented and primarily occupied by part-time landlords or landlords who become property owners due to circumstances. These smaller landlords are believed to be leaving the sector due to challenging banking, regulatory and tax conditions and this is contributing to the supply shortage of rental properties. Their departure has created opportunities for larger landlords.

They acknowledge that the COVID-19 pandemic had an impact, particularly in terms of activity and the turnover of tenants. Demand for private rental properties was slow up until June 2021 but has recovered swiftly since then. Although rental stock performed well during the second half of 2021, some large landlords hesitated to expand their portfolios due to high prices and intense competition. In addition, the scale of government intervention in 2021 had the effect of breeding more caution among investors:

- ▶ New Stamp Duty legislation (May 2021).
- ▶ New HICP rent setting rules (July 2021).
- ▶ Changes to Part V under the Affordable Housing Act 2021 (August 2021).
- ▶ New rent cap introduced in the Residential Tenancies (Amendment) (No. 2) Act 2021 (Dec 2021).

Challenges faced by large landlords have intensified since the first and second waves of research and now appear to threaten their long-term commitment to the sector. These challenges include the following:

Large Landlords: Challenges

- ▶ The regulatory environment which they believe favours tenants over landlords.
- ▶ Access to finance.
- ▶ Cost of finance.
- ▶ Inflation leading to higher operating costs.
- ▶ Increasing demand but shortage of supply of new stock.
- ▶ Political uncertainty.
- ▶ Planning laws and the judicial review system.
- ▶ RTB and the Dispute Resolution Service.
- ▶ Prospect of an economic downturn.

Approach to the Rental Sector

Several consistent themes have emerged across all three waves of research with regards to how large landlords approach the sector.

These landlords tend to acquire new or nearly new properties, typically apartments or townhouses, buying in scale in locations where they own all of one or more blocks. Some have their own development capability and they use that.

They prioritise locations near transport, work and population hubs, primarily focusing on Dublin for future investments. They view their rental offering as more than just a property, emphasizing the location and environmental context in their marketing. Many offer additional amenities like gyms, concierge services and communal spaces. They see these added extras as being part of the definition of their proposition.

Large landlords cater to a diverse tenant base, with a preference for well-remunerated professionals, such as those in tech, finance and healthcare. There appears to be a heavy reliance on international workers. They see the long-term relationship with tenants as fundamental to their success and one advantage of owning a large development is the opportunity for tenants to move to properties of different scale as they move through the life cycle. Unfortunately, due to the current lack of vacant units, there is little trading up within schemes.

As with small and medium landlords, there appears to be widespread acceptance of rental support payments like the Housing Assistance Programme (HAP), although the proportion of HAP tenants in schemes owned by these large landlords is small (<5% in most cases). Where there is a reluctance to accept HAP, it is usually because the gap between the HAP payment and the rent level is too large to bridge. The long-term viability and cost of the scheme are also issues of concern.

In 2022, most of these landlords had limited rental availability. The use of recognised property websites is becoming more and more cost prohibitive, therefore many rely on waiting lists, word of mouth and referrals to find new tenants. Some have also developed their own websites which allows them to “control the experience from A-Z”.

Some of those interviewed have their own in-house property management department, the advantages of which are as follows:

- ▶ It allows large landlords to provide a better and more consistent service offering.
- ▶ They have more control as there are fewer third parties involved for maintenance or property management.
- ▶ They have on-site teams which manage tenants moving in and out.
- ▶ It reduces the turnover of tenants.
- ▶ It provides a professionally managed rental experience.

In many cases letting agents are used. However, all were keen to point out that they are experiencing a lower turnaround of lettings than usual. “No one is moving out, there is nowhere to move to”. As a consequence, tenancies appear to be getting longer with the average tenancy lasting three to four years or even longer.

While many acknowledge the use of incentives (e.g. rent free period, rent discount) during the COVID-19 pandemic, large landlords do not believe that they are needed with the current level of demand.

The Impact of Scale

The large landlords interviewed between 2020-2022, typically own and manage hundreds and in some cases thousands of properties, believing that scale is vital for long-term viability. It reduces the risk from individual tenancies going wrong. It also allows them to streamline operations and offer additional facilities to attract tenants (such as gyms, cinemas, business centres and other support services).

While there was little sense in 2020 that investment capital was in short supply, the view of large landlords interviewed more recently is somewhat different. In fact, their view is that “attracting capital to Dublin has become very problematic”. The reasons given include inflation, rising interest rates and economic uncertainty. These factors, along with frequent legislative changes and limited supply of rental stock, are making international investors cautious about investing further in Ireland’s private rented sector. A stable regulatory environment is deemed essential for investors.

Most of the large landlords interviewed are not optimistic about their future in Ireland. Within the next 5-10 years, they anticipate minimal growth and the possibility that some organisations may exit the sector. Some also suggested that there might be some amalgamation of larger landlords in the future.

Management Approaches Adopted

All of the large landlords interviewed share a common goal, that is to provide a consistent, high-value, standardised experience for their tenants. However, they employ different approaches to get there including insourcing and outsourcing.

They recognise the importance of maintaining long-term relationships with their tenants and this is one of the reasons why some large landlords prefer complete control of their private residential portfolios – it allows them to offer and provide a standardised and predictable service, properties that are safe and professionally managed. These schemes typically offer a dedicated property manager and maintenance team, and sometimes tenants are provided with a resident app that allows them to log a request or issue on their phone to have something replaced or fixed, for example. The estate manager is typically responsible for day-to-day management of the tenant relationship and the environment.

Some landlords outsource maintenance tasks to reduce costs, while at the same time maintaining visibility and responsibility to the tenant. Letting agents are sometimes used for letting, tenancy management and block management. This has the added advantage that letting agents deal directly with the RTB. The large landlords that are using letting agents are in favour of the specialised service that they offer (including property management, facilities management, health and safety, marketing and research) and see this as a long-term relationship.

Before the COVID-19 pandemic annual property inspections, including health and safety and fire inspections were the norm. But some large landlords admitted that they (or their letting agent) were somewhat behind on these inspections because of the restrictions imposed by the pandemic.

Impact of COVID-19

The COVID-19 pandemic had varying impacts on large landlords. It slowed down activity as many were engaged in new developments. It had most impact in Dublin city centre and least impact in suburban locations. It also changed the viewing process for tenants, with viewing of properties as the next to final stage rather than earlier.

The scale and extent of tenancy departures was limited as was the number of tenant requests for rent reductions. However, COVID-19 did lead to a decline in demand and rent levels and some landlords were willing to accept higher vacancy rates rather than let tenancies at a lower rent, with long-term consequences under RPZ rules. Other landlords did agree to rent reductions, some of which were temporary, and have been dealing with the consequences of this (i.e. future rent increases are limited to 2% above the reduced rate).

The COVID-19 pandemic led to a softening of the market up until June 2021, but since then large landlords have seen a big shift in demand. In 2022, these landlords estimated the vacancy rate at c.1% - most had a handful or no vacant units for rent at the time of interview.

Incentives Used to Attract Tenants

In the 2021 research, some large landlords stated that they had offered rent-free periods previously, typically for a period of 1-4 weeks. These rent-free periods were given in specific circumstances, such as moving in before the lease start date.

During the COVID-19 pandemic, some landlords reduced rent or offered rent free periods to entice tenants to return but uptake was low due to the uncertainty that existed at the time.

Demand surged in the second half of 2021 and during 2022 demand continued to outstrip supply. Landlords felt that they no longer needed to offer incentives as a strategy to attract tenants.

They are currently focused on providing excellent amenities to meet increased customer service expectations in what has become a very competitive sector. The aim is to add value wherever possible. Most of these amenities and services are included in the rent.

Attitudes to Regulation

The large landlords interviewed across all three waves of research are professional organisations with residential rental activity at scale as a core focus. They are used to dealing with regulated entities for funding.

They believe that the regulatory environment is driving smaller landlords from the market and while they may see this as an opportunity worth capitalising on, they also believe that the frequency and nature of regulatory changes is not helpful to larger landlords. These changes are often described as “haphazard”, “reactionary” and “inconsistent” and many believe that the implications of these changes have not been properly thought through. Many also dislike the speed at which these changes were put in place.

Given their scale and experience, they are comfortable enough dealing with the RTB. Many large landlords use one or more letting agents who deal directly with the RTB on their behalf. They believe that the RTB and increased regulation has increased professionalism in the sector meaning a better standard of property and a more professional service for tenants. However, they emphasise the difficulties that tenants still face due to limited housing supply.

Large landlords, despite managing sizeable portfolios, generally do not encounter tenant issues frequently, with disputes mainly arising from rent withholding or arrears. They prefer one-to-one mediation over formal adjudication and often handle individual disputes personally.

Like other stakeholders interviewed, they feel that tenant-favourable regulations have tilted the balance away from landlords and they believe that tenants increasingly use legislation to their advantage, leading to more disputes. They are of the opinion that the formal RTB dispute resolution process is too time-consuming and protracted. Some also question the RTB's authority to enforce its decisions and this has negative consequences for landlords who are then forced to go to court.

Large landlords would like to see greater prioritisation of cases and it was suggested that this could be achieved if there was an organisation other than the RTB that became involved early on in the dispute resolution process.

Attitudes to Rent Pressure Zones (RPZs)

All the properties owned and managed by these large landlords are in RPZs. Rent pressure zones were introduced in December 2016 and are to remain in place until 31 December 2024. However, the landlords that were interviewed believe that RPZ rules will continue into 2025 and beyond.

Large landlords acknowledge the need for measures like Rent Pressure Zones (RPZs) to address rental price inflation but express concern about their side effects. They argue that RPZs have created a two-tier rental market, benefiting existing tenants who are on a much lower rent compared to new tenants. They believe that this acts as a disincentive to moving. Many of the large landlords interviewed have properties that are stuck at a lower rent whereas new properties are coming onto the market at much higher rents. This has led to some suggesting a change to the law that would allow a property to revert back to market rent after the tenancy expires. They believe that this may encourage investors to buy properties that have previously been rented.

Some also argue that the presence of RPZ rules has put a floor underneath the rental market and that rents might have fallen further during the COVID-19 pandemic if the rules had been different.

In addition, large landlords maintain that RPZs have discouraged investment in property refurbishment, potentially impacting the quality of rental stock, particularly among smaller landlords. The new 2% rent cap, tied to inflation, has led to reduced returns, leading many to plan only minor property improvements and avoid any significant capital investment. Some are considering renting units unfurnished, despite the general preference for furnished rental units. Others are exploring cost-saving measures like solar panels to mitigate expenses. All believe that the impact of RPZ rules on the sale of assets should be considered. If rents are already set, then they argue that investors may prefer to invest in assets that are new to the market.

In 2022, interviewees stated that another unintended consequence of the 2% cap on rent increases is that it is encouraging landlords to push the entry rent as high as they possibly can.

Lastly, landlords believe that the 2% rent cap is stifling service and supply, with landlords finding it difficult to meet tenant demands and their Environmental, Social, and Governance (ESG) goals due to squeezed operational expenses. While a rent freeze has been suggested to help tenants during the cost-of-living crisis, landlords fear that it would further reduce growth and profit, especially given rising costs and financing challenges. In 2020, landlords were optimistic about expanding their portfolios, but in 2021, the competitive market and RPZ changes dampened their investment plans. In 2022, they see rent controls and financing costs as significant restrictions, with concerns about the planning process as well.

The Planning Process

Across all three waves of the research, it was clear that large landlords are frustrated with the planning and development process, particularly the challenges posed by the current planning and judicial review system. Many have proposals for new developments that are under judicial review. They believe that one of the reasons there are very few new schemes coming on stream is because of the judicial review system. In addition, the cost of appealing a judicial review is perceived to be prohibitive.

The time from site acquisition to delivery of housing units is considered to be excessively long. In 2022, most interviewees highlighted a deterioration in the planning process over the previous year, attributing it to a lack of clarity and structure around the process as well as resourcing issues with An Bord Pleanála.

Engagement with the RTB

Not all large landlords engage directly with the RTB. In fact, it is the letting agent or property manager that usually deals directly with the RTB.

Some landlords have heard anecdotally about issues with the RTB. Common concerns include the following:

- ▶ difficulty with the new online portal,
- ▶ frustration with the annual online registration process,
- ▶ the webchat service is not functioning properly,
- ▶ staff can be unresponsive and answers to queries are not always clear,
- ▶ inadequately resourced to deal with volume of enquiries from landlords and tenants,
- ▶ more supportive of tenants than landlords,
- ▶ the Dispute Resolution Process is too slow and long drawn out,
- ▶ the RTB is lacking authority to enforce its own determinations.

However, there are those who maintain that they have a very positive relationship with the RTB and acknowledge the pressure that the RTB has been under in recent years to facilitate the sector in terms of adjudication, tribunal hearings and recent changes to their IT systems.

Positive feedback about the RTB includes:

- ▶ Their service has improved slowly but surely.
- ▶ Their systems have become a lot more digital friendly.
- ▶ They are very balanced and fair in their dealings with tenants and landlords.
- ▶ They conduct regular landlord forums and are always willing to listen.
- ▶ They produce excellent reports.

Letting Agents

3



Letting agents play a key role in the rental sector, acting as intermediaries between landlords and tenants.

This section of the summary report presents findings from the 2022 letting agent research and includes results from the 2020 research where relevant. The comparison of results takes into account the impact of the COVID-19 pandemic on the private rented sector in Ireland.

The research methodology included both quantitative and qualitative elements and the same approach was used in 2020 and 2022. It consisted of an online survey and in-depth telephone interviews.

The quantitative research was undertaken among a database of property agents provided by the Property Services Regulatory Authority (PSRA) to the Residential Tenancies Board and hence to Amárach Research. The database provided included a list of property agents and the activities for which each was licenced.

The same database of survey leads was used for both surveys. However, prior to commencing 2022 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.

Amárach interrogated the database and identified those agents who were licenced to let residential property, and also sought to identify the agent who was in charge of the residential letting activity in each practice. No contact details were provided in the database. Each eligible agent was contacted by Amárach's call centre and invited to participate in the research. Those who agreed to do so forwarded their email addresses. They were then sent an online link and the survey was completed online.

The 2020 survey was completed between November and December 2020. 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. In total, 81 letting agents completed the 2020 online survey. 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, a notable improvement compared to the 2020 survey.

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 using international industry standard software. 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.

As part of the quantitative research, respondents were asked whether they would be willing to engage in further research on the topic. Through this opt-in methodology Amárach identified the required 13 respondents to take part in in depth interviews. Each of these 13 participants were interviewed by a senior member of the project team. Each of these one-to-one telephone interviews lasted between 45 and 90 minutes.

Across both waves of qualitative research, the participants were drawn from a range of different types of letting agency – varying by scale, geography, and market focus. The qualitative research was undertaken in parallel to the quantitative research programme.

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 and/or receivers. They had practical as well as professional experience of engaging in the residential rental market.

This commentary includes both the qualitative and quantitative findings.

Profile

A wide regional spread was achieved in both surveys. In 2022, 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. The regional profile was broadly similar in both surveys thus enabling a comparison of the results.

As was the case in 2020, most of these letting agents are well established. Four in five (80%) have been in business 10 years or longer and only 1% have been operating less than a year.

All those who completed the survey provide residential letting agency services (it was a precondition of participation). The majority also provide estate agent and auctioneering services. Almost half are commercial letting agents and one third offer property management of a multi-unit development (up from one quarter in 2020).

The vast majority were single branch operations 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.

Letting Agents: A Profile (n=143 (2020=81))

- ▶ Nearly half (48%) are established for 20 years or longer (46% in 2020), 32% for 10-20 years.
- ▶ 75% of residential letting agents are also estate agents (78% in 2020).
- ▶ 57% are auctioneers (64% in 2020).
- ▶ 48% are also commercial letting agents (on par with 2020).
- ▶ 33% offer property management of a multi-unit development (26% in 2020).
- ▶ 94% are structured as a company (93% in 2020).
- ▶ 87% have one branch, 10% have 2-3 branches (on par with 2020).
- ▶ On average, 6 people work in each branch (on par with 2020).

Services

Many of the letting agents that were surveyed offer a complete letting and management service. In 2022, letting agents appear to have increased their management service offering in a number of different areas, including registering tenancies, issuing notices of termination, managing rent collection and dealing with disputes.

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.

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). A small number are also involved in block management with larger landlords.

Letting Agents: Management Services Offered

- ▶ 89% offer registration of tenancy with the RTB (81% in 2020).
- ▶ 87% issue notices of termination (80% in 2020).
- ▶ 79% manage rent collection (72% in 2020).
- ▶ 78% deal with disputes - RTB or Courts (69% in 2020).
- ▶ 70% manage other regulatory compliance (62% in 2020).

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. In 2022, amongst those agents who deal with disputes as a service, 44% used mediation and 38% used adjudication most frequently. Rent arrears was most frequently cited as the reason for bringing a dispute to the RTB Dispute Resolution Service followed by overholding, although rent arrears was less of an issue in 2022 than in 2020 (37% vs 54%) and overholding was more of an issue (21% in 2022 up from 13% in 2020).

With regard to property inspections and maintenance, most letting agents have a portfolio of service providers who they can call on as required. Some highlighted the difficulty they have sourcing licensed tradespeople to carry out essential maintenance work on rental properties.

Rental Stock

In the survey, respondents were asked a series of questions about their residential lettings. The results highlight an increase in the number of managed lets between 2019 and 2022. However, they also indicate a decline in the supply of rental units between 2021 and 2022.

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 Trends

In 2020, the qualitative research highlighted that the portfolio of smaller agents had declined significantly in recent years. In 2022, agents noted the continuing decline of smaller landlords in the private rented sector. In fact, all of the agents that were interviewed reported losing a number of small and medium landlords in the past 12 months. Furthermore, they believe that these landlords who are exiting are not being replaced in sufficient numbers as there are very few new investors entering the sector. This is because the rate of return that they can expect is too low.

The 2020 and 2022 survey participants were asked a series of questions aimed at understanding their sense of change in the private rented 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. However, in 2022, letting agents have taken a different perspective with the majority (62%) believing that business declined compared to 2021. This reflects not only the lack of new supply, but also the current stability of tenancy occupancy.

In 2020, more letting agents (31%) believed that rents increased locally in 2020 vs 2019 than declined (20%). In 2022, the percentage believing that rents had increased locally more than doubled to 69%. Agents are also more likely to ask for a payslip and/or a bank statement when screening tenants. This is most likely to confirm that they 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). This finding was also reflected in the Tenant survey.

Letting Agents: Market Trends

- ▶ 62% believe that the private rental business declined locally in 2022 vs 2021 (21% in 2020 vs 2019).
- ▶ 20% believe that it remained the same locally (43% in 2020 vs 2019).
- ▶ 15% believe that it grew locally (33% in 2020 vs 2019).
- ▶ 69% believe that rents increased locally in 2022 vs 2021 (31% in 2020 vs 2019).
- ▶ 21% believe that rents remained the same locally (46% in 2020 vs 2019).
- ▶ 5% believe that rents decreased locally (20% in 2020 vs 2019).
- ▶ 50% ask for a payslip when screening tenants (33% in 2020).
- ▶ 35% ask for a bank statement when screening tenants (22% in 2020).

COVID-19 Impact

The research results suggest that the COVID-19 pandemic had less of an impact than many anticipated. There were some temporary impacts early in the pandemic, but these eased due to Government intervention (including supports to those who were laid off).

The issue of rent arrears was explored in both surveys. Rent arrears appear to be less of an issue in 2022 than they were in 2020. In 2022, the average number of tenancies in rental arrears per branch was 3.43. This compares to an average of 5.19 in 2020 and 9.30 in 2019. In addition, as mentioned above, letting agents were less likely in 2022 to bring a dispute to the RTB Dispute Resolution Service because of rent arrears. When asked whether the branch has experienced any problems with rent arrears, 52% of agents mentioned rent arrears in 2022 compared to 67% in 2020.

When asked about incentives in 2022, the vast majority (86%) of letting agents stated that there were no incentives 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%).

Demand and Supply

In 2022, demand for rentals is significantly higher than in 2020 (98% say demand exceeds supply vs 67% in 2020). Demand far exceeds supply across all property types and agents are all agreed that it will continue to do so for the foreseeable future.

Letting Agents: Demand & Supply

- ▶ 1% say rental property supply exceeds demand at their branch (15% in 2020).
- ▶ 0% say supply is meeting demand (16% in 2020).
- ▶ 98% say demand is greater than supply at their branch (67% in 2020).

Legislation and Regulation

Agents believe that the pace and complexity of regulatory change has made the market unattractive for smaller landlords. They believe that in order to achieve compliance all landlords, regardless of the size of their portfolio, need to hand over the management of their properties to a professional.

In 2022, these agents are still of the view that regulation is geared more towards protecting the tenant rather than protecting the landlord. Most cited examples where tenants had not complied with regulation (e.g. paying rent) and in their opinion landlords were left with no effective means of redress.

Agents point out that increased regulation can bring additional risk. The time taken for dispute resolution processes to play out can result in an individual landlord incurring a significant financial loss. Unlike larger landlords, smaller landlords do not have the resilience or ability to manage the risk.

Agents spend a lot of time trying to navigate the legislation. They feel that the wording used in the legislation is often ambiguous. They believe that the role of the RTB is to adjudicate rather than to advise and that the RTB has been of little assistance to landlords or agents when trying to understand the legislation.

Housing Assistance Payment (HAP)

In 2022, agents pointed out that they have noticed an increase in the number of HAP tenants when compared to 2020.

In general, agents see HAP 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.

They 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.

However, agents have a number of concerns with regard to HAP:

- ▶ 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.
- ▶ Tenants who are not eligible for HAP or who may be just above the threshold are effectively locked out of the sector.
- ▶ The standards required for HAP inspections are perceived to be too high and put significant cost pressure on smaller landlords in particular.
- ▶ If tenants fall behind in making their top-up payments, the Local Authority will delay payment to the landlord who then has to suffer the consequences. This can act as a disincentive to landlords.

Rent Pressure Zones

Since Rent Pressure Zones (RPZs) were introduced in Ireland in 2016, the system for calculating allowable rent increases in RPZs has changed a number of times.

In the 2020 research, the feedback from agents was positive. They believed 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 and that the current increase of 2% per annum compares very favourably to other sectors.

However, they also highlight that there have been a number of unintended consequences as a result of RPZs.

They feel that RPZs have created a two-tiered system for rental values and property values. Many landlords who feel that they have been fair to their tenants are trapped on a low rent. Whereas the more assertive landlords who pushed rent increases through every year have been protected. Those landlords who increased rents every year can 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. Agents suggest that landlords should be allowed to reset the rent once the tenant leaves.

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

It is also believed that some landlords are happy enough to leave properties vacant rather than lock in at a lower price.

Some landlords not already within RPZ rules are afraid that their areas will come within the rules. This would result in them being unable to achieve market rent for a period, regardless of increasing costs and higher interest rates.

The 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. Prior to this date, landlords had to register residential tenancies every four years.

Agents 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 November 2021, the RTB moved to a new online account and registration portal for landlords and agents. Agents highlighted a number of issues in relation to this move:

- ▶ In the beginning there were problems experienced with the new system with resulted in landlords/agents incurring late fees.
- ▶ The process of completing registration forms is very time consuming.
- ▶ This has increased the administrative workload resulting in higher costs for agents/landlords.
- ▶ The RTB has struggled to cope with the volume of registrations.

As a result of the difficulties experienced, agents recommend that the online registration process be streamlined and made more user friendly.

Dispute Resolution Process

Most of the agents that were interviewed had some experience of dealing with the RTB dispute resolution process, but it was a route that universally they sought to avoid.

As mentioned above, a lengthy dispute resolution process can result in a financial loss for the landlord – both legal costs plus rental income foregone.

Therefore, agents take the view that rather than go to the RTB, they prefer to focus on building 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.

Looking Ahead

Although the research shows an increase in the number of managed lets on behalf of landlords, most agents in 2022 stated that they expect to be managing fewer lettings going forward. The main reason given is 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)'.

Letting Agents: 2023 Outlook

- ▶ 57% expect to be managing fewer lettings (19% in 2021 vs 2020).
- ▶ 95% of those who expect to manage fewer lettings give the reason that 'landlords are leaving the market or selling due to a variety of reasons.'

Budget 2023 provided additional tax relief in a bid to encourage small landlords to stay in the private rented sector. Although agents agree that the increased relief is welcome, they feel that it is not sufficient to encourage landlords to stay in or return to the private rented sector.

However, most of the agents that were 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 rented sector.

They see a trend to scale in service provision for their own services. The complexities and increased regulation mean that managing properties requires a level of specialism and resources that a smaller small and medium-sized enterprise in this space may struggle to provide.

Agents are keen to 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 or derelict properties back into the sector by giving tax incentives to landlords to refurbish them.

Conclusions

The first wave of this research project took place before and during the COVID-19 pandemic (between September 2019 and July 2021). During 2020 and the first half of 2021, tenants, landlords and letting agents had to adjust to shifts in rental demand for locations and amenities. However, the economy and employment recovered quickly and consequently, rental growth has been accelerating since the second half of 2021. The extra housing supply that was created in 2022 was easily absorbed and the private rented sector has continued to play a critical role in meeting the accommodation needs of a significant proportion of the Irish population.

Throughout 2022 and 2023 there have been further changes in the private rented sector in Ireland. International events, inflation levels, increasing interest rates and sustainability have all had a major impact on the sector. Going forward, it is expected that demand for residential accommodation will remain robust. But the continuing departure of private landlords from the sector is an area of interest that requires additional analysis. Bridging the gap between supply and demand continues to be a top priority for government.

The research highlights that sustainable practices are increasingly impacting the decisions of investors and tenants. Therefore, sustainability will continue to grow as an influencing factor across the sector.

Across the first, second and third (large landlords only) waves of research there were a number of shared perspectives amongst tenants, landlords and letting agents:

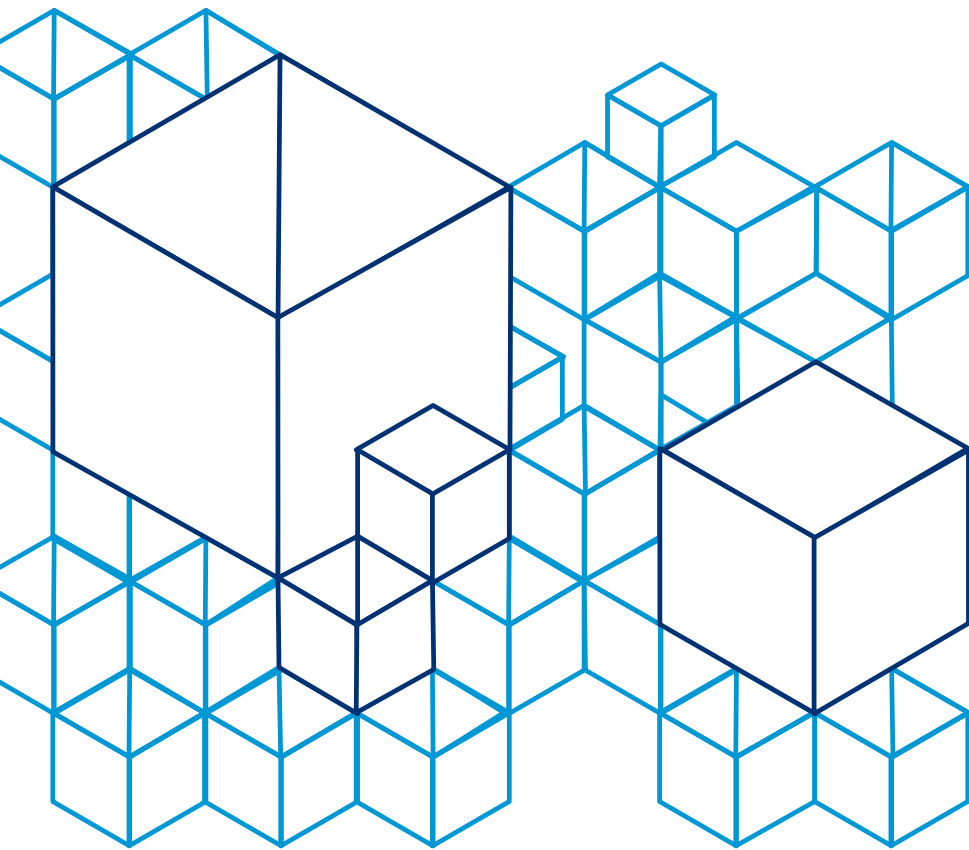
- ▶ Demand continues to exceed supply across all property types and will continue to do so for the foreseeable future.
- ▶ In order to meet demand and government targets, housing completions need to continue to grow. In the meantime, greater use needs to be made of existing supply by bringing vacant or derelict properties back into use via tax incentives to refurbish them.
- ▶ In general, tenant/landlord and tenant/agent relations continue to be perceived as positive.
- ▶ Security of tenure remains the number one priority for tenants. Approximately 1 in 5 don't know where they see themselves living in five years' time.
- ▶ All are agreed that RPZ rules provide certainty for landlords, agents and tenants, allowing them to financially plan into the future. However, there is growing concern about the long-term impact of measures such as RPZs and HAP on the rental sector. As a result, attitudes towards RPZs are less positive in 2022/23 than in the previous wave of research.
- ▶ Awareness of RPZs has improved but there continues to be a lack of understanding about the nature and operation of RPZs among both landlords and tenants.
- ▶ The upward trend in deposits and rents is likely to continue as long as demand continues to outstrip supply.

While a significant proportion of small (1-2 properties) and medium (3-20 properties) landlords indicated that they intend to leave the sector, there is concern among letting agents that there are not enough new landlords/investors entering the sector to replace them.

In 2022, small landlords (1-2 properties) were more positive than medium landlords (3-20 properties) about their experience as a landlord. This is also reflected in a higher proportion of medium landlords intending to sell rental property within the next five years. In addition, although medium landlords are more likely than small landlords to invest further in the private rented sector, there was a notable decline between 2020 and 2022 in their intention to purchase more rental property.

While smaller landlords are less likely to remain/invest in the sector, there will be a greater reliance on larger landlords to meet the growing demand for private rented accommodation. However, large landlords (100+ properties) also admit to being cautious about investing further in the sector. In view of the many challenges that they currently face (regulatory environment, interest rates, inflation etc), they anticipate limited growth and some consolidation in the future. Letting agents also anticipate a period of restricted growth due to supply constraints.

The current housing deficit requires an increase in private rented properties. This research highlights the need for action in areas such as tax, vacant property and regulation in order to address the supply shortage. The research has also allowed us to create an accurate profile of landlords, tenants and letting agents and document their concerns and hopes/ambitions for the future. Comparing the results of the 2022/23 research to the previous research conducted in 2019/20 has enabled the identification of sectoral trends. Future research is recommended to allow further monitoring of these trends over time.





Bord um Thionóntachtaí Cónaithe
Residential Tenancies Board

Residential Tenancies Board, PO BOX 12323, Dublin 2.

01-7028100 / 0818 303037

@RTBinfo

www.rtb.ie

