



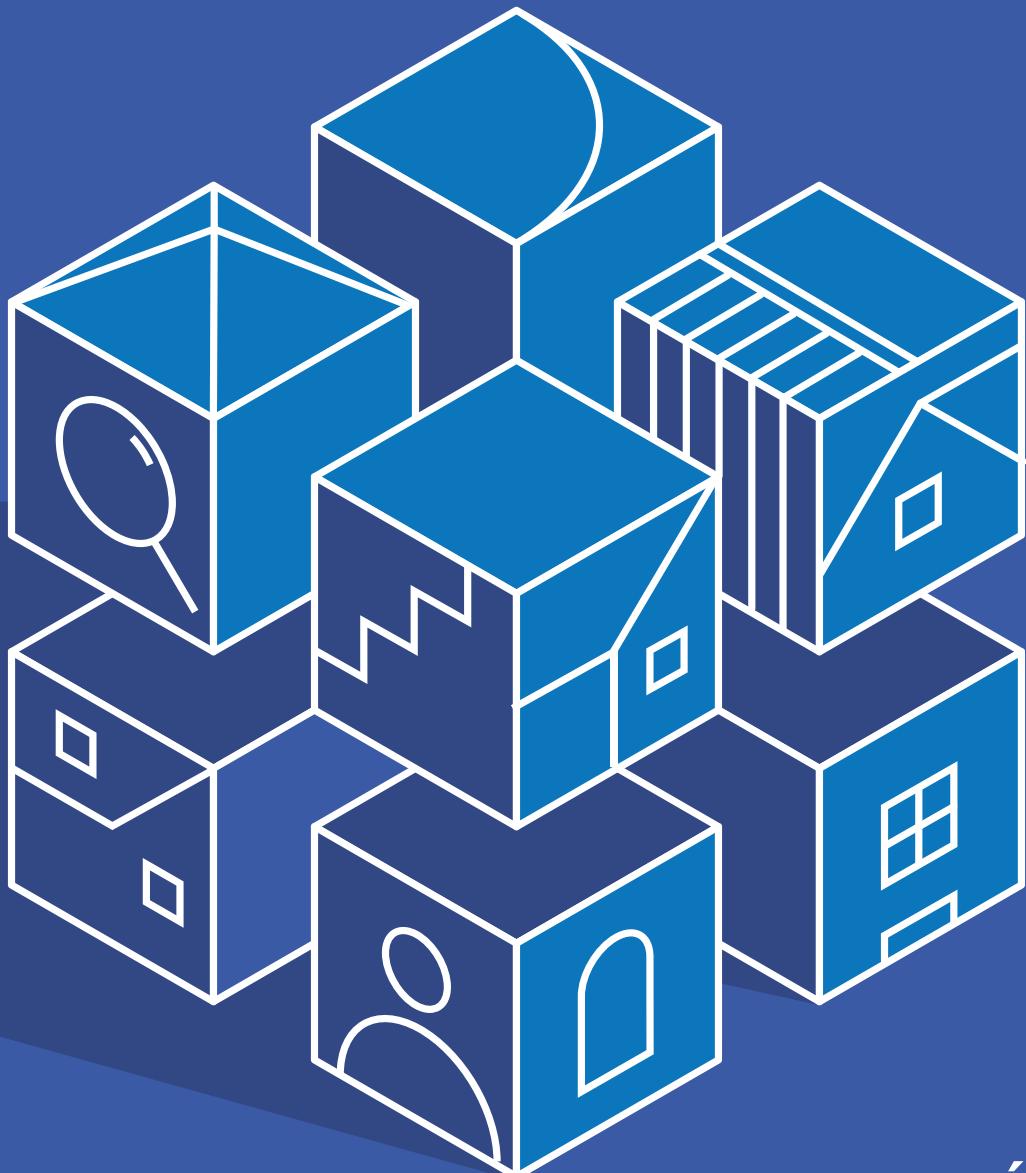
RTB

Bord um Thionóntachtaí Cónaithe
Residential Tenancies Board

Large Landlords Report

100+ Tenancies

July 2021



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Abbreviations and Glossary

AHB	Approved Housing Body (AHB)	Also called housing associations or voluntary housing associations, they are independent, not-for-profit organisations. They provide affordable rented housing for people who cannot afford to pay private sector rents or buy their own homes; or for particular groups, such as older people, or homeless people.
HAP	Housing Assistance Payment (HAP)	The Housing Assistance Payment (HAP) is a form of social housing support for people who have a long-term housing need. HAP will eventually replace long-term Rent Supplement. The scheme is administered by the local authorities, who pay landlords directly.
LA	Local Authority (LA)	Local authorities are responsible for public services and facilities in a particular area. They provide affordable rented housing for people who cannot afford to pay private sector rents or buy their own homes; or for particular groups, such as older people, or homeless people.
	Pobal HP Deprivation Index (SA) Trutz Haase	A measure of the affluence or deprivation of each small area on a single scale.
	Purpose-built Apartment	CSO definitions (Census 2016)
REIT	Real Estate Investment Trust	A real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate. Modeled after mutual funds, REITs pool the capital of numerous investors. This makes it possible for individual investors to earn dividends from real estate investments—without having to buy, manage, or finance any properties themselves.
RAS	Rental Accommodation Scheme (RAS)	RAS is a social housing support introduced to cater for the accommodation needs of persons who are in receipt of long-term rent supplement. Under the RAS scheme, private rented properties provide an additional source of good quality rental accommodation for eligible persons.

Foreword

The legacy of the rapid expansion of the housing stock in the final years of the Celtic Tiger era and the subsequent impact of the Global Financial Crisis have had a major bearing on the state of the private rented sector in Ireland today. Where once the housing sector was dominated by home ownership, today it is characterised by more diverse forms of tenure and is facing a wider range of challenges.

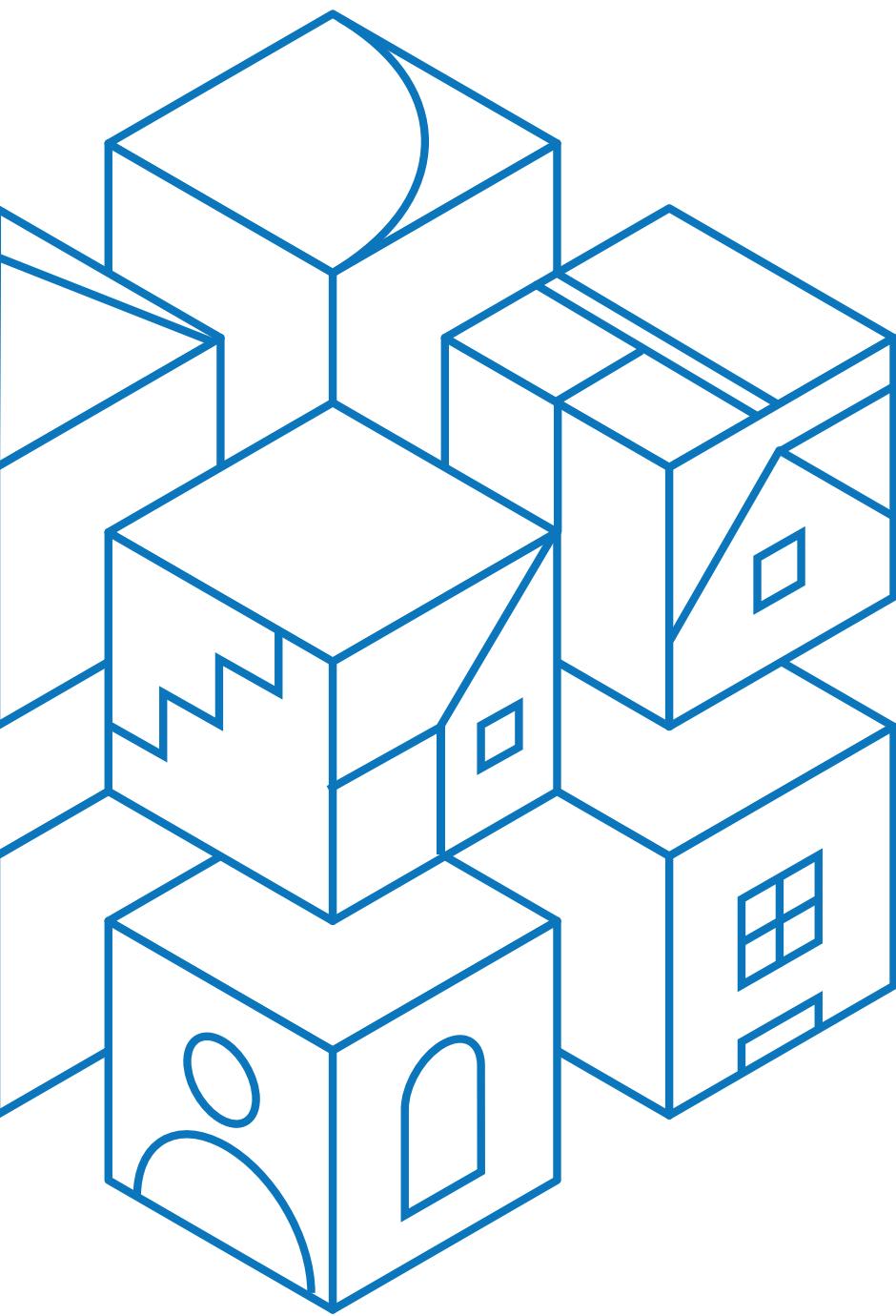
Over the past five years, the total number of landlords associated with tenancies registered with the Residential Tenancies Board (RTB) has fallen by more than 5,000 to under 170,000. At the same time there has been a rise in the level of institutional investment in the 'Build / Buy to Let' market which has led to an increase in the proportion of rented dwellings owned by landlords with the largest portfolios. Notwithstanding what is clearly an important trend in the changing make-up of the rental sector, the proportion of properties owned by landlords with more than 100 residential tenancies is still less than about 6% of private rented tenancies registered with the RTB. Landlords with one or two tenancies make up around 85% of private landlords and 53.5% of private rented tenancies in the sector.

Rents have been rising steadily for the past decade. International comparators point to Ireland, and Dublin in particular, as having relatively high levels of rent. This is having an adverse impact on expectations and the quality life of renters and is also impacting on the competitiveness and the attractiveness of the country for inward investment.

This part of the RTB Rental Sector Survey is intended to expand our understanding of the behaviour and motivation of landlords and of how their actions effect the key themes in the report around the setting of rents, the type of lettings on offer, the tenure options, investment and disinvestment decisions, attitudes towards standards and regulation and the approach to resolving disputes with tenants. As the ownership profile of the sector changes it is important to be able to identify changes in patterns of behaviour across the different groups of landlords and to have that appreciation and enhanced understanding, so that we can appropriately respond to the challenges and develop for the future a better functioning rental housing sector for the benefit of all.

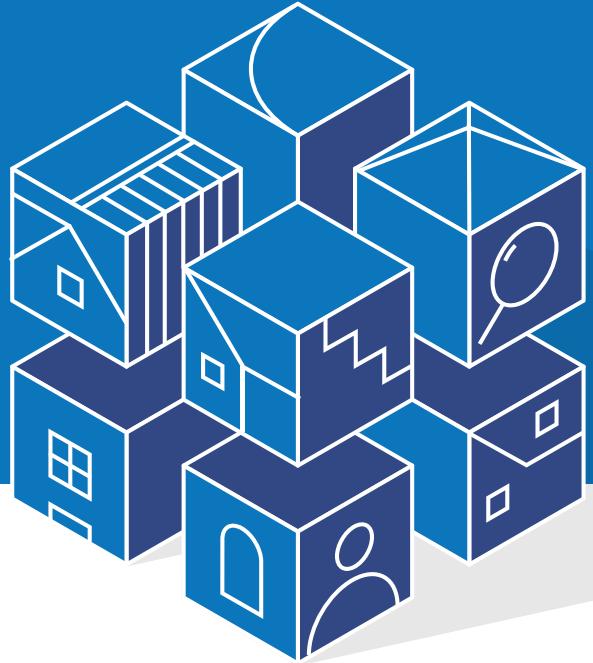
Padraig McGoldrick

Interim Director of the Residential Tenancies Board



Introduction

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1.1 Introduction

The Tenants, Landlord and Letting Agent 2019/2020 research study was commissioned by the Residential Tenancies Board (RTB). It is one of the largest studies of the rental sector ever conducted in Ireland.

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

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

1.2 Research Objectives

More specific objectives of the research are 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.

This report presents findings from the large landlord (100+ tenancies) research.

Private Landlord Research



2.1 Research Methodology

The second stage of the research project focussed on three groups of private landlords – small landlords (1-2 properties), medium landlords (3-99 properties) and large landlords (100+ tenancies) and consisted of both quantitative and qualitative elements. The different elements are set out in Table 2.1 below.

Table 2.1: Private Landlord Research

	Quantitative Element	Qualitative Element
Small landlords (1-2 properties)	Nationally representative telephone survey of 500 small landlords. Supplementary surveys were carried out with landlords who had left the sector (74) and landlords who had increased their portfolio to three properties or more (66), both within the past five years.	Two focus groups, one exploratory group and one with small landlords who have left the sector.
Medium landlords (3-20 properties)	Nationally representative telephone survey of 250 medium landlords.	NA
Medium landlords (21-99 properties)	NA	10 x in-depth telephone interviews
Large landlords (100+ tenancies)	NA	9 x in-depth telephone interviews

The research elements above were supplemented by an extensive review of existing literature on the private landlord sector.

This report presents the findings from the large landlord (100+ tenancies) qualitative research. Nine in-depth telephone interviews were completed in total. The interviews were semi-structured and each interview lasted an average of 60 minutes. They took place in Quarter 4 2020. A copy of the discussion guide is included in Appendix 1.

2.2 Large Landlords (100+ tenancies)

2.2.1 The Qualitative Findings

Who Participated?

Qualitative Research was undertaken with Individuals and organisations who are classified by the Residential Tenancies Board as large sized landlords. Under this classification large scale landlords are those landlords that own 100+ residential properties to rent. In February 2021 there were less than 70 landlords with more than 100 tenancies registered with the RTB. This means that we interviewed a very significant number in relation to the total number. Of those who were interviewed for this research component, the residential portfolios that they operated were typically many times that scale. Most interviewees (or their organisations) aspired to build to portfolios of several thousand units.

Recruiting the Participants

The recruitment process to identify participants was as follows.

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

In total there were 9 interviews completed by Michael McLoughlin – CEO of Amarach Research.

Overarching all stages of the research programme with landlords, tenants and letting agents, has been a guarantee of confidentiality. The need for confidentiality and anonymity is at the heart of all qualitative research programmes.

Profile and Characteristics

The participants were predominantly Dublin based with portfolios that were largely Dublin based, but some which stretched through other urban areas.

They typically owned and managed between hundreds and, in some cases, thousands of properties.

Most of the organisations in the sector were relatively new, only established or active in this sector in the past five years. A minority had other property interests in commercial investment property.

All of those who were interviewed were the key decision takers within their organisations. All had practical experience of the market through a series of cycles, most had been involved in the market in different guises for over ten years. Some, but not all, had experience internationally. Many also had previous experience in the commercial property investment sector.

These organisations are ambitious and growing. They all envisage managing property portfolios of several multiples of their current scale in the medium term. They are usually focussed on letting residential property. Their rental activity is focussed on targeting the medium and high end of the residential rental market.

These businesses are funded by equity rather than debt. They are investing with funds sourced from the likes of pension funds. The funds that they source for investment are searching for somewhere that will provide a reasonable return in a no/low interest rate environment. The fund managers are responding to a decline in interest rates and returns from the bond market. Residential real estate, the interviewees argue is perceived to be the lowest risk proxy asset class to bonds.

Many of these organisations, or their key personnel, have experience in residential investment elsewhere.

The nature of their engagement with the sector has several common characteristics:

1. They are typically modern properties, usually completed in the last decade.
2. They are usually purchased from the developer, through a prefunding agreement or developed in-house. Some organisations have moved from buying at scale to building at scale.
3. They typically buy in blocks with a minimum of 100 or 150 units. They don't want to have units 'pepper potted' throughout a development. Having complete control enables them to brand, manage, control and handle the estate as an asset. They can then offer consistency across the units to tenants.
4. They see themselves as long term investors, much more explicitly than other categories of landlords. The long-term nature of the investment is their underlying rationale for engagement.

The Market Context

The economic recovery from the economic crash in 2008 was fast. Employment growth in Ireland between 2010 and 2020 (before the onset of the pandemic) was 24%. The numbers working grew by 450,000.

In addition to economic growth and labour force growth, the underlying demographic projections continue to be very positive for household formation. Ireland's population has grown from 3.5m in 1990 (of which 2m were living in urban areas) to 5m in 2020 (of which 3m were living in urban areas). The trend is likely to continue – and CSO forecasts a population of about 6m by 2050. A more confident, educated and earning workforce also has rising expectations of what it is paying for and the type of environment in which it wants to live.

Housing completions in the decade after the crash have been nowhere near the amount required as a result of demographic and economic growth. Various estimates have put the number of houses required at 35,000 to 40,000 per annum. As a Country we have struggled to get to 20,000.

The Interviewees' Sense of the Market

The residential rental market is seen by the interviewees to be fragmented. To date they believe that it has been dominated by part-time or accidental landlords and they believe that these smaller landlords are leaving the market. The interviewees see that these departures are because of a more challenging banking, regulatory and taxation environment. Their departure creates a vacuum and opportunity for consolidation. Ignoring all other factors, demographics alone will create a demand for additional property. Whereas previously banks, developers and consumers worked together to create a home ownership process, this model is no longer the case. But the population still needs housing.

Those that we interviewed are moving into the opportunities created. They believe that the housing market model in Ireland presents this opportunity. The workout of the property sector at the same time as the economy recovered created an attractive investment environment. The decline in interest rates and other asset classes exacerbated the attractiveness of Ireland relative to other investment locations.

Many of their initial investments arose because of buying portfolios from NAMA or their equivalents. These portfolios could include a combination of commercial and residential property developments.

Their initial focus was probably on the commercial property assets. As time went on the residential opportunity was identified and crystallised. The disposal of large-scale residential assets by Nama and others created the opportunity to achieve scale relatively quickly in the residential rental market. Some investors brought the experience of elsewhere (other markets such as the United States or Canada for example) quickly into the market.

Because of the long-term nature of the return, Institutional investors and pension funds were also keen to become involved. The development of Real Estate Investment Trust (REIT) structures also supported investment into the sector.

The Approach of Large Landlords to the Market

Based on the interviews it is evident that there are several consistent themes across organisations in how they approach the market. They include:

1. They typically buy new or nearly new stock or develop themselves.
2. They buy in scale in locations, where they own all of one or more blocks. Typically, they are apartments or townhouses. They don't want to have units 'pepper potted' throughout a development.
3. They see what they offer tenants not as a property but as a proposition. They are marketing a location and an environmental context – not just the individual property.
4. They prefer locations that are near transport, work and population hubs.
5. The focus is almost exclusively on Dublin – where there is strength and depth in the rental market. Some may look at Cork, but other markets have not the scale or differentiation required. They will not be investing in smaller towns.
6. Some have their own development capability – and they use that. However even those that do develop also buy property that others have developed if the right opportunity presents itself.
7. The scale and portfolio size of each of these residential businesses means that they must be considered as businesses. They don't appear to be impacted by the organisation's presence, for example, in the commercial property market.

They see the long-term relationships with tenants as fundamental to their success. They are all explicit about this. They have no one preferred tenant type, they are open to all stages and ages. There is a preference for people who are working in well remunerated employment and who, bluntly, will be able to pay the rent.

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.

They see the added extras - gyms, concierge, outdoor areas - as being part of the definition of their proposition. All properties that they lease are furnished. They see their sector as setting the bar for standards in the rental market - almost to the extent of reinventing the residential rental market in Dublin.

As with other stakeholders there is a widespread acceptance of rental support payments such as Housing Assistance Programme (often referred to as HAP). Given the core of the business model, predictable monthly income on long leases, the availability of a state backed rent is unsurprisingly welcome. They do wonder about the long-term viability and cost of HAP to the State. Is it a short-term solution being applied to a long-term problem – i.e. the absence of social housing?

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. Some providers run an analysis of rental costs as a percentage of take-home pay scenarios for prospective tenants, and one declined tenancy where rent constituted more than 40% of take-home pay. In other components of this research (notably the tenant focus groups) we have seen scenarios where tenants are having to commit up to 60% of their take home pay to rent levels.

Like other stakeholders, they do have concerns about affordability in the wider rental market. They do appear to believe however that they are generally operating in a resilient niche and do not appear to believe that it was a barrier to their future development or growth.

The Impact of Scale

They believe that their scale is critical to the long-term viability of their ventures. It minimises the risk from individual tenancies going wrong. All are keen to emphasise that very few go wrong from their perspective. They argue that scale gives them the following advantages:

1. It enables them to create systems (renting, management, administration and tenant relationships) where they can streamline and specialise.
2. They can develop an offer that is beyond the simple characteristics of the property to include facilities such as gyms and support services, across locations which will attract and retain tenants, in much the same way that people stayed loyal to house builders in the past.

They argue that landlords in the past were driven by bank debt. They perceive that an equity investment as in their model is better suited to long term positions in the market. There was no sense from any of the people that were interviewed that investment capital was in short supply.

They all appear to have access to sufficient equity rather than relying on debt. The challenge is perceived to be more likely to be competition for supply (housing units) than for capital.

Management Approaches Adopted

They all state that they want to offer a consistent, high value standardised package to their tenants. They use different models as to how to get there – insourcing and outsourcing. But they do see that the tenant's relationship is with them and that long-term relationships are fundamental. Once again it is one of the reasons why they prefer complete control of an estate - they can then offer and provide a standardised and predictable service

They outsource some elements of their service provision. Most see benefit in outsourcing or subcontracting some maintenance activities. They can then use procurement processes to drive the price of such activities lower. Where they have a building or development competence within their own organisation, they outsource internally, but it remains a business relationship. Where they outsource, they maintain visibility and responsibility to the tenant.

Some also use letting agents, whereas others carry that work out in-house. Even where letting agents are used, most have their own websites to brand and advertise their developments. They use these websites as another source of potential tenants.

They generally use several different suppliers if they completely outsource services. The suppliers will tend to be far smaller than they are in capital and business terms.

Their management approach does frequently include an estate manager role in-situ on site. This function is typically responsible for day to day management of the tenant relationship and the environment.

Impact of Covid

The pandemic has had an impact. It has slowed down activity, particularly because many are engaged in new developments. It has had a particular impact within the canals in Dublin.

It has also changed the viewing of properties, with viewing as the next to final stage rather than earlier.

While some saw departures from tenancies, the scale and extent of this appeared to be relatively limited. They did have some (but not many) tenant requests for rent reductions, but they appear to be far more limited than might have been anticipated at the start of the crisis.

Covid has led to a softening of the market, both in rent levels and demand terms. Given the absence of financial pressures in their capital structure, many stated that they will live with higher vacancy levels for the moment to see how the market responds, rather than lock into a lower rent, with long term consequences under RPZ rules. As a consequence of RPZ rules a reduction of €500 in monthly rent on a €2,500 monthly rent could, according to one interviewee, take five years to claw back. This was a reduction that they appeared unwilling to take.

Attitudes to Regulation

They are professional organisations, where residential rental activity at scale is a core part of their organisation purpose.

Given that all come from a professional services background, and are dealing with regulated entities for funding, they are comfortable dealing with the regulatory environment. They do believe that the regulatory environment is driving smaller landlords from the market, and in a sense, this is part of the opportunity that they seek to capitalise on. They also believe that the regulatory environment around buy to let mortgages is also driving smaller private landlords from the market.

Given their scale and experience, they are comfortable enough dealing with The Residential Tenancies Board (RTB).

They believe that the advent of the RTB and increased regulation has increased professionalism in the sector, and it has “put manners on some rogue landlords” (Dublin).

Despite the scale of some of the portfolios, most appear not to run into difficulties with tenants on a regular basis. They have some experience of dealing with tenants through RTB processes, but it is not a regular occurrence given the size of the portfolios that they manage.

Like other landlords and letting agents, they believe that the scales are tipped more towards the tenant than the landlord. They find it easier to reach a resolution with tenants on an individual basis because the formal RTB dispute resolution processes may be too time consuming and drawn out. One had a case where the RTB found in their favour, but the tenant was still in situ. They too believe that RTB processes take too long “It could be more nimble, practical and engaged.” (Dublin). They believe that Government in its broadest terms has been changing rules and regulation in relation to residential rents on a yearly basis.

Given the long-term nature of their commitment, the scale of the investments that they are making and the long-term payback period, the constant change in regulation breeds caution among investors. They do all appear committed to the sector.

Attitudes to Rent Pressure Zones (RPZs)

They accept RPZs as being part of the environmental context. They accept that rental price growth in the past was too high.

Like other stakeholders, they argue that RPZs have had some dysfunctional side effects. Here again, the inability of landlords to recalibrate a rent after a long term period of rental price fixing (which typically doesn't happen in this market) or more likely how they can respond to a temporary dip in rental prices, means that it may be more prudent in terms of their goals and objectives to leave property vacant rather than let it.

Some also argue that the presence of RPZ rules has put a floor underneath the rental market and argue that rents might have fallen further in the pandemic if the rules had been different. They also argue that RPZs have disincentivised investment in refurbishment.

They also think that the impact of RPZ rules on sale of assets should also be considered. If rents are already set, then they argue that investors may prefer to invest in assets that are new to the market.

Conclusions

The large landlords interviewed believe that they are bringing the template of a European housing model to Ireland. This business model they see as a tried and tested template for Ireland.

They plan to continue to invest and expand their portfolios because they get a good return on the investment when compared to other asset classes currently. They are equity based. They are happy with the further professionalisation of the sector, professionalisation that they are contributing. They also believe that they are a beneficiary of the increased regulation and the raising of standards of rental properties. They believe that tenants also benefit from their presence in the market through a better standard of property and a longer term approach to tenure.

The next five years are probably easy to predict, with the absence of investment alternatives that give such a stable positive return will mean that investment will continue. The outlook after that is harder to surmise.

The challenge will be if investment returns decline. If rental levels decline, then the return on these investments will decline and investment funds may seek to go elsewhere if alternative investments generate a return. Interest rates and returns on bonds remain low currently. But they will rise at some stage and then they may present a viable alternative.

There may emerge other drivers of investment in the market, which will make the opportunity to acquire assets more competitive (e.g. where funds find it more difficult to buy in blocks).

No interviewee talked of exiting the market or crystallising the capital gains that some have undoubtedly made since they entered the market in 2012/ 2013. This is in contrast with the views of smaller landlords surveyed as part of this research.

While Covid has impacted, now it is a blip rather than a fundamental reset to their business model.

They are also investing in rising tenant expectations and increasing regulation. They might bemoan their departure, but they benefit from the exodus of smaller landlords from the market. Some do hope that others might exit the market, but more as an opportunity for them to acquire comparable assets to extend their business scale.

They are also investing in the Irish story.

- ▶ The Economy, where its underlying strength has been seen over the past decade.
- ▶ Demographics, where there is a population that will grow by 1m over the next thirty years.
Demographics underpin everything in the long term.
- ▶ A Workforce, they see the benefits and resilience of an educated productive workforce.

Appendix 1

Discussion Guide

Large Landlords (100+ tenancies)

In-depths Topic Guide

Introduction

Purpose of research.

Ask about recording.

Recording and confidentiality of responses/ contributions.

Explain context of the discussion.

Introductions: Do they manage their property portfolio as an individual owner, a company or a Real Estate Investment Trust (REIT)? If a company, what is their role – owner, employee?

NB: How a landlord manages their property portfolio will frame how the questions are asked throughout the interview (i.e. individual vs company etc).

The Overall Sector For Rental Properties

- ▶ I'm interested in finding out your overall sense (understanding?) of how the private rental sector was in Ireland **before the pandemic started**, could you tell me a bit about that (very general – get them to build a picture).
- ▶ How do you think the private rental sector has changed, if at all, in recent years? (unprompted and open ended)
- ▶ What are the drivers for change? (unprompted)

And then...

- ▶ What about the impact of:
 - Regulation?
 - Legislation?
 - Tenant expectations?
 - Demand?
 - Rental prices?
 - Competition from within the PRS sector?
 - Rental pressure zones (RPZs)?
 - AirBnB or that model of short-term letting?

In overall terms do you feel that the sector has changed for better or worse?

- ▶ Why do you say that?
- ▶ Would you say that the sector in Ireland has become more/less professional?
 - Why do you think that is?
- ▶ Who is most impacted by the changes in the sector?
 - What category of landlord? Why do you say that?
 - What category of tenant? Why do you say that?
- ▶ Have there been any unintended consequences of the legislation?
 - If yes, can you be more specific in terms of the legislation?
 - What have the unintended consequences been?
 - Impact on supply and demand in the private rental sector
 - Impact on tenants

Covid-19

- ▶ What do you think has been the impact, if any, of the pandemic on the rental sector in Ireland?
- ▶ What do you believe the impact of remote working (if any) has been – do you see that as a longer-term trend or a temporary blip for demand?
- ▶ How has your perspective as a landlord been changed by the crisis?
- ▶ What do you think are the main challenges that landlords face – now and in the future?
- ▶ Are there any opportunities for landlords?
- ▶ What about investors? How have their perspectives been impacted by the crisis?

Housing Journey

- ▶ Just to get a context, is residential property the primary source of your investment income?
- ▶ Is it a new activity for your business or have you been involved for a long time?
- ▶ Is residential property a core activity?
 - Why is that?
- ▶ If you are new (as in the past decade) to the sector why did you become involved?
 - Was it the attractiveness of the market?
 - The search for yields relative to other investment categories?
 - The opportunity created by demand and demographics?
- ▶ When did you first become a residential landlord?
 - What were the triggers for you becoming a landlord – was it planned or circumstantial?
 - Why and explain situation.
 - How did you acquire your first unit(s) – as a builder, an investment/purchase, an inheritance, “accidental”?

- ▶ In what year did you/your company first start to let properties?
 - First rental property/properties:
 - Did you start with a single unit, a small number of units or a portfolio of say, 20 or more units?
 - How did you fund it?
 - Did you receive any financial assistance from family?
 - Did you live in the property yourself at any point in time?
- ▶ What structure did you/the company use at the outset? Has that evolved since – if yes how and why?
- ▶ Has your portfolio grown or reduced in size since the first year?
- ▶ Were there any triggers for expanding/reducing the property portfolio?
- ▶ If portfolio has grown, how did you/your company acquire additional units?
 - Built them yourself.
 - Built to let contract.
 - Purchased on open market as new (from builder).
 - Purchased from homeowner (existing dwelling).
 - Bought from another landlord.
- ▶ When did you/your company buy the bulk of your property portfolio?
- ▶ Were you/was your company impacted by the property crisis of a decade ago?
 - Did that have any impact on your perspective of being a landlord?
- ▶ As well as buying properties have you sold any? Why?
- ▶ Do you believe there is a lifecycle for owning property?
 - What is the average length of time you let a property?
- ▶ In relation to your rental properties, are you/is your company focussed on a:
 - Particular type of property?
 - Region?
 - Sector?

Profile of Large Landlord

- ▶ Does your/your company's income from property letting constitute the main source of your/the company's income?
- ▶ Do you/does your company have a mixed residential and commercial portfolio?
 - If yes, what proportion is residential?
- ▶ If manage property portfolio as a company ask:
 - Why did you/others decide to set up as a company?
 - Was it more tax efficient?
 - What other reasons were there?
- ▶ How many people does your company employ?
 - What are their tasks/responsibilities?

- ▶ Do you just let out your own properties or do you also offer letting services/other services to others?
- ▶ How many properties do you/does your company have currently?
- ▶ Are properties concentrated in one area/certain areas or spread around?
- ▶ Where are they located?
 - Which counties?
 - Which cities/towns?
 - Urban/suburban/rural?
- ▶ Why do you take that approach? E.g diversification, specialisation?
- ▶ Which property types are in your/your company's portfolio?
 - House (single dwelling)
 - Apartment in a purpose-built development (where there are other owners)
 - Apartment/flat within a converted house
 - Wholly owned by you purpose built block of apartments,
 - Bedsit/studio
- ▶ What made you/your company choose your current properties?
 - To have a mix,
 - Asking prices, yields, low maintenance, demand in the area was high/expected to grow, good access to transport links?
- ▶ Are you/your company currently thinking of expanding your portfolio?
 - If so, what type of properties are you/your company interested in?
 - How do you/your company propose to go about acquiring them?
- ▶ Approximately what % of your portfolio are:
- ▶ Urban vs rural.
- ▶ Furnished vs unfurnished.
 - If all furnished, are there circumstances where you/your company might be interested in letting properties unfurnished?
 - Do you think there is a difference in the market for furnished and unfurnished accommodation?
Why do you say that?
- ▶ Currently rented/being refurbished/on the market to let/vacant.
- ▶ Typically, how long are properties rented for?
 - What would be the average lease length?
 - Do you offer fixed-term contracts?
- ▶ Are you in favour of long term leases?
 - Why is that?
- ▶ What would you say are the most important factors when choosing buy-to-let properties?
 - Location/property/price levels/expectation of high rental income/yield/expectation of increase in capital value?
 - What research, if any, would you do beforehand?

- ▶ What would an ideal rental property look like to you?
- ▶ In overall terms what approach do you take to financing the purchase of property?
- ▶ E.g with a mortgage.
- ▶ With other assets.
- ▶ With sale proceeds from other properties?
- ▶ How do you fund large scale property purchases?
 - Do you have a financing partner?
 - Have you a co-investor or do you use bank debt?
 - Does the financing structure make a difference to how you view the property?
- ▶ Thinking about the bulk of your portfolio do you typically buy property as
 - Purchased second hand previously rented.
 - Purchased private home.
 - Purchased private home and converted.
 - Purchased as new on the open market.
 - Built to let.
- ▶ If you were starting again, would you structure your portfolio any differently?
 - What would you like more of?
 - What would you like less of?
 - Why do you say that?
- ▶ What was your/your company's total gross income from rental properties in the last 12 months?
 - Has your/your company's total gross income from rental properties increased, decreased or stayed the same in the last 12 months?
 - By what % has your/your company's total gross income from rental properties increased/ decreased in the last 12 months?
- ▶ What is the gross yield percentage across your/your company's property portfolio?

Explainer: The gross rental yield is the annual income generated by a property/property portfolio as a percentage of the property's value or purchase price. For example, if the annual rental income is €5,000 and the purchase price is €100, 000, then the gross rental yield is 5% ($\text{€5,000}/\text{€100,000}$).
- ▶ Has the gross yield percentage increased, decreased or stayed the same in the last 12 months?
 - By what % has your/your company's gross yield percentage increased/decreased in the last 12 months?

Management of properties

- ▶ Do you use a letting agent for your rental properties?
 - If yes, is that for all or only some tenancies?
 - Is it the same letting agent all the time or do you use different letting agents for different properties?
 - Has this always been the case?
 - What services does the letting agent provide?
 - How likely are you to continue using the services of a letting agent in the future?
 - Why do you say that?
 - If no, why don't you use a letting agent?
 - Has this always been the case?
 - At what stage did you begin to use a letting agent or did you stop using a letting agent (as relevant)?
 - What do you see as the advantages/disadvantages of using a letting agent?
- ▶ Do you use another third party (other than a letting agent) or staff member to help manage the properties on your behalf?

Profile of Tenants

- ▶ Could you talk to me about your experiences with tenants?
 - Do you have a preferred tenant profile in mind? Anyone, student, family, single adult, multi-adult household?
 - What are the characteristics of a good tenant?
 - What are the characteristics of a poor tenant?
- ▶ Profile of tenants.
 - What are the most common tenant types currently renting in your properties (e.g. single people, couples, families etc)?
- ▶ Which sources do you use (main and other) to find tenants for your property portfolio?
 - Letting website/advert in local/national newspaper/word of mouth/local advert/company website/social media etc.
- ▶ Do you have properties let to households on rental assistance (e.g. HAP, RAS, Rent Supplement)?
 - If yes, roughly what proportion of your properties are let to tenants on:
 - Housing Assistance Payment (HAP).
 - Rental Accommodation Scheme (RAS).
 - Rent Supplement.
 - How do you think these forms of support impact -
 - On the private rental sector in general?
 - On you as a landlord?
- ▶ Do you think that supports like these help regulate the private rental sector and improve standards of accommodation, or not?
 - Why do you say that?

- ▶ Have you ever issued a notice of termination?
 - Why?
 - When was last time?
- ▶ How would you describe your relationship with your current portfolio of tenants?
- ▶ In your experience what are the main issues arising in a tenancy?

Maintenance of properties

- ▶ How often do you carry out inspections on your properties?
 - Do you personally carry out inspections or is it done through your letting agent/another staff member?
 - In general, how much notice is provided for inspections?
- ▶ Do you employ staff to manage and maintain the properties?
 - If not, do you:
 - Do it yourself?
 - Engage professional letting agents to do this work or just use sub-contractors?
- ▶ What are the most common maintenance requests that you have received from tenants?
 - Do you plan maintenance checks on your properties in advance or are they usually done as and when requested by the tenant?
 - If planned, how often do maintenance checks take place? Are they cyclical?
 - Approximately how much is spent on maintenance across your entire property portfolio per annum?
 - Do you have a ready reckoner of what proportion of rent you have to spend every year for a property?
 - Do you have a sinking fund ie money set aside for spending on maintenance?
 - Have you any future plans to carry out refurbishments on your properties?
 - What type of refurbishments do you intend to carry out?
 - Why do you plan on carrying out the refurbishments?

Rent Pressure Zones

- ▶ RPZ laws were first introduced in December 2016 by then Housing Minister Simon Coveney in order to tackle rapid rent inflation.
 - Are you aware of Rent Pressure Zones?
 - If aware, can you tell me what you know about Rent Pressure Zones (RPZs)?
 - How would you say Rent Pressure Zones have impacted:
 - On the private rental sector in general?
 - On you as a landlord and the rent levels that you charge?
 - Roughly how many of your properties are located within RPZs?
 - Are you aware of exemptions to RPZs?
 - If aware, when last setting the rent level, roughly how many of your properties were exempt from RPZ measures?
 - Why were they exempt (e.g. property was new to the rental market, property not been let at any time in the previous two years, property has undergone substantial renovations)?
 - Would the existence of RPZs impact on your future investment decisions?
 - If yes, in what way?
 - Would you choose not to invest in property because it was in a Rent Pressure Zone?
 - In general, how do you feel about RPZs as a measure to address rental inflation?
 - RPZ measures are due to expire at the end of 2021. Do you think that RPZ legislation is working as it should be in the areas they are currently being applied?
 - If RPZs are not working as well as they might
 - What changes do you think should be made, if any, to the current RPZ measures?
 - How would these changes impact:
 - Tenants?
 - Landlords?
 - Are there any other measures that could be introduced to deal with rental inflation?
 - What impact do you think a three year rent freeze would have:
 - On the private rental sector in general?
 - On you as a landlord?
 - If there was a three year rent freeze, would you continue as a landlord or would you leave the market?

Setting Rent / Rent Review

- ▶ How do you establish the 'market rate' on new properties/developments?
 - Has this changed since the onset of the Covid-19 pandemic?
 - If so, how?
- ▶ What is your rent setting policy when deciding on the rent level for a new tenant?
 - For properties in RPZs.
 - For properties outside of RPZs.
- ▶ How often do you review rent on properties?
- ▶ What are the drivers for rent levels in your portfolio? (Unprompted)
 - What about...
 - Market rates?
 - Required rate of return?
 - Financing costs?
- ▶ Do you have a single rent setting policy for properties across the board or does it vary?
 - Do you ever reduce rents?
 - If yes, in what circumstances would you consider reducing rents?
 - If no, would you rather leave a unit empty than reduce the rent?
- ▶ What was your rent setting policy before RPZs were introduced?
- ▶ Do you know what a 'notice of rent review' is?
 - Have you used this in recent rent reviews?
- ▶ Are you aware of the RTB Rent Pressure Zone calculator?
 - If aware:
 - How often do you use the RPZ Rent Calculator?
 - Do you find this a useful tool?
 - If not aware explain: The RPZ Rent Calculator can be used to find out if a property is located in a Rent Pressure Zone by inputting the address or Eircode. It can also be used to calculate the maximum rent amount for the tenancy.
 - How likely would you be to consider using the RPZ Rent Calculator?

Impact of Covid-19

- ▶ What has been the impact of Covid-19 on your/the company's tenants' ability to pay rent?
 - Did you offer rent free periods or reduced rents?
 - Did your tenants ask for rent free periods or reduced rents and if so, did you agree to them?
 - Did you agree to any of the following in return for reduced/no rent:
 - to be paid back over a number of months/years in instalments.
 - a fixed rent uplift in the future.
 - a longer lease.
 - difference not to be paid back.
 - rent to return to normal level after emergency period.
 - Approximately what % of your tenancies are in rent arrears?
 - Have you contacted the RTB about your tenants being in arrears?
 - As a result of rent arrears, have you issued any notices of termination since the end of the emergency period?
- ▶ Have you noticed an increase in the number of tenants giving notice to end tenancy?
 - Has the % of your properties that are vacant increased?
- ▶ Is Covid-19 affecting your rent setting policy? If yes, how?
- ▶ During the COVID-19 emergency period, a range of protections were put in place for people affected by the pandemic. These included a ban on evictions and a moratorium on rent increases. These measures have been replaced by new rental laws that protect tenants economically affected by COVID-19 and who are at risk of losing their tenancy. These provisions apply until 10 January 2021.
 - How do you feel about these new rental laws?
 - If a moratorium on rent increases is extended beyond this period, how do you think it will impact
 - The private rental sector in general?
 - You as a landlord?

The RTB

- ▶ What role do you think the RTB play in the sector?
- ▶ Explore awareness of RTB.
 - Understanding of functions of RTB.
 - What does the RTB do?
 - What services are you aware of that the RTB provides for landlords? For tenants?
 - Engagement with the RTB.
 - Have you ever been in contact with the RTB?
 - If yes, why and how (visited website, telephone, via web chat)?
 - Have you seen/heard any recent advertising from the RTB?
 - Where – outdoor, print, social media, other etc?
 - What was it about?

► The RTB Dispute Resolution Service

- What proportion of tenancies would you say end in some form of dispute?
- For those that end in a dispute, what are the most likely causes?
 - Rent arrears.
 - Deposit.
 - Why is a deposit most likely to be withheld?
 - Anti-social behaviour
 - Disputes over standards.
 - Overholding.
 - Other.
- Have you/your company ever been a party in a dispute with a tenant that was brought to the RTB Dispute Resolution Services?
 - If yes, how many disputes, if any, have ended up before the RTB in the last 1-2 years?
 - Thinking about the most recent dispute:
 - How long ago was this?
 - What were the factors that led to this dispute?
 - Did you/your company opt for:
 - Mediation
 - Adjudication
 - Dispute still ongoing
 - Were you satisfied with:
 - The outcome of the dispute?
 - The RTB's handling of the process?
 - How would you rate your overall experience (if any) with the RTB? Positive or negative?

Future intentions

- ▶ What are your intentions for your rental portfolio in the short term (1-2 years)?
 - Do you plan to continue as a landlord or leave the market?
 - Why?
 - Do you see yourself expanding your portfolio or downsizing?
 - Why (economies of scale etc)?
 - What unit types are you likely to buy/build/sell?
 - If likely to sell, what actions, if any, have you taken in relation to this?
 - Have you had properties valued, served notice of termination, engaged an estate agent, advertised properties for sale?
 - If likely to buy, what actions, if any, have you taken?
 - Have you applied for mortgage/loan, had mortgage/loan approval, sale agreed on property?
- ▶ What are your intentions for your rental portfolio in the medium to long term (3 years or more)?
 - Do you plan to continue as a landlord or leave the market?
 - Why?
 - Do you see yourself expanding your portfolio or downsizing?
 - Why (economies of scale etc)?
 - What unit types are you likely to buy/build/sell?
- ▶ What types of property are currently in demand and where do you see demand in the future?
 - Unit types?
 - Location?
- ▶ Do you see rent levels increasing, decreasing or staying the same in the next 12 months?
 - Would you consider reducing rents for new tenants?
- ▶ What about rent levels in the medium-longer term? Do you see them increasing, decreasing or staying the same?

Legislative and Policy Changes

- ▶ In recent years there have been a series of legislative changes in the private rental sector
 - How do you think these changes have impacted the sector?
 - Positive/negative?
- ▶ Which areas of the private rental sector need most reform and why?

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

This is the last set of questions

- ▶ Do you see a role in the future for larger landlords like yourself in the private rental sector?
- ▶ Would you recommend residential property as an investment choice?
 - Why do you say that?
- ▶ Would you recommend residential property as a career?
- ▶ What are the biggest challenges facing landlords like yourself in the private rental sector over the next 2 to 3 years?

Finally....

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

Reiterate confidentiality and close





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