



Bord um Thionóntachtaí Cónaithe
Residential Tenancies Board

RTB Survey of Landlords, Tenants and Letting Agents Summary Report

July 2021



amárach
research 

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Foreword

In 2019 the Residential Tenancies Board [RTB] commissioned Amárach Research to carry out a national survey of tenants, landlords and letting agents.

The project forms an important part of the RTBs ongoing research programme and is one of the largest studies of the rental sector ever undertaken in Ireland. The purpose of the research is to:

- ▶ **create an up-to-date profile of private landlords and tenants;**
- ▶ **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.**

The current project is based on surveys of tenants, landlords and letting agents. In addition to the main surveys, the study also used focus groups and in-depth interviews to validate and expand on the quantitative data, and to reach smaller stakeholder groups. Like all research projects undertaken in 2020, the work programme has been impacted by Covid restrictions. While it has had consequences for the methodologies, opportunities were taken to use this research to capture the impact of the pandemic on the private rented sector.

The private rented sector over the past two decades has undergone massive change. Since the enactment of the Private Residential Tenancies Act 2004, the legislative code [now the Residential Tenancies Acts 2004 – 2019] has matured and expanded.

The sector itself has also been transformed with both the proportion and the number of households with private tenancies increasing. In 1991 the number of households living in private rented accommodation had fallen to 8.1% of the total, the lowest ever recorded. Twenty-five years later in 2016 the Census reported a more than doubling of this figure to 18.2% of households.

Since its establishment in 2004, the number of private tenancies registered with the RTB increased steadily to a total of 319,822 active tenancies at the end of 2016. In recent years there was a reversal of this trend, with the number falling to 297,837 at the end of 2020. This reduction is also seen in the number of private landlords associated with private tenancies, which fell from 175,250 to 165,736 over the same period.

There have been several relevant surveys in the recent past that have a bearing on the current work. In 2014 DKM/RedC carried out a similar national survey of tenants, landlords and letting agents on behalf of the RTB. In 2018 the Housing Agency published the results of a national survey into residential satisfaction. Some of the findings from these earlier research efforts have helped frame this study.

The key themes that the research will help explore:



- ▶ **the overall levels of satisfaction of landlords and tenants with aspects of private renting,**
- ▶ **the balance of supply and demand for rented property across the country,**
- ▶ **the intentions, and actions already taken, of tenants to leave the sector,**
- ▶ **shifts in the property profile of private landlords across the sector,**
- ▶ **identification of patterns of behaviour surrounding rental assistance,**
- ▶ **changing sectoral profiles around tenant origins, economic circumstances and household formation,**
- ▶ **practice relating to the management of properties and**
- ▶ **approaches to dispute resolution**

Finally, a key reason for the current research is to try to get more up to date information about the changes to the sector. The changes to the national register of tenancies which is moving to an annual registration in the near future is key to this and will help provide additional critical information on the main trends in numbers of tenancies and the overall profile of the sector. Analysis of the cases brought to the RTB for dispute resolution, of tenancy terminations, landlords exits from the sector, new stock and rent increases is also critical. This additional information collected by the RTB, as well as regular surveys that explore the behaviour and intentions of key stakeholders in greater detail, will allow us to create the evidence based platform to guide policy making in this critical sector for the future of housing in Ireland.

About the Research

This research, commissioned by the Residential Tenancies Board and undertaken by Amárach Research, forms a significant part of the RTBs ongoing research programme. This is one of the largest studies of the rental sector ever conducted in Ireland, and the most comprehensive. Indeed, this is the first survey of the rental sector of this nature and scale 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 factual data for cohorts of landlords and tenants in the sector across a range of thematic areas to facilitate the monitoring of trends over time;
- ▶ gain insights into behaviours and drivers for segments within the rental sector and capturing of pathways to current renting situation; and,
- ▶ deliver academically robust and representative survey report(s)

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 research project began in September 2019 with a view to completion in 2020. However, like many research projects during 2020, the project was impacted by the Covid pandemic. This had consequences for the methodologies that have been adopted (outlined below), but 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.

Each research component has been reported separately. This summary report gives an overview of the key findings across all aspects of the 2020 study it begins with an overview of research findings for tenants, followed by key findings from the research with landlords (small, medium and large operators), concluding with research findings for letting agencies.

The fieldwork dates for the research were as follows:

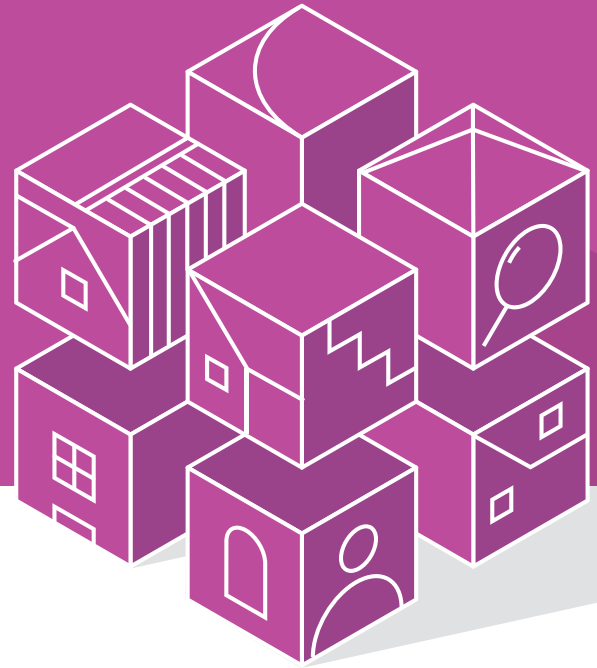
- ▶ **Tenant's survey: September 2019-March 2020**
- ▶ **Small Landlords survey: February-May 2020**
- ▶ **Supplementary survey of former landlords who have exited the sector: February-May 2020**
- ▶ **Supplementary survey of landlords who have increased the number of properties that they rent to 3+ February-May 2020**
- ▶ **Medium Landlords survey: September-November 2020**
- ▶ **Letting Agent survey: December 2020**
- ▶ **Focus groups: November-December 2020**
- ▶ **In-depth interviews with medium landlords: November-December 2020**
- ▶ **In-depth interviews with large landlords: November-December 2020**
- ▶ **In depth interviews with letting agents : November - December 2020**

Due to the timing of the focus groups and in-depth interviews, they were completed via telephone or by using video conference services, in compliance with restrictions with restrictions on face-to-face meetings.

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.

Part 1:

Tenants Research



Introduction

This element of the research project, commissioned by the Residential Tenancies Board and undertaken by Amárach Research is 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 research is undertaken against a background of significant legislative, regulatory and policy change in recent years. At the end of 2016 a new Strategy for the Rental Sector was published as part of the Action Plan for Housing and Homelessness: Rebuilding Ireland.

In recent years the extent of the regulatory regime governing landlord and tenant relations has been expanded to cover the voluntary housing sector and students living in student specific accommodation. The primary legislation, the Residential Tenancies Acts 2004 - 2021 has also been modified and added to on many occasions including as a response to the global pandemic.

The purpose of this research study 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 methodology consisted of both quantitative and qualitative elements. The quantitative element was a nationally representative survey of tenants living in the private rental sector. The qualitative element consisted of five thematic focus groups including one exploratory focus group. For the purpose of both the quantitative and qualitative tenant research, the sample only included those who answered in the affirmative to the following question:

‘Can I confirm, you are currently a tenant in this property and pay rent?’

The sampling approach taken was a quota-based methodology, similar to many large-scale national surveys. The sample was representative of the Irish population aged 19+ living in accommodation in the private rental sector. To achieve this, quotas were set on age and gender to align with the Central Statistic Office’s Census 2016 data on renters.

The survey achieved a sample of 1,038 face-to-face surveys across 130 sampling points. An average of 8 effective surveys with appropriate participants was achieved per sampling point. The margin of error was 2.94% at a 95% confidence interval.

While all efforts were made to achieve a wholly representative survey sample, some variables are weighted to match that recorded by the CSO 2016 census of population broken down by age and gender. Due to weighting of data to reflect CSO figures some base sizes may vary.

The main survey instrument for the tenants survey was designed by Amárach with input from the RTB Research Team and project steering group. The questionnaire was then scripted for data collection on CAPI (Computer Assisted Personal Interviewing) devices using the international industry standard software NIPO.

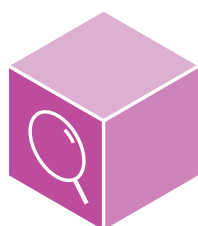
A pilot study of 40 face-to-face surveys was undertaken using CAPI across five sampling points nationally in August 2019. This served to highlight any potential issues that could affect data quality and fieldwork efficiencies. Findings from the pilot study were used to improve the questionnaire and to inform the main stage interviewer briefings. The 40 pilot surveys were subsequently included in the total sample to be reported on (1,038).

A total of five focus groups were conducted with tenants living in the private rental sector. The first focus group was exploratory and was conducted in July 2019. An additional four focus groups were conducted after the main tenant survey to explore some of the findings from the quantitative research in more detail.

The four main focus groups included a mix of long-term and short-term private renters as follows:

- ▶ **Two general tenant focus groups**
- ▶ **One with Non-Irish Nationals living in the private rental sector**
- ▶ **One with older people aged 45+ living in the private rental sector.**

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



The survey achieved a sample of **1,038 face-to-face surveys** across 130 sampling points.

Profile of Renters

The key findings from the tenants survey are summarised below.

Tenants:
Summary Findings (n=1,038)

- ▶ **Two thirds are in employment.**
- ▶ **72% of tenants rent a house (40% rent a semi-detached house).**
- ▶ **81% are renting for more than a year, 40% for 5 or more years.**
- ▶ **On average rent equals 36% of the renter's after tax income (41% in Great Dublin Area).**
- ▶ **57% of tenants were born in the Republic of Ireland, 24% in the EU or UK.**
- ▶ **The average tenant has been renting for 5 years.**
- ▶ **53% of tenants have been renting for 3 or less years (See table one).**
- ▶ **The average tenant has been renting in their current property for 3.8 years.**
- ▶ **67% of tenants have been renting in their current property for 3 or less years.**

The age profile of tenants was pre-determined 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.

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 36% of their monthly net income on rent (higher in Dublin). The median percentage spent on rent was 30%. Half (50%) of all tenants (excluding those who said they didn't know) claimed that they spent 30% or less of their monthly net income on rent. One in five (22%) tenants spent 31%-40% and a quarter (27%) tenants claimed that they spent more than 40% of their monthly net income on rent (12% said half or more of their income).

Table 1:

Length of time that tenants have been living in the private rented sector

	Total (1038)
Less than a year	19%
1 year	6%
2 years	18%
3 years	10%
4 years	7%
5 years	9%
6 to 10 years	17%
11 to 20 years	12%
21 + years	1%
Mean	5.01
Median	3

Unsurprisingly, tenants in our survey and focus groups see the rental market as very challenging. There is limited choice and availability and the cost of rents have risen significantly in the last decade.

The research shows that tenants have varying motivations for renting. There are some in the early stages of their lives who are saving for a property and have plans to purchase, but undoubtedly most who have been renting for a considerable period would prefer to own their own home as it would give them greater certainty and security. The advantage of renting which was frequently cited in the research is the absence of responsibility for maintenance and repair. Renters liked the fact that if something went wrong, they could simply call either the landlord or an agent and ask for it to be fixed. This is particularly the case for younger renters.

Tenants born outside of Ireland made up 43% of renters in the survey, as well as comprising one of the focus groups in the research. Renting is the obvious starting point in terms of tenure options for most people moving to Ireland. The research suggests that they have had little experience of discrimination in terms of securing a place to rent.

That said, there is a sense from the focus group discussions that it took some time for people moving to Ireland to come to terms with the realities of the current rental sector (predominantly the absence of choice and the high cost), particularly if they had been renting outside of Ireland before.

RTB Tenants Survey:

Attractions

- ▶ **24% rent a location for its convenience to schools, work etc.**
- ▶ **21% say renting suits their current situation.**
- ▶ **17% say they rent because they don't know where they want to live long term.**
- ▶ **20% are renting because they can't get a mortgage.**
- ▶ **15% are renting while they save the deposit for a house they will buy.**

While the reasons for renting are many and varied, some see it as an interim arrangement while they save a deposit for a house they will eventually buy with a mortgage. Though not all see their choice that way – for one in five renters it is simply a convenient option that suits their current situation. A minority (15%) are saving to achieve a deposit. Those who are on this path were typically a younger couple who appeared to have two permanent jobs and who did not appear to have other commitments. Two thirds of renters see it as a transitional arrangement, with nearly half expecting to be home owners in ten years' time.

RTB Tenants Survey:

Future Plans

- ▶ **34% of renters expect to be owner occupiers in five years' time.**
- ▶ **50% expect to be owner occupiers in ten years' time.**
- ▶ **36% expect to still be renting in ten years' time.**
- ▶ **9% are currently on a waiting list for a local authority or Approved Housing Body.**

Many tenants in the focus groups see no real path away from renting, believing that they have no financial option now and in the future other than to rent. They may wish to own a home in future, but it is more aspirational than feasible in their current situation. Fundamentally they believe that they are locked out of the purchase market because of high house prices and their inability to qualify for a mortgage. Certainly, most of those planning to buy in the future expect it will take 5, 10 or more years before it is feasible.

A large minority (43% of prospective buyers) expect that becoming a home owner will mean that they will spend less every month on their accommodation, simply because mortgage interest rates are so low and rents are so high. In the focus groups, renters often stated the belief that they are spending more on rent than they would spend on a mortgage for an equivalent property. Indeed, some who moved for affordability reasons several years ago have seen the affordability 'gain' eroded due to rent increases.

RTB Tenants Survey:

Benefits of Owning

- ▶ **43% of renters intending to buy expect it would reduce their monthly housing costs.**
- ▶ **31% expect housing costs would remain the same if they bought.**
- ▶ **7% think their monthly housing costs would go up if they bought.**

For some in the focus groups, current shortages of places to rent often means, even psychologically, that some tenants will claim they are less likely to complain about living conditions (including broken appliances and even issues with damp) and make a fuss (especially those whose rent had not increased in several years). The absence of choice can also result in additional expenditure being incurred – e.g. the need to have a car to commute. In rural areas, the absence of property can be absolute, resulting in long commutes and even temporary homelessness (so sharing a house/room with a friend or family member until something shows up).

RTB Tenants Survey:

Rent Supports

- ▶ A combined 19% of tenants are receiving rental assistance.
- ▶ 11% are in receipt of Housing Assistance Payment (HAP).
- ▶ 3% are part of the Rental Accommodation Scheme (RAS).
- ▶ 5% receive rent supplement.

Among renters in general, the things they said they dislike in the focus groups are unsurprising:

Security of tenure: they feel that ultimately they are not in control. There is always the nagging doubt that the tenancy could come to an end and they will be back at square one. Tenure is clearly about housing but it also impacts on all other aspects of life – including children’s education, commuting, job opportunities. *“Tenure worries you on a regular basis”.*

Affordability: rent levels are often seen as out of their control and not linked to income - several described spending more than 50% of their take home income salary on rent, while others highlighted that their salaries had been effectively frozen for some years.

“it is dead money”: it is an expensive purchase with no value build up. The scale of their rent as a proportion of their take home pay means that most have little opportunity to save for a property of their own.

Future planning: older renters in particular don’t know what will happen after they retire, they may hope to ultimately end up as a local authority tenant where rent would be manageable, predictable and linked to income (a state pension).

Landlords: there is no real evidence of the stereotypical, ‘conflicted’ relationship with landlords, indeed most tenants are positive about their landlord and the relationship.

There is a general perception among tenants in the focus groups that landlords would prefer not to rent to families with children, that they simply cause too much wear and tear on fixtures and fittings.

RTB Tenants Survey:

Rent Increases

- ▶ 94% of tenants are able to pay their monthly rent on the date it was due.
- ▶ Only 5% have been unable to pay rent on time on one or more occasions.
- ▶ 75% say their current rent is not higher than when they first moved into the property.
- ▶ Of those experiencing an increase, for majority it was in the past two years.

Where people are renting in a complex, rent typically includes bins and service charges. If they are renting elsewhere (e.g. a house), these benefits are less common.

RTB Tenants Survey:

Amenities

- ▶ 31% of tenants say their rent includes bins/waste collection.
- ▶ 25% say their rent includes parking.
- ▶ 15% say their rent includes broadband.
- ▶ 15% say their rent includes electricity.
- ▶ 55% say their monthly rent doesn’t include anything beyond accommodation.
- ▶ 47% of tenants have made a maintenance request to their landlord/letting agent. The incidence of maintenance requests is higher amongst tenants renting outside of Dublin (51%) vs tenants renting in Dublin (42%).
- ▶ 55% say an inventory was carried out on their property before moving in.
- ▶ 37% have had a landlord inspection of the property since moving in.

Regulations

Over a third (37%) of tenants know what a Rent Pressure Zone (RPZ) is (rising to 41% of those actually renting in an RPZ), but only a third know if their property is located in an RPZ (42% of those renting in an RPZ). RPZs were perceived positively in that they are seen to have put a stop to the increase in rental property prices. But some in the focus groups view RPZs as a licence to simply increase the rent by 4% per annum, even though wages had not gone up by the same amount.

Tenants in the focus groups were also aware of the revised regulatory regime put in place as a reaction to the pandemic, but only a small number of renters said they had been impacted, and their landlords in general have been flexible.

RTB Tenants Survey:

Regulations

- **70% of tenants in the survey are renting in a Rent Pressure Zone (RPZ).**
- **But only 41% of tenants renting in an RPZ know what it is.**
- **82% of all tenants have a written tenancy agreement.**
- **84% of those with a written agreement have read it.**
- **47% of all tenants are aware of the Residential Tenancies Board (RTB).**
- **1% have been in a dispute with a landlord & brought to RTB dispute resolution service.**

There is widespread awareness of the RTB. Tenants understand the role of the RTB in relation to regulating the market. They are aware of the processes about tenancy registration and the rights and responsibilities of both landlords and tenants. In reality most tenants have a reasonable relationship with their landlords or letting agents.

Non-Irish Citizens

Non-Irish citizens account for 38% of all private tenants surveyed. While the demographic profile of non-Irish citizens renting in the private sector is broadly similar to that of Irish citizens, there are differences in relation to age, region, household composition and dwelling type. For example, 42% of all non-Irish citizens are renting with a spouse or partner with children, compared to 28% of all Irish citizens. Motivations for currently renting are also similar (convenience, can't get a mortgage etc). However, the future intentions of non-Irish citizens regarding where they wish to live long term are less certain. Their knowledge of the rights and responsibilities of landlords and tenants is on par with that of Irish citizens. Overall, their experience of renting in Ireland is positive - 79% of non-Irish citizens awarded a 'positive/very positive' rating to their experience of renting in the private rental sector in general. This compares to 68% of all Irish citizens.

Older Renters Aged 45+

Older renters aged 45+ account for 17% of all tenants surveyed. 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 50% belong to the DE group (semi-skilled and unskilled manual occupations, unemployed and lowest grade occupations) compared to 33% of the total sample of private renters. Older renters are more likely to be living alone and renting for longer than younger renters. They are also more likely to be in receipt of rental assistance (Rent Supplement). Their motivations for currently renting are similar to that of the total sample. However, older renters are more likely to mention 'personal reasons' (26% vs 19% of the total sample) and less likely to be 'currently saving for a deposit or looking to buy a property' (10% vs 15% of the total sample). In terms of future intentions (five/10 years' time), a higher proportion of older renters see themselves still renting privately or renting from the Local Authority or AHB when compared to the total sample. Overall, older renters' experience of renting and living in the private rental sector is positive and in line with the total sample.

Differences by Region

The regional profile of tenants was pre-determined as sampling points were spread geographically to represent the national distribution of private renters. Analysis at a regional level highlights some key differences between tenants renting in Dublin vs tenants renting outside Dublin.

- ▶ In Dublin, the highest proportion of all tenancies is 'an apartment in a purpose-built development' (35%), whereas outside of the capital 'a semi-detached house' represents the greatest share (50%).
- ▶ In Dublin, the most common living situation is 'living with others (sharing)' (27%). Outside Dublin 'living with my spouse or partner with children' is the most common living situation (39%).
- ▶ The average length of time renting in the private rental sector is longer outside Dublin (5.55 years) vs in Dublin (4.17 years).
- ▶ Tenants renting in Dublin pay a higher deposit for their current property (€1,450) than tenants renting outside Dublin (€800).
- ▶ The average difference in rent now vs when first moved in is higher in Dublin (€266) than outside Dublin (€135).

Tenants: Conclusions

The research suggests that tenants are generally content with their existing rental arrangements, both in terms of amenities and relations with their landlords. Nearly 8 in 10 (79%) of tenants say their renting experience has been positive or very positive. Only 3% say it has been negative. The fragility of tenure is a constant background noise, perhaps not in the short term but certainly in the medium and long term. That said, a large cohort of tenants have been renting for four or more years and seem set to continue doing so for the foreseeable future.

The rental sector is important to foreign nationals moving to live in Ireland, and many come from countries with a large rental sector. Renting provides an opportunity to stay somewhere for a short period (perhaps before returning), as well as the chance to get to know an area with a view to buying (if intending to stay).

While RPZs are seen to have impacted positively on cooling down the level of rent increases, some in the focus groups say that even increases in rent by 4% per annum is and will be far above their expected increases in their take home pay. For renters to achieve greater clarity and certainty about the future, the following factors were mentioned by tenants as important areas to be addressed:

Supply.

The lack of availability and choice is a fundamental issue in the market. If a lease is ended tenants have very few options. This is especially challenging where people have children of school going age.

Cost.

When rents take up a very high share of income, clearly there is no headroom for further rent increases. In our weakened, post-covid economy, few expect that their wages and salaries will rise faster than rents.

Central Bank rules on mortgages.

Tenants in the focus groups felt that their opportunity to buy was impacted by the mortgage rules in place, especially concerning deposits. They simply did not have the capacity to save for a deposit when rents take such a high share of disposable income.

Income support.

With one in five tenants receiving rental assistance, this will continue to provide a key safety net for many on lower incomes for the foreseeable future.

Part 2:

Landlords Research



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

For the survey of small landlords, 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 landlords were provided by the RTB. 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.

A Computer-Aided Telephone Interview (CATI) methodology was used to complete a sample of 500 small landlords (1-2 properties), representative in terms of region and number of tenancies. The margin of error was 4.38% at a 95% confidence interval.

Additional short telephone surveys were conducted as follows:

Sixty-six (66) landlords owning 3+ properties. 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.

Seventy-four (74) landlords who left the sector and were no longer operating as landlords. 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.

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 for data collection using the international industry standard software NIPO.

A total of 36 pilot surveys were undertaken with small landlords using CATI. Pilot surveys were spread by region and inside/outside rent pressure zones to ensure that a representative sample was achieved. The pilot surveys served to highlight any potential issues that could affect data quality and fieldwork efficiencies. Findings from the pilot study were also used to improve the survey script.

A total of two focus groups were conducted with landlords. The first focus group was exploratory and was conducted in July 2019. It comprised a mix of small (1-2 properties) and medium (3-20 properties) landlords and its purpose was to explore areas of interest for including in the main survey questionnaires and interview discussion guides.

The second focus group was with small landlords who left the market. These landlords were recruited from the small landlord telephone survey and this focus group was conducted in December 2020.

The vast majority (over 80%) of those surveyed currently own and rent out just one property. In terms of their profile, the research found the following:

Small Landlords (1-2 properties): A Profile (n=500)

- ▶ **69% are aged 45 and older.**
- ▶ **96% identified themselves as part-time landlords, with a different primary occupation.**
- ▶ **60% previously lived in the property they rent out.**

There are different pathways to becoming a landlord, the survey shows that only a minority of small landlords acquired their rental property with a buy-to-let mortgage – it is more likely that they bought their own home and subsequently decided to rent it out:

RTB Small Landlords Survey: History

- ▶ **1 in 5 acquired their rental property with a buy-to-let mortgage.**
- ▶ **54% acquired it with an owner occupier mortgage.**
- ▶ **1 in 10 inherited the property they are currently renting out.**
- ▶ **Most became landlords 12-15 years ago, during the Celtic Tiger era.**
- ▶ **10% previously rented out a greater number of properties than they do now.**

Most small landlords have tenants with children renting their properties: 36% couples with children, 18% a single person with children. Medium sized landlords (3-20 properties: see next section) are more likely to have tenants with children: 42% have couples with children renting one or more of their properties, 21% have single people with children as tenants.

A higher proportion of small landlords let their properties to tenants in receipt of rental support than the proportion of tenants in general in receipt of rental supports: 30% have tenants receiving rental assistance, compared to 19% of tenants in general. Small landlords generally have a professional relationship with their tenants in terms of compliance and service provisions:

**RTB Small Landlords Survey:
Tenant Relations**

- ▶ **95% provide a written tenancy agreement to their tenants.**
- ▶ **83% carry out an inventory of the property when tenants move in first (in person or through their letting agent).**
- ▶ **87% have carried out an inspection of their property (directly or through letting agent).**
- ▶ **74% have had a maintenance request from current tenants (mainly appliances).**
- ▶ **88% describe their experience of their current tenants as positive or very positive.**

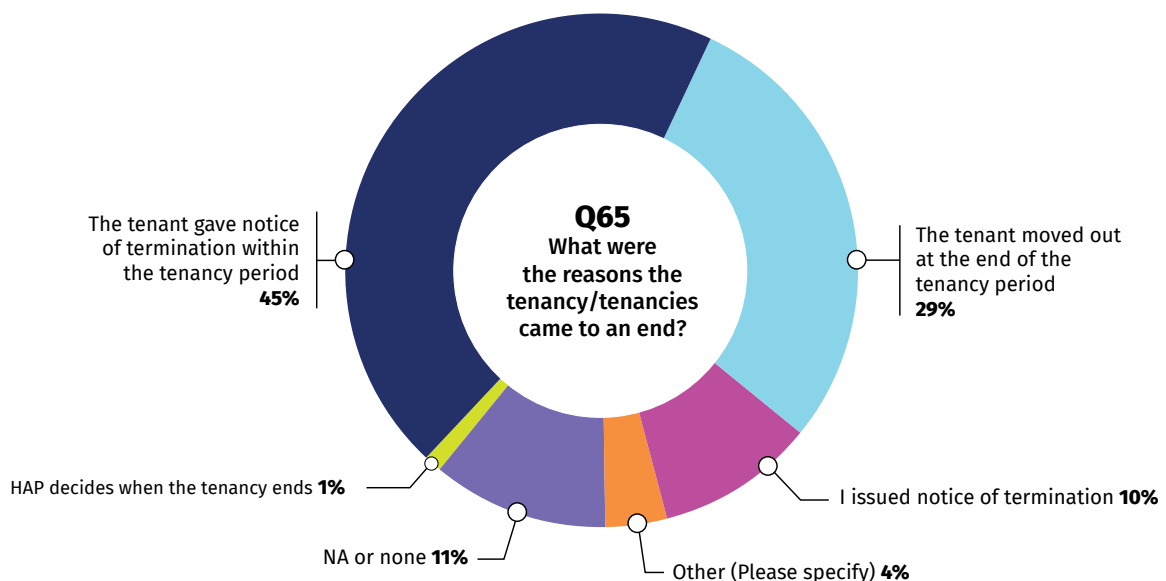
The main motivation for increasing rent (for more than half, 56%, of those with two properties) is to ensure that rents are in-line with market rents in the local area. However, one in four small landlords set below market rents to keep them at a level their tenants can afford to pay (as well as to hold onto tenants they are happy with). Indeed, one in five renters in the tenants survey say their rent is lower than similar properties in the area they live in. Also, 27% of small landlords have only ever had one tenancy/the same tenant in their rental properties.

When tenancies come to an end, it is more likely that the tenant will give notice of termination within the tenancy period (45% of properties) than that the tenancy ends and the tenant moves out (29%). Only 10% of tenancies end because the landlord issues a notice of termination, while 4% of tenancies end for other reasons. Please see figure one for a full breakdown of reasons tenancies came to an end.

There is an upward trend in rents with 34% of properties receiving higher rents now than the initial rate when the tenancy began, while 42% of properties have seen rent set higher when last let to a new tenant.

Figure 1:

Reason(s) the tenancy(ies) came to an end (excluding properties where there has been only one tenancy) (n=449 properties)



As a result of the sampling for the landlord survey, most properties rented out by small landlords are located within rent pressure zones. More small landlords with properties in RPZs are positive about RPZs as a measure to address rental inflation (35%) than are negative (25%).

Motivations

The majority – (57%) – of small landlords see their rental properties as long term investments for rental income, while 40% also consider their property to be an investment for long term capital growth. That said, some 44% of small landlords say their pre-tax income is the same or less than their property related costs (including any mortgage payments, maintenance costs, agent fees etc.).

Similar to larger landlords, smaller landlords are weighing up their options when it comes to the future. In total, 10% think it likely they will sell their rental properties in the next five years, the majority (61%) think it unlikely. For most of those expecting to sell, the main motivation is that they no longer wish to be a landlord (for 45% of those intending to exit), or it simply isn't profitable anymore (30%). On the other hand, small landlords are highly unlikely to buy another property to let out – just 2% think it likely in the next five years.

RTB Small Landlords Survey: Regulations

- ▶ **40% of small landlords feel that regulations have made the sector more professional.**
- ▶ **Just 14% would recommend becoming a landlord to a friend or family member.**
- ▶ **49% would not recommend becoming a landlord to a friend or family member.**
- ▶ **48% say their own experience of being a landlord has been positive/very positive.**
- ▶ **19% say it has been negative/very negative.**

Just 7% of small landlords have been involved in a dispute with a tenant that was brought to the RTB Dispute Resolution Service, though half of these disputes were 5 or more years ago; and over half were initiated by the landlord themselves.

Former Landlords

In addition to the small landlords surveyed in the research, 74 former landlords were identified (i.e.: they were on the RTB database as small landlords but no longer had rental properties). They were asked a set of supplementary questions which revealed that:

- ▶ **72% no longer rent the properties as they have been sold.**
- ▶ **23% have recovered the previously rented property(ies) for family/self.**
- ▶ **55% of former landlords that sold their rental properties exited the rental sector as they no longer wished to be a landlord; 28% exited because it was no longer profitable; 8% exited because the property was no longer in negative equity; 4% exited because of the regulatory environment.**

Differences by Region

Analysis at a regional level highlights some key differences between small landlords with rental property in Dublin vs small landlords with rental property outside Dublin.

- ▶ **Rental properties in Dublin are more likely to have been lived in by the landlord than rental properties outside Dublin (63% vs 50%).**
- ▶ **In Dublin, 59% of all properties rented out to tenants are houses - compared to 83% outside Dublin.**
- ▶ **Small landlords with rental properties in Dublin are more likely to have had maintenance requests from current tenants (79% vs 71% outside Dublin).**
- ▶ **The median deposit charged for rental properties in Dublin is €1,350 - compared to €700 outside Dublin.**
- ▶ **A higher proportion of properties in Dublin had a rent review in the last 12 months (57% vs 39% outside Dublin).**

Medium Landlords

In addition to the small landlords, Amárach surveyed over 250 medium sized landlords, concentrating on the cohort owning 3-20 properties to rent (though medium landlords can include those with up to 99 properties).

As with the small landlords survey, the regional quotas were based on the number of tenancies in each county where the landlord provided contact details and agreed to be contacted. The following attributes apply to landlords in the survey:

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

- ▶ **79% are part-time landlords, with a different primary occupation.**
- ▶ **94% manage their properties as individuals (6% as a company).**
- ▶ **On average, medium sized landlords have been in the business for 18 years.**

As with the small landlords, quotas were set for the CATI survey of medium landlords 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 landlords were provided by the RTB. The RTB contacted landlords in advance by email to inform them that they may be contacted and asked to participate in the research.

Fieldwork for the medium landlord survey was carried out between 4th September and 11th November 2020. The research achieved 250 successful CATI surveys with medium landlords (3-20 properties). The margin of error was 6.16% at a 95% confidence interval.

A total of 13 pilot surveys were undertaken by CATI with medium landlords. Pilot surveys were spread by region with a mix of professional, full-time and part-time landlords. The pilot surveys served to highlight any potential issues that could affect data quality and fieldwork efficiencies. Findings from the pilot study were also used to improve the questionnaire script.

In addition to the survey, in-depth interviews were carried out with medium landlords with a larger number of properties in Quarter 4 2020. For the purposes of the qualitative research, medium landlords were defined as those owning between 21 and 99 properties. The RTB contacted landlords in this category, informing them of the nature of the study and informing them that they may be contacted and asked to participate. In total there were ten interviews completed. Each interview lasted approximately 60 minutes.

In the medium landlord interviews, most of their portfolios started several decades ago as an add on to a building business, often by the parent of the person who was now in charge. In the survey, 30% of properties were let out in the period 2010-2020, 39% in the previous decade (2000-2009), and the rest earlier than that.

Landlords typically focus on one market sector and geography. For example, properties that were bought and renovated for letting in multiple units (e.g. properties in Dublin 4 and 6 or student accommodation in third level cities). Sometimes also properties either built or developed by the landlord, typically apartment blocks where ownership was retained.

Medium Sized Landlords (3-20 properties): Property Portfolios

- ▶ 69% have single dwelling houses in their property portfolio.
- ▶ 41% have apartments in purpose-built developments.
- ▶ 26% have apartments in a converted house.
- ▶ 10% have apartments in totally owned purpose-built blocks.
- ▶ 27% use a letting agent.

Unlike the small landlords' survey where half of all rental properties were purchased 'with an owner occupier mortgage', the proportion of medium landlords who inadvertently became a landlord due to circumstance rather than choice is small. Nearly half (49%) of all medium landlords stated that the most common way in which they purchased their rental properties was 'with a buy to let mortgage'. More than one third (35%) bought their properties 'outright', 8% purchased their rental properties 'with an owner occupier mortgage' and the remainder 'inherited property' (7%). In contrast, one in four (25%) properties owned by small landlords were purchased with a buy to let mortgage.

Apart from some restructuring that occurred as a consequence of the property crash of 2008, medium sized landlords don't 'trade' properties in their portfolio. However, no landlord plans to expand their portfolio and they are more likely to divest than anything else.

Views on Tenants

Most medium sized landlords who were interviewed are still involved in tenant selection. As they operate in different sectors of the market, they vary in their perception of the ideal tenant. But they are prepared to 'pay a price' for a good tenant, indeed to avoid the loss of a good tenant they often do not increase the rent in line with the market. With a good tenant considered to be one who pays the rent on time, does not behave in a way that will impact negatively on the property or on relations with neighbours, and engages positively in communications with the landlord (e.g.: with requests to inspect the property).

RPZ and Regulations

Landlords tend to focus on more than just maximising rental income, which means that they believe that RPZ regulation does not take sufficient account of the multiplicity of reasons as to why tenants are there and the nature of existing landlord tenant relationships (which can be quite long term).

Nevertheless, some in the interviews stated that they intend on exiting the rental market, even though their property rental businesses are currently profitable. Those desiring to exit the sector are driven by:

- ▶ **Regulation:** Increased regulation and the fact that they believe regulation is balanced more in the tenants favour.
- ▶ **Taxation:** The difficulty in making a reasonable return after tax (for example, the fact that many costs are no longer tax deductible).
- ▶ **Cost:** The difficulty of maintaining older buildings (e.g. pre 63s) to an acceptable standard.
- ▶ **Life stage:** Some had simply got to the point of wanting to retire and ease back.



Most medium sized landlords who were interviewed are still involved in **tenant selection**.



81% have not sold any property in their portfolio in the past five years.

Medium sized landlords see the need for regulation and good governance. They recognise that there are rogue landlords who need to be dealt with. However, they also believe that the scales of regulation are tilted against the landlord. Their own behaviours in not seeking to expand their portfolios underlines the point. Most of those interviewed are reviewing their presence in the sector. None had an immediate plan to sell and exit, but anticipate a gradual wind down in the next three to five years. They have not yet actioned the process. While most operate as family businesses there is no sense that there is an appetite among the next generation to take the businesses over.

In relation to remaining in the sector, medium landlords are more likely than small landlords to say they intend continuing in the business, especially those with larger portfolios.

RTB Medium Sized Landlords Survey (3-20 properties):

Sales & Purchases

- ▶ **65% have not bought any property to add to their portfolio in the past five years.**
- ▶ **81% have not sold any property in their portfolio in the past five years.**

The Current Market

Pre the pandemic, the market was undersupplied and rents were strong. Because they are all operating in niche sectors (mostly by geography, but also by sector), some have been impacted more than others by the pandemic according to the in-depth interviews:

Student accommodation. Students have not been back in College and some students have been given refunds for accommodation not taken up. International postgraduates not arriving also impacted. This point relates to student accommodation provided through the private rental sector.

In Dublin there has been vacancies in one portfolio which focused on studios and one bed apartments. This was the result of people moving back home to work remotely.

There has been a softening of demand for apartments within and close to the canals in Dublin.

However, there is a sense from the qualitative research that the level of Government support, either through the PUP or the wage subsidy schemes, has underpinned individual's economic status and so most can keep up with rental payments (sometimes after a short disruption).

Many medium sized landlords believe that the market has become more complex largely as a consequence of regulation. They believe that it denies them flexibility to make decisions that may benefit tenants in the short term because they create negative outcomes for the landlord long term. They see RPZs as a good idea that have unintended consequences, especially its impact on tenant relationships. Furthermore, the rules governing rent increases can result in difficulty generating a return on refurbishment.

Impact of Housing Assistance Payment

Given that they are all long term investors, they believe that issues that arise with affordability need to be addressed. Most of the landlords who were interviewed (with up to 100 properties) have tenants who avail of HAP payments.

They have no issue with HAP tenants but they do have issues with the approach of the local authorities in their inspections. They absolutely believe that the standard of property should be at a high level, but they believe that the standards expected are too rigid.

They also believe (according to interview feedback) that the processing of the initial HAP tenancy agreement can take too long. In effect they argue that the landlord is unable to collect rent until the HAP agreement with the local authority is in place. They cited examples where this can take several weeks, leaving the tenant without a property and the landlord without income. In an undersupplied market, landlords have the choice of turning elsewhere. The tenant may not.

The survey sheds some light on the incidence of rent assistance:

**RTB Medium Sized Landlords Survey (3-20 properties):
HAP and RPZs**

- ▶ **56% of medium landlords have one or more tenants receiving HAP (note: 10% of renters in the tenants survey are receiving HAP).**
- ▶ **10% of medium landlords have at least one property where the tenants renting under the Rental Accommodation Scheme.**
- ▶ **5% of medium landlords have properties with tenants on rent supplement.**
- ▶ **45% of medium landlords with properties in RPZs increase their rent annually by 4%.**
- ▶ **13% increase RPZ rents with new tenancy agreement.**
- ▶ **5% review and increase RPZ rents every 24 months.**

In the qualitative research, it emerged that some landlords leave properties vacant by choice. This occurred where they are thinking of selling the property in the short or medium term, or where they were planning significant refurbishment. They stated that the opportunity to carry out routine maintenance has been impacted by Covid and home working. Given that so many tenants are now operating from home, it is not feasible to have loud and sometimes messy maintenance work disrupting daily activities.

Rents

The findings from the interviews suggest that medium landlords (3-99 tenancies) benchmark rent levels against what is available on property rental websites e.g. Daft.ie or MyHome.ie, etc. Those with properties in an RPZs will also factor in the limits on potential increases. More generally, landlords usually don't have a benchmark for return on investment requirements or financing costs.

The survey revealed the following about rents:

**RTB Medium Sized Landlords Survey (3-20 properties):
Rents**

- ▶ **43% have used the RTB rent calculator when reviewing rents (rest don't/not aware).**
- ▶ **80% are aware they must provide a 'notice of rent review' to tenants.**
- ▶ **42% of those aware have used the notice procedure.**
- ▶ **29% of medium landlords increased rent at last review with existing tenant.**
- ▶ **46% kept the rent the same and 2% decreased rent (rest have not reviewed rent).**
- ▶ **40% set the rent higher for the last property they rented to a new tenant.**
- ▶ **45% with RPZ properties will increase rent by 4% for a new tenant.**

In terms of the wider financial circumstances and plans of medium landlords, the research found that while most say their experience has been positive (with tenants and in terms of financial rewards) – 61% say it has been positive (compared to 48% of small landlords). They are slightly more likely than small landlords to recommend the role to others (19% vs 14%).

The majority enjoy a positive cash flow in terms of income vs costs, and most see them as providing investment returns into the future (though a majority intend selling some of their properties):

RTB Medium Sized Landlords Survey (3-20 properties):

Investments & Intentions

- ▶ **31% say their pre-tax rental income is the same or less than property costs.**
- ▶ **53% see their rental properties as a long-term investment for capital growth.**
- ▶ **78% see them as a long-term investment for rental income (average gross yield = 6.8%).**
- ▶ **44% no longer have a mortgage on any of their properties.**
- ▶ **62% say their property portfolio is worth more than what was paid originally.**
- ▶ **38% think it likely/very likely they will sell any properties in the next 12 months/two years/ five years.**
- ▶ **17% think it likely/very likely they will buy another property in the next 12 months/two years/ five years.**

Increased property/asset prices also means that there are opportunities to sell the properties and invest in other, non-property assets that will generate a greater return than current and anticipated future rental incomes.

The research suggests that most smaller medium landlords (3-20 properties in our survey) still operate as sole traders in a market whose needs have changed substantially from the time the portfolio had commenced. Those nearer the higher number of properties tend to have a more commercial focus and ambitions. Those with fewer properties (3-5) operate in a similar manner to small landlords (with 1-2 properties). They also share some of the same frustrations and future intentions. In all likelihood the rental market will see greater concentration of property ownership in the rental sector as it becomes more professionalised and the business model becomes more sustainable.

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44% no longer have a mortgage on any of their properties.

.....

53% see their rental properties as a long-term investment for capital growth.



Differences by Region

Analysis at a regional level highlights some key differences between medium landlords with rental property in Dublin vs medium landlords with rental property outside Dublin.

- ▶ **Landlords with properties in Dublin are more likely to have tenants whose ability to pay rent has been affected by the pandemic than landlords with properties outside Dublin (39% vs 26%).**
- ▶ **Twice as many medium landlords with properties in Dublin own 'an apartment or flat within a converted house' as landlords outside Dublin (38% vs 19% respectively). Outside of Dublin, 77% of landlords have a house in their rental portfolio compared to 55% of landlords in Dublin.**
- ▶ **Medium landlords with properties in Dublin are more likely to use letting websites than medium landlords with properties outside Dublin (63% vs 43% respectively). 'Word of mouth' is more likely to be mentioned by landlords with properties outside Dublin (39% vs 25%).**
- ▶ **Landlords with properties in Dublin are more likely than landlords with properties outside Dublin to employ an external person/contractor to carry out maintenance (43% vs 32% respectively).**
- ▶ **Medium landlords with properties in Dublin are more likely to have used a 'Notice of Rent Review' in recent rent reviews (49% vs 37% of landlords with properties outside Dublin).**
- ▶ **The average deposit charged by landlords with rental properties in Dublin is significantly higher than that charged by landlords with rental properties outside Dublin (€1,417.51 vs €855.55).**

The average monthly rent paid for the lowest rent in Dublin (€1,143.42) is higher than the average monthly rent paid for the highest rent outside Dublin (€1,085.89).

- ▶ **The propensity to sell rental properties in the next five years is higher amongst medium landlords with rental properties in Dublin (21% vs 15% outside Dublin).**
- ▶ **Landlords with properties in Dublin are more positive about their experience of being a landlord (68% vs 57% outside Dublin) and are also more likely to recommend becoming a landlord than landlords with properties outside Dublin (23% vs 17%).**



The average deposit charged by landlords with rental properties in Dublin is significantly higher than that charged by landlords with rental properties outside Dublin (**€1,417.51 vs €855.55**).

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Large Landlords

Large scale landlords in the research were defined as those landlords that own 100 or more residential properties to rent.

As part of this research, nine in depth interviews with large landlords were completed. 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.

Large landlords typically own and manage hundreds and, in some instances, thousands of tenancies. The participants in our interviews were all speaking on behalf of organisations rather than individual landlords/property owners. From the interviews it appears that most of the organisations in the sector are relatively new, established or active in this sector in the past five years. A minority had other property interests in commercial investment property. Most of their properties are located in densely populated/urban/city locations.

Ambitions

In contrast to medium and small landlords, the larger landlords are ambitious and have plans for growing their businesses. They envisage managing property portfolios of several multiples of their current scale in the medium term. They are usually focused on letting residential property, targeting the medium and high end of the residential rental market. They are funded by equity rather than debt, so they are investing with fund sources. The funds that they source for investment are searching for investments that will provide a reasonable return in a no/low interest rate environment. They typically source pension fund money and are responding to a decline in interest rates and returns from the bond market. Residential real estate is considered a relatively low risk investment versus shares.

It is the view of these large landlords that

demographics alone will create a demand for additional rental property in Ireland for the foreseeable future. Whereas previously banks, developers and borrowers worked together to create a home ownership process, this model is no longer the case. Large landlords believe that the state of the housing market model in Ireland presents a unique opportunity, especially among the pre-family and young family cohorts (and those migrating to Ireland for employment in sectors such as tech and IT).

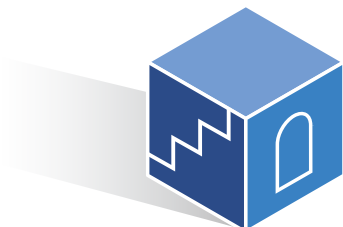
Business Model

Many of these organisations, or their key personnel, have experience in residential investment elsewhere. The nature of their engagement with the sector has a number of common characteristics. They typically buy/own/develop modern properties, usually completed in the last decade. These can be purchased from a developer, through a prefunding agreement or developed in-house. Some organisations have moved from buying at scale to building at scale.

They typically buy in blocks with a minimum of 100 or 150 units. They don't want to have units potted throughout a development. Having complete control enables them to brand, manage, control and handle the asset. They can then offer consistency across the units.

Future Intentions

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.



Most of those interviewed have a preference for locations that are near **transport, work** and **population hubs**, and the focus is almost exclusively on Dublin

So typically they buy or develop from new or nearly new. They buy in scale in locations where they own all of one or more blocks. Typically these are apartments or townhouses. They see what they offer tenants not as a property but as a proposition. And they put their own stamp on the proposition.

Most of those interviewed have a preference for locations that are near transport, work and population hubs, and 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 don't have the scale or differentiation required. They will not be investing in smaller towns.

Tenant preferences

Large landlords see the long term relationships with tenants as fundamental to their success. They have no one preferred tenant type, they are open to stages and ages. There is a preference for people who are working in well remunerated employment and who can comfortably afford 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.

Large landlords see added features such as gyms, concierges, and outdoor areas as part of the definition of their proposition. All properties are usually furnished. They see their sector as setting the bar for standards in the rental market - to the extent of almost reinventing the residential rental market in Dublin.

Affordability

As with other stakeholders, there is a widespread acceptance of HAP payments. Given the core of the business model - predictable monthly income on long leases - the availability of a state backed rent is generally welcomed. 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 may even decline tenancies where rent constitutes more than 40% of take home pay: something they can afford to do in locations where demand exceeds supply.

Like other stakeholders, large landlords 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 is a barrier to their future development or growth.

Scale

One benefit of scale for large landlords is that it minimises the risk from individual tenancies going 'wrong'. Though very few go wrong from their perspective. It enables them to create systems (renting, management, administration and tenant relationships) where they can streamline and specialise. They can also develop a branded proposition across locations which will attract and retain tenants, in much the same way that people stayed loyal to particular house builders in the past.

They all want to offer a consistent, high value standardised package to their tenants. They use different models as to how to get there. Some opt for insourcing (delivering an end-to-end customer experience from building and tenant selection through to maintenance), while others go for outsourcing (build then sub-contract to a letting agency).

But they do see that the tenants relationship is with them and that long term relationships are fundamental. They prefer complete control of an estate so that they can provide a standardised and predictable service.

Most see benefit in outsourcing or subcontracting some maintenance activities. They can then use procurement processes to drive the price lower. Some also use letting agents, but even where letting agents are used, most have their own websites to brand and advertise their developments. They use that as another source of potential tenants.

Impact of Covid

The pandemic has had an impact on large landlords. 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) requests for rent reductions, but they appear to be far more limited than might have been anticipated at the start of the crisis. The research suggests that the pandemic has led to a softening of the market, in rent levels and demand terms. Given the absence of financial pressures, many large landlords suggested a willingness to live with higher vacancy levels for the moment to see how the market responds, rather than let tenancies at a lower rent, with long term consequences under RPZ rules.

Impact of Rent Pressure Zones

Some large landlords also said 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. For those with older properties (or conversions) in their portfolio, there is an argument that RPZs have disincentivised investment in refurbishment.

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. But 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 are seeking to capitalise on.

They also believe that the regulatory environment around buy to let mortgages is also driving smaller private landlords from the market.

The large landlords interviewed in this research are all relatively young businesses. Building their businesses from the debris of the property crash, all appear to be planning to increase their presence in the market. Most have acquired substantial portfolios and given the trajectory of each, the pace of growth appears to be accelerating rather than plateauing.

The funding model they use is investment rather than debt based. The wider difficulty for pension funds in finding a home for funds invested in low or no interest rate environments is clearly one half of their opportunity. They see 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.

The **pandemic** has had an impact on large landlords. It has had a particular impact within the canals in Dublin.

According to the large landlords interviewed for the research, the main challenges in the future will be:

- **If investment returns decline.** If rental levels decline then the return on investment 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.
- **Other regulatory changes** - e.g. changing the rules around bulk buying of properties - may result in it becoming more difficult to grow the size of property portfolios.

Some do hope that others might exit the marketplace, creating an opportunity for them to acquire comparable assets to extend their business scale. There are few other ways to get a 4% to 6% annual return.

Landlord Comparisons (Small, Medium and Large Landlords)

The research provides a unique insight into the realities facing a wide cross-section of landlords in Ireland. There are some similarities regardless of size, including:

- Landlords generally have positive experiences of providing rental services to tenants.
- They are likely to have a mix of tenant types (family circumstances etc) if they have several properties.
- They are usually prepared to accommodate tenants with HAP and other rental supports.

- Landlords of all sizes (including small landlords) are generally welcoming of measures to increase the professionalism of the sector.
- Those with properties in RPZs have adjusted and coped with them (at present).

There are, however, important differences, including:

- Smaller landlords are more likely to plan on exiting the market than larger landlords, as the business model is seen to be more challenging for smaller operators.
- Larger landlords are more likely to be organised as businesses and to have similar legal structures rather than managing properties on a personal and/or family basis.
- Larger landlords have greater access to non-bank funding sources for acquiring and expanding their portfolios, and they intend doing so.



Part 3:

Residential Letting Agents Research

3



Letting agents play a key role in the rental sector, operating as the interface between tenants and landlords, as well as facilitating the acquisition of new tenants.

There were two parts to the research with Letting Agents; a quantitative survey, and qualitative in depth 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.

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.

This Letting Agents research was completed in December 2020. The impact of the pandemic has been particularly disruptive for the residential letting agency business.

Agents and agencies appeared for the most part to operate remotely. In this context the absence of contact details from the Property Services Regulatory Authority provided database resulted in the following survey recruitment and engagement processes:

- ▶ After the identification of agents who were eligible for engagement in the research programme, agency contact details were identified from the Company's website.
- ▶ Contact was made with the agent's office and a message left outlining the nature and purpose of the required engagement.
- ▶ As a consequence of the agents working remotely that request was passed to them.
- ▶ They made the choice as to whether to engage.
- ▶ If they decided to engage Amárach was given the relevant email address.
- ▶ Amárach then sent the survey link to the email address, again outlined the nature of the engagement required and encouraged participation.

In total 81 completed surveys were received. Given the business circumstances surrounding the survey, this was a positive engagement and response.

The main survey instrument for the Letting Agents survey was designed by Amárach with input from the RTB Research Team and project steering group. The survey was then scripted for data collection on an online survey using the international industry standard software.

As part of the quantitative research programme, respondents were asked whether they would be willing to engage in further research on the topic. Twenty-seven of the 81 respondents (33%) said that they were prepared to undertake further engagement. 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 60 and 90 minutes.

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.

In terms of their profile in the survey the research found that:

Letting Agents: A Profile (n=81)

- ▶ **77% of residential letting agents are also estate agents, 64% are auctioneers.**
- ▶ **48% are also commercial letting agents.**
- ▶ **26% provide property management services.**
- ▶ **93% are structured as a company, 4% are sole traders.**
- ▶ **86% have one branch: 9% have 2-3 branches.**
- ▶ **On average, 6 people work in each branch.**

The agents in our in-depth interviews range in scale from small agents, managing portfolios of 30 or 40 properties, to much larger organisations, managing many thousands of units on behalf of institutional investors and/or receivers. All interviewees have had practical experience of the sector through a series of cycles – the minimum experience of 15 years in the business.

This commentary includes both the qualitative and quantitative findings.

Services

All offered a complete letting and management service. This includes:

- ▶ **The advertising of properties.**
- ▶ **The selection of tenants for approval by the landlord.**
- ▶ **The identification of the market rent.**
- ▶ **The collection of rent (one or two don't do this).**
- ▶ **Property inspections and management.**
- ▶ **Dispute management.**

Most offer other services as well, selling property as required, but in all cases residential letting constituted a core part of their income. Many of the very large landlords have inhouse maintenance teams. None of the letting agents that were interviewed in this research component were organised in this way. They had a portfolio of service providers who they could call on as required.

Market Trends

The business profiles of individual agents reflected trends seen elsewhere in the research. The portfolio of smaller agents has declined significantly in recent years. Typically the portfolios they are managing has declined by about half, reflecting the exit of small landlords. They managed properties on behalf of small landlords who typically had one, two or three properties.

The agents report that these type of landlords have been exiting the markets for various reasons and they simply are not being replaced. The agents with very large portfolios are managing properties on behalf of institutions or receivers. The scale of their clients' portfolios requires a materially different scale, investment and approach to the market.

Prior to the pandemic that emerged in March 2020, the private rental sector was completely driven by the absence of supply of rental properties. No matter where they are located all believe that they could rent multiples of the portfolio that they had under management. The demand for properties was exacerbated by the effective absence of building in the decade after the crash of 2008. The absence of supply was across all market sectors and property types. There was no evidence of oversupply in one property type offsetting an undersupply in another.

Letting agents saw a negative impact on balance to the rental sector in 2020. That did not stop rents going up, with more (43%) saying they increased last year than declined (27%):

RTB Letting Agents Survey:

Market Trends

- ▶ **20% believe that the private rental sector grew in 2020 vs 2019.**
- ▶ **23% believe that it remained the same.**
- ▶ **49% believe that it declined in 2020 vs 2019.**
- ▶ **43% believe rents have increased in 2020 vs 2019.**
- ▶ **30% believe that it remained the same.**
- ▶ **27% believe that rents decreased in 2020 vs 2019.**

In the interviews, all bar one letting agent (who deals with high end properties) have tenants who are in receipt of Housing Assistance Payment. They see it as no different to other forms of rental income, with some arguing that it can be less risky than depending on a private tenants income. Most profess to see no real difference between HAP and non HAP tenants. There is a strong view among letting agents, particularly in Dublin, that HAP has served to put a floor under (often unsustainable) rental prices.



The demand for properties was exacerbated by **the effective absence of building** in the decade after the crash of 2008

Coupled with the absence of supply, letting agents believe that the scale of the HAP payment means that those who are not HAP eligible or who may be just above the HAP threshold are effectively locked out of the market. They simply do not have enough take home income to pay the market rent. Landlords effectively then have the choice as to what income stream to choose – one where the rental income is effectively state guaranteed and one where it is not.

They worry about the long term impact of HAP on market viability. They believe that unless it is reformed there is limited opportunity for non-HAP tenants (who don't qualify for HAP but are still on relatively low incomes) to get a foot hold in the rental market.

More Professionalism

From the interviews, letting agents are in favour of a more professional market and welcome the investment in better quality rental properties in recent years. They think that the pace and complexity of regulatory change has made the market unattractive for smaller landlords. Most argue that the regulatory environment changes on at least a yearly basis and this unpredictability is destabilising for landlords. They also believe that there is never a regulatory move that takes account of the legitimate interests of 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. The days of the amateur or accidental landlord are, in their eyes, over. That results in additional costs for landlords – which in turn impacts on their viability. Hence the findings from our small landlords research that many intend leaving the sector. However, for those who are staying, the support of an experienced letting agent can help navigate regulatory and other issues.

Other issues can include problems with tenants in breach of their contracts, with agents reporting a high incidence for certain, specific issues:

RTB Letting Agents Survey: Tenant Issues

- ▶ **67% of agents have experienced problems with tenant rent arrears in the past two years.**
- ▶ **56% have experienced problems with damage in excess wear and tear.**
- ▶ **47% have experienced problems with anti-social behaviour by tenants.**
- ▶ **36% have experienced problems with tenants sub-letting and over-crowding.**
- ▶ **21% have experienced problems with illegal activities by tenants.**

Impact of Regulations

Increased regulation, in some cases, brings risk. The time for dispute resolution processes to play out can result in an individual landlord sitting on a loss of up to 18 months' rent. While large institutional landlords may have deep enough pockets, or a large enough portfolio, so that the revenue loss is small in overall portfolio terms, the smaller landlord does not have that resilience or ability to manage the risk. They acknowledge the rationale for RPZs, and in reality no-one is strongly against them in principle. RPZs gave predictability, took some of the pressure out of the market and actually reduced some of the pressure on agents to increase rents to unsustainable levels.

Many argue that landlords who took a longer term view, or who did not demand every last penny out of a property, are penalised when a tenancy comes to an end. Some letting agents noted in the interviews that the RPZ rules mean that landlords can only increase the rent, when the property goes back on the market, by 4%. In effect agents argue that some landlords were being penalised for acting in the tenant's favour. Where there has been softening in rental prices achieved, letting agents argue that some landlords will be happy enough to leave properties vacant to see if rental prices firm up rather than lock in at a lower price.

The regulatory and financing framework mean that the financial risks for the smaller landlord have increased. At the same time, the after tax returns from rental property have decreased, with agents arguing that the limited ability for landlords to write off business expenses against income tax having a particular impact. The complexity is one of the reasons smaller landlords are leaving the market. The rationale for exiting the market is perceived to be driven by several factors:

- ▶ **Landlords exiting once they get out of negative equity.**
- ▶ **The absence of a real return after expenses and costs.**
- ▶ **Pressure from some financial institutions on borrowers to regularise their situations - the rise in residential house prices has created the opportunity.**
- ▶ **The complexity from changing funding and regulatory factors.**

Covid Impact

The research suggests that the pandemic has had less of an impact than many anticipated at the start of the pandemic. There were some temporary impacts early in the pandemic, but these appear to have eased (similar to the experiences in the landlord research).

They believe that Government supports to those who were laid off or where salaries were supported has underpinned take home pay. Some have declined requests to reduce rents and have pointed tenants to Government supports instead.

RTB Letting Agents Survey: Covid Experiences

- ▶ **60% had received requests for rent reduction due to the pandemic.**
- ▶ **Of these: 84% of landlords agreed to such requests (mainly by reducing rents).**
- ▶ **33% say the pandemic has reduced the number of properties they are renting.**
- ▶ **62% say it has not impacted number of properties available to rent.**

The rental market in Dublin City centre has been more impacted by Covid than in the suburbs. There is, as a consequence, some softening of rents in Dublin 2 and 4. But in overall terms, there has not been significant levels of movement in rental properties. There has been some limited movement away from Dublin City centre – but it has not resulted in a recalibration of the market.

In 2020, traditional methods of letting properties have been impacted by the pandemic for health and safety reasons. Letting agents are now doing extensive pre-screening before viewing and a very small number of viewings now take place. They make extensive use of property websites (e.g. uploading 40 photographs for pre-screening of each property).

Demand for rentals is still strong (67% say demand exceeds supply). Letting agents usually anticipate hundreds of responses to each advertisement of a property. In overall terms, the amount of activity remains limited. Most tenants are staying put and the amount of movement is minimal. While the softening of the market was described in some areas, most do not believe that it has resulted in an extended period for letting.

RTB Letting Agents Survey: Demand & Supply

- ▶ **15% say rental property supply exceeds demand at their branch.**
- ▶ **16% say supply is meeting demand.**
- ▶ **67% say demand is greater than supply at their branch (especially single dwelling houses).**

However, the move to home working has impacted on the demand for more space – so if somebody is moving from a one bed apartment, they will look for a two bed where the second bedroom is a working space. But the underlying trend is that the vast majority of tenants are not moving property. There continues to be a strong demand for family homes.

Landlord Relations

For smaller letting agencies, the typical client had one property. None have seen new individuals coming into the market to act as landlords, as happened in previous decades. The market was seen to be unattractive and lacking a real return on the investment required, particularly in regard to the amount of equity now required to purchase investment property.

The decline of the small landlord is reflected in the shrinking of the letting portfolio of the agents. Only the larger agencies had seen the portfolio grow. Many are wary of getting involved with a landlord who had a different attitude to regulation than they have and where they might be exposed to regulatory pressures as a consequence. The largest agencies have built up huge portfolios and achieved scale through engaging with institutional type investors who invested in large developments. These were typically blocks of apartments with a standardised product offer.

They generally have a threshold of expenditure below which they have a discretion to act on their own behalf. Above the threshold, they consult with the landlord. They advise the landlord on rents. If it is an existing property within an RPZ, they apply a 4% increase per annum. If it is new property, they benchmark against other properties on Daft and also take account of the HAP locally.

They typically lease a property for a year recognising that a longer tenure is acquired after the tenant is in situ for six months. Given the shortage of properties, many have tenancies that have lasted significantly longer than this. Some tenancies have been in place for 10 plus years. Problem free tenancies are the result of a fair and reasonable attitude on behalf of both the landlord and the tenant. Most want to make the relationship work.

Letting agencies in the in-depth interviews believe that the longer tenancies are, the more the unintended consequences of RPZ rules are felt. Those landlords who have not increased rents in line with the market are, they believe, penalised because they cannot adjust the rent back to market value after the end of a tenancy.

Looking Ahead

Letting agents see little slowdown in demand for rental properties. While demand has softened somewhat in some city centre areas, there is still significantly more demand than supply. On balance, letting agents in our survey are expecting a net increase in residential lettings in 2021, so a recovery for the sector versus 2020.

RTB Letting Agents Survey:

2021 Outlook

- ▶ **36% expect to be managing more residential lettings in 2021 vs 2020.**
- ▶ **41% expect to manage the same number.**
- ▶ **21% expect to manage fewer in 2021 vs 2020.**

They see the exodus of the small landlord as a fundamental change in the sector, they see easier investment options now available to them. They believe that supply remains the real issue. In the short term more properties need to be built to counter the absence of building in the decade after the crash. They also believe that while RPZs are good and well intentioned, the rules in relation to pricing at the end of the tenancy need to be reviewed (with absolute safeguards for tenants). In their experience, letting agents believe that the vast majority of landlords and tenants are decent and fair. They both understand the nature of the rental agreement and work to that.

The future for smaller letting agents is as uncertain as that for smaller landlords. With some exceptions, the portfolios that they are managing are shrinking, as small landlords leave the market. Very large landlords may bring property management in house. Increased regulatory complexity is also a challenge as it is for the small and medium landlord. There may come a time when the portfolio shrinks to the point where they too become like the small landlord with limited appetite for what may become a non-core activity. Though with fewer exit options.

Conclusions

In 2020 many aspects of Irish society and the economy have changed. The private rentals sector has been affected as well, though it is too early to tell if any of the consequences of the pandemic will have a permanent impact. Note also that the tenants survey reported above was completed before the start of the pandemic, though the qualitative research among tenants took place during the pandemic.

Nevertheless, this research reveals a sector that is under pressure due to wider stresses in the housing sector (not just related to the pandemic), but which at the same time the rental sector continues to play a critical role in meeting the accommodation needs of a large proportion of the Irish population.

Convergence & Divergence

The research provides some shared perspectives among tenants, landlords and letting agents:

- ▶ There is a common view (tenants and landlords) that demand continues to exceed supply, and looks set to do so for the foreseeable future
- ▶ Perceptions are that Covid-19 will have long-term impacts on the rental sector as tenants, landlords and letting agents adjust to shifts in rental demand for locations and amenities
- ▶ Tenant/landlord and tenant/agent relations are generally perceived to be positive and satisfactory, by all parties
- ▶ RPZs are generally welcome by tenants and landlords to the extent that they create a fair and sustainable market in the short run, despite concerns about longer term impacts, though it should also be noted that there is also a shared lack of understanding about the nature and operation of RPZs.

However, there are some points of divergence as well:

- ▶ Tenants desire for security of tenure can conflict with the desire of smaller landlords to exit the market.
- ▶ Increasing rents are making it unaffordable for some tenants, even as some landlords find the economic reward for renting out property to be increasingly unrewarding.

- ▶ While among landlords there is a clear divergence between the smallest and the largest landlords in terms of intentions to remain/invest in the sector, which will likely see larger landlords become more prevalent and important to the rental sector's future.

In a sense, Covid-19 has paused some of the dynamics already underway in the rental sector (exit of small landlords and consolidation among landlords, growth of rental demand in city centre, increasing supply of apartments), and some of these dynamics will resume when normality returns. But the rental sector as evidenced in our research is set for yet more change in the years ahead, most of them having little to do with Covid-19.

Policy Implications

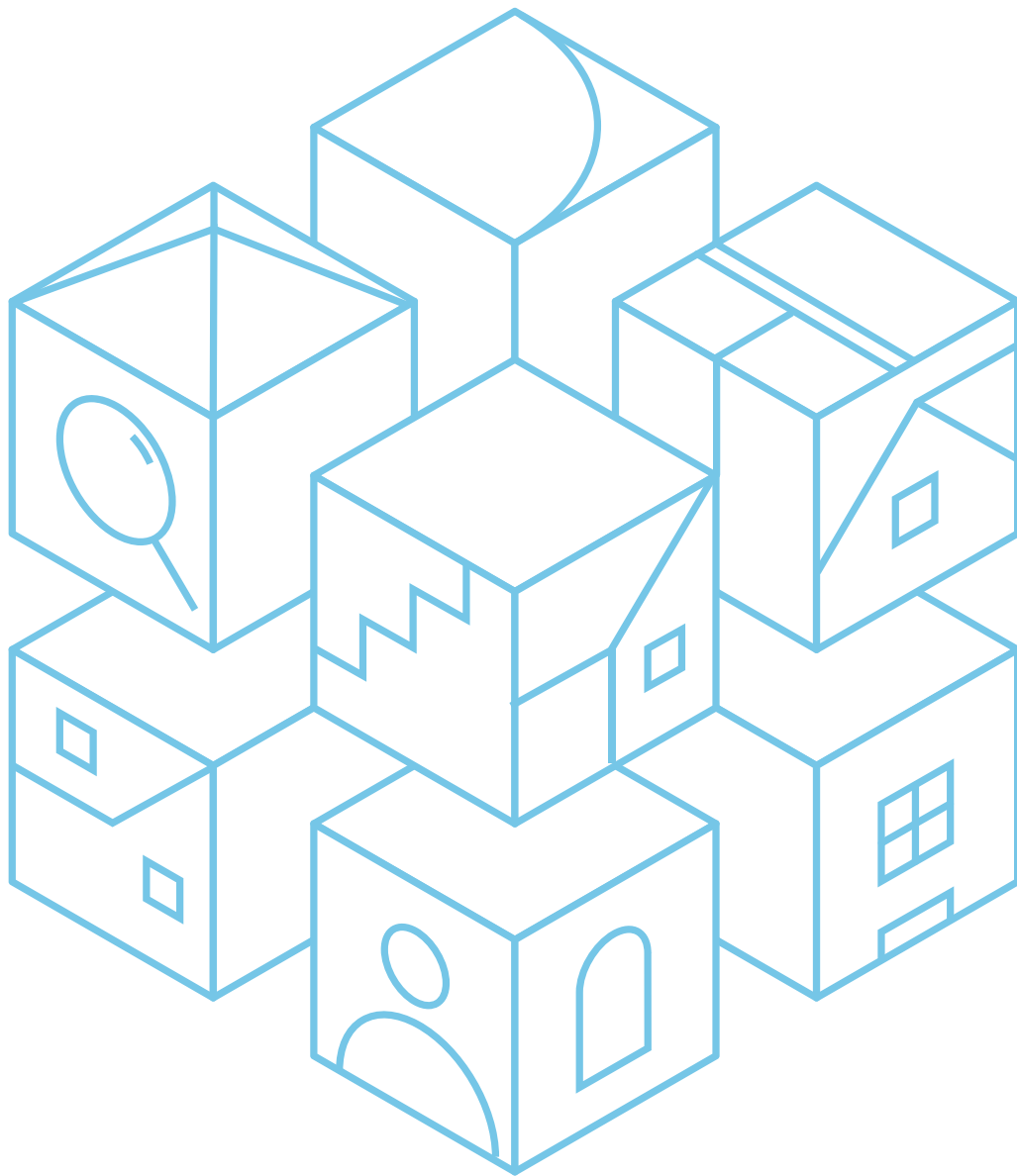
There are a number of implications from the research for policies affecting the rental sector:

- ▶ *Supply pressures:* as a cohort of smaller landlords exit the rental sector then there will be more pressure on existing landlords to expand their rental portfolios to absorb existing demand, let alone cater for growing demand in future.
- ▶ *Regulation restraints:* landlords and tenants have adjusted to initiatives such as the RPZs and measures such as HAP, a key challenge will therefore be to assess the impact of these policies on the rental sector going forward.
- ▶ *Balancing interests:* while it is important to ensure that investors, builders and landlords remain committed to the expansion of the rental sector, there will be a persistent demand from renters for the expansion of the supply of housing for homeowners as many feel this pathway isn't available at the moment due to supply constraints.

Future iterations of this research will help determine to what extent the pressures recently experienced by the private rental sector will be resolved by the investment intentions and behaviours of landlords. It will also determine whether tenants – and those seeking to rent for the first time – will remain willing to participate in a market where demand far exceeds supply, or whether they will vote with their feet and wallets by moving to less pressured parts of the country in a post-Covid world of flexible and remote working practices.

Appendix:

Methodology



The fieldwork dates for the research were as follows:

Tenant's survey: September 2019-March 2020

Small Landlords survey: February-May 2020

Supplementary survey of former landlords who have exited the sector: February-May 2020

Supplementary survey of landlords who increased the size of their portfolio to 3+ properties: February-May 2020

Medium Landlords survey: September-November 2020

Letting Agent survey: December 2020

Focus groups: November-December 2020

In-depth interviews with medium landlords: November-December 2020

In-depth interviews with large landlords: November-December 2020

Tenants Research

The methodology consisted of both quantitative and qualitative elements. The quantitative element was a nationally representative survey of tenants living in the private rental sector. The qualitative element consisted of five thematic focus groups including one exploratory focus group. For the purpose of both the quantitative and qualitative tenant research, the sample only included those who answered in the affirmative to the following question:

'Can I confirm, you are currently a tenant in this property and pay rent?'

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

Sampling points were spread geographically to represent the national (Dublin, Munster, Rest of Leinster and Connacht/Ulster) distribution of private renters. Within Dublin, sampling points were spread to represent the four local authorities – Dublin City, Dun Laoghaire-Rathdown, Fingal and South Dublin.

The Pobal HP Deprivation Index, which shows the relative affluence and deprivation of a particular geographical area, was used to calculate the spread of sampling points regionally. Using this method ensured that the surveying captured a representative socio-economic profile across areas including the four local authorities within Dublin.

The survey achieved a sample of 1,038 face-to-face surveys across 130 sampling points. An average of 8 effective surveys with appropriate participants was achieved per sampling point. The margin of error was 2.94% at a 95% confidence interval.

While all efforts were made to achieve a wholly representative survey sample, some variables are weighted to match that recorded by the CSO 2016 census of population broken down by age and gender. Due to weighting of data to reflect CSO figures, some base sizes may vary.

The main survey instrument for the tenants survey was designed by Amárach with input from the RTB Research Team and project steering group. The questionnaire was then scripted for data collection on CAPI (Computer Assisted Personal Interviewing) devices using the international industry standard software NIPO.

A pilot study of 40 face-to-face surveys was undertaken using CAPI across five sampling points nationally in August 2019. This served to highlight any potential issues that could affect data quality and fieldwork efficiencies. Findings from the pilot study were used to improve the questionnaire and to inform the main stage interviewer briefings. The 40 pilot surveys were subsequently included in the total sample to be reported on (1,038).

A total of five focus groups were conducted with tenants living in the private rental sector. The first focus group was exploratory and was conducted in July 2019. An additional four focus groups were conducted after the main tenant survey to explore some of the findings from the quantitative research in more detail.

The four main focus groups included a mix of long-term and short-term private renters as follows:

- ▶ **Two general tenant focus groups**
- ▶ **One with Non-Irish Nationals living in the private rental sector**
- ▶ **One with older people aged 45+ living in the private rental sector.**

Small Landlords Research

For the survey of small landlords, 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 landlords were provided by the RTB. The RTB contacted landlords in advance by email to secure their permission to participate in the research.

A Computer-Aided Telephone Interview (CATI) methodology was used to complete a sample of 500 small landlords (1-2 properties), representative in terms of region and number of tenancies. The region quotas were based on the number of tenancies in each county where the landlord provided contact details and consented to be contacted. The margin of error was 4.38% at a 95% confidence interval.

Additional short telephone surveys were conducted as follows:

Sixty-six (66) landlords owning 3+ properties. 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.

Seventy-four (74) landlords who left the sector and were no longer operating as landlords. These former landlords previously let out either one or two properties but have now ceased to be landlords. These short surveys were conducted to identify the reasons that they no longer operate as a landlord in the sector.

The main survey instrument for the small landlord survey was designed by Amárach with input from the RTB project team and project steering group. The questionnaire was then scripted for data collection using the international industry standard software NIPO.

A total of 36 pilot surveys were undertaken by CATI with small landlords. Pilot surveys were spread by region and inside/outside rent pressure zones to ensure that a representative sample was achieved. The pilot surveys served to highlight any potential issues that could affect data quality and fieldwork efficiencies. Findings from the pilot study were also used to improve the questionnaire script.

A total of two focus groups were conducted with landlords. The first focus group was exploratory and was conducted in July 2019. It comprised a mix of small (1-2 properties) and medium (3-20 properties) landlords and its purpose was to explore areas of interest for including in the main survey questionnaires and interview discussion guides.

The second focus group was with small landlords who left the market. These landlords were recruited from the small landlord telephone survey and this focus group was conducted in December 2020.

Medium Landlords Research

As with the small landlords, quotas were set for the CATI survey of medium landlords 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 landlords were provided by the RTB. The RTB contacted landlords in advance by email to inform them that they may be contacted and asked to participate in the research.

Fieldwork for the medium landlord survey was carried out between 4th September and 11th November 2020. The research achieved 250 successful CATI surveys with medium landlords (3-20 properties). The margin of error was 6.16% at a 95% confidence interval.

A total of 13 pilot surveys were undertaken by CATI with medium landlords. Pilot surveys were spread by region with a mix of professional, full-time and part-time landlords. The pilot surveys served to highlight any potential issues that could affect data quality and fieldwork efficiencies. Findings from the pilot study were also used to improve the questionnaire script.

In addition to the survey, In-depth interviews were carried out with medium landlords in Quarter 4 2020. For the purposes of the qualitative research, medium landlords were defined as those owning between 21 and 99 properties. The RTB contacted landlords in this category, informing them of the nature of the study and inviting them to participate. Once they agreed and had given permission for their contact details to be shared, the names and contact details were passed to Amárach Research. In total there were ten interviews completed. Each interview lasted approximately 60 minutes.

Large Landlords Research

Under the RTB classification for the survey methodology, large scale landlords are those landlords that own 100 or more residential properties to rent. As part of this research, nine in depth interviews with large landlords were completed. 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.

Letting Agents Research

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.

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 research programme was completed in December 2020. With many businesses working remotely, and with the residential lettings sector particularly impacted by the Covid 19 pandemic, reaching agents who would engage in the research programme was a real challenge.

The impact of the pandemic has been particularly disruptive for the residential letting agency business. Agents and agencies appeared for the most part to operate remotely. In this context the absence of contact details from the Property Services Regulatory Authority provided database resulted in the following survey recruitment and engagement processes:

- ▶ After the identification of agents who were eligible for engagement in the research programme, agency contact details were identified from the Company's website.
- ▶ Contact was made with the agent's office and a message left outlining the nature and purpose of the required engagement.
- ▶ As a consequence of the agents working remotely that request was passed to them.
- ▶ They made the choice as to whether to engage.
- ▶ If they decided to engage Amárach was given the relevant email address.
- ▶ We sent the survey link to the email address, again outlined the nature of the engagement required and encouraged participation.

In total we received 81 completed surveys. Given the business circumstances surrounding the survey, this was a positive engagement and response.

The main survey instrument for the Letting Agents survey was designed by Amárach with input from the RTB project team and external consultants. The questionnaire was then scripted for data collection on an online survey using the international industry standard software.

As part of the quantitative research programme, respondents were asked whether they would be willing to engage in further research on the topic. Twenty-seven of the 81 respondents (33%) said that they were prepared to undertake further engagement. Through this opt-in methodology we identified the required 13 respondents. Each of these 13 participants were interviewed by a senior member of the project team. Each of these one-to-one interviews were conducted via telephone and lasted between 60 and 90 minutes. 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.



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