

Press release:

RTB publishes Q1 2023 Rent Index

Latest RTB Rent Index Reports an 8.9% Increase in Rents for New Tenancies in the First Quarter of 2023

- The purpose of the Rent Index is to measure rental price developments faced by those taking up **new tenancies** in the private rental sector. It is important to note the Rent Index is not designed to provide a measure of the rents being paid by existing tenants.
- The national standardised average rent in new tenancies was €1,544 in Q1 2023, which is an increase of €38 (2.5%) compared to Q4 2022.
- This Index analysed 14,085 new tenancy registrations in Q1 2023.
- In Q1 2023, the standardised average rent for new tenancies in Dublin was €2,102 per month.
- The standardised average rent in new tenancies in the Greater Dublin Area (excluding Dublin) stood at €1,530 in Q1 2023 while it was €1,133 outside the GDA.
- Standardised average rent in new tenancies in Cork City stood at €1,490 per month in Q1 2023, €381 per month higher than for Cork County (€1,109)
- Based on the Rent Pressure Zone criteria, Ennis Local Electoral Area and the Local Authority administrative areas of: Kilkenny County Council; Limerick City and County Council; and, Waterford City and County Council have all been designated by the Minister as Rent Pressure Zones.

31 August 2023: The Residential Tenancies Board (RTB) has published the Q1 2023 Rent Index report today for the period of January to March 2023. Independently analysed by the Economic and Social Research Institute (ESRI), the RTB Rent Index report is based on the total number of private tenancies newly registered with the RTB each quarter. The Rent Index provides rental indicators based on actual rents paid for new tenancies in the private rental sector in Ireland.

The Rent Index report is based on (i) new tenancies in existing rental properties, (ii) new properties being let for the first time, and (iii) new tenancies in properties that have not been let

in the previous two years. **It is not designed to provide a measure of the rents being paid by existing tenants.** The term “new tenancies” refers to a new rental agreement between a landlord and tenant.

This Rent Index is based on actual rents paid under 14,085 private tenancies which were newly registered with the RTB in Q1 2023. This is a decrease from 15,336 in the same quarter of the previous year. Dublin and the Greater Dublin Area (GDA), accounted for over half (52.1%) of all new tenancy agreements registered in Q1 2023. Nationally, 58.3% of all new tenancies were in respect of apartments.

National Rental Trends

Nationally, the Q1 2023 Rent Index shows the standardised average rent in newly registered tenancies was €1,544 per month, which is an increase an year-on-year increase of 8.9%.

In Q1 2023, the standardised average rent in new tenancies in houses nationally stood at €1,522 per month, which is an increase of 2.6% on Q4 2022 and a rise of 9.2% year-on-year. The standardised average rent in new tenancies for apartments stood at €1,586 per month in Q1 2023, which is an increase of 2.4% on Q4 2022, and an increase of 8.8% year on year.

Regional Trends

In the first quarter of 2023, the level of standardised average rents in new tenancies in Dublin stood at €2,102 per month compared to €1,187 per month outside Dublin (non-Dublin). The standardised average rent in new tenancies in the Greater Dublin Area (GDA) (excluding Dublin) stood at €1,530 in Q1 2023 while it was €1,133 outside the GDA. Year-on-year price increases in rents for new tenancies were at 8.0% for Dublin while non-Dublin experienced a year-on-year growth rate of 8.3%. For the same period, the annual growth rate in new tenancy rents was 7.1% in the GDA (excluding Dublin) region and 8.5% Outside the GDA.

The standardised average rent in new tenancies for houses in Dublin Q1 2023, per month, was at €2,257, an increase of 2.7% on the previous quarter and a rise of 4.9% year-on-year. The standardised average rent in new tenancies for apartments in Dublin stood at €2,083 per month in Q1 2023, an increase of 2.1% on the previous quarter and a rise of 9.0% year-on-year.

County Developments

The highest standardised average rent in new tenancies for Q1 2023 were in Dublin at €2,102 per month while the lowest monthly rents were in Leitrim where the standardised average stood at €809 per month.

Sixteen counties had standardised average rents in new tenancies above €1,000 per month in Q1 2023: Carlow, Clare, Cork, Dublin, Galway, Kerry, Kildare, Kilkenny, Laois, Limerick, Louth, Meath, Waterford, Westmeath, Wexford, and Wicklow.

The lowest yearly growth in the standardised average rent for new tenancies in Q1 2023 was in Carlow where rents grew by 2.0%. The county with the fastest growing standardised average rent in new tenancies in Q1 2023 was Roscommon with a reported 23.7% year-on-year growth. Its important note the small number of registrations in Roscommon and other more rural, smaller rental markets can contribute to volatility in the standardised average rents and growth rates.

Fifteen counties had annualised growth in standardised average rent for new tenancies above 10.0% in Q1 2023.

Niall Byrne, RTB Director, commenting on the release of the RTB Q1 2023 Rent Index said:

“The Residential Tenancies Board is the state agency with responsibility, among other functions, for the collection and analysis of data on the residential rental sector. Today, we are pleased to be publishing the Q1 2023 Rent Index Report. The RTB Rent Index Report, based on independent analysis conducted by the ESRI, provides authoritative data on rent levels and movements in rents for new tenancies in the private rental sector. It is important to note that these results are for new tenancies only and therefore these insights relate to only a proportion of the overall private rental sector in Ireland.”

Editors' Notes

The purpose of the Rent Index Report is to measure developments in the prices faced by those taking up **new** tenancies in the private rental sector.

The analysis in this report presents rental indices on a quarterly basis covering the period between Q3 2007 and Q1 2023.

For more information on Rent Pressure Zones please visit the RTB website

<https://www.rtb.ie/rent-pressure-zones>

The term “new tenancies” includes new tenancies in existing rental properties; new tenancies in new rental stock never let before; and new tenancies in properties that have not been let in the immediate two years prior to the tenancy.

Tenancies which began on or after 24 December 2016 became six-year tenancies which were required to be renewed every six years (if they did not end within six years). As such, due to how they fall, six-year tenancies would not be required to be renewed until Q1 2023. In order to ensure results are consistent across time and that they are not driven by changes in sample composition stemming from a change in reporting deadlines, all renewal tenancies have therefore been removed from the sample used to generate the indices and standardised averages.

Due to recent legislative changes, all new tenancies created on or after 11 June 2022 will become Tenancies of Unlimited Duration once the tenancy has lasted more than six months and no notice of termination has been validly served on the tenant during that period. Tenancies that existed prior to 11 June 2022 will convert to Tenancies of Unlimited Duration at the end of the current 6-year cycle.

The growth rates presented in this report are calculated using the relevant standardised average rent* level before rounding.

To calculate the standardised averages and the rental indices of new tenancies, an econometric model is estimated over the time period Q3 2007 to Q1 2023. This model

includes characteristic variables** for the number of bedrooms, the property type, number of tenants, tenancy length and other characteristics. This standardised average rent refers to the development of an average that is consistent over time to changes in different property types or characteristics of the tenancy that may evolve with the market and is done so for new tenancies. The *standardised average rent* in new tenancies can therefore be compared over time without concern for underlying changes in the data or sample.

Please note given the systematic change of data collection activities with the commencement of annual registration, prior to beginning the usual Rent Index methodology, the Q1 2023 dataset was subject to additional checks to attempt to ensure the continuity of the underlying data and that they relate to new market registrations only. These checks are documented in Appendix 2 of the report. Important to note: The introduction and easing of COVID-19 related restrictions around rental price growth in line with the public health measures is likely to have had an effect on the trends presented throughout 2020, 2021 and 2022.

*Calculating a growth rate based on the rounded standardised average rent levels published in the report may be subject to rounding error.

**For these variables, the reference property type is a two-bedroom apartment, one tenant, 10-to-12-month lease, with rent paid monthly in a region without a third-level institution.

Q1 2023 Rent Index Results Overview

National (Page 6)

- The number of newly registered tenancies decreased on a year-on-year basis by 8.2% in Q1 2023; the level of new tenancies fell to 14,085 from 15,336 in the same quarter of the previous year.
- On an annualised basis, rents in new tenancies grew by 8.9% in the first quarter of 2023.
- The national standardised average rent in new tenancies stood at €1,544 in Q1 2023 – an increase of €38 compared to the previous quarter (€1,506) and an increase of €126 compared to Q1 2022 (€1,418). See table 1.

Table 1. RTB Rent Index - National, National Houses and National Apartments: Index, Standardised Average Rent in New Tenancies (€), Quarterly Change (%) and Annual Change (%)

	Index Q1 2023	Standardised Average Rent in New Tenancies Q1 2023	Standardised Average Rent in New Tenancies Q4 2022	Q-o-Q Change (%)	Standardised Average Rent in New Tenancies Q1 2022	Y-on-Y Change (%)
National	156	1,543.82	1,505.70	2.5	1,418.02	8.9
National Houses	154	1,522.03	1,482.97	2.6	1,393.81	9.2
1 bedroom	155	1,194.16	1,217.07	-1.9	1,130.26	5.7
2 bedrooms	146	1,377.14	1,344.48	2.4	1,291.76	6.6
3 bedrooms	152	1,477.71	1,439.78	2.6	1,349.17	9.5
4+ bedrooms	159	1,707.19	1,655.08	3.1	1,540.10	10.8
National Apartments	156	1,585.89	1,548.28	2.4	1,458.11	8.8
1 bedroom	157	1453.83	1415.10	2.7	1327.37	9.5
2 bedrooms	157	1641.02	1592.53	3.0	1496.79	9.6
3+ bedrooms	162	1764.43	1807.29	-2.4	1693.55	4.2

- ***Please see the Technical Appendix (page 52) in the main report for further details on the methodology.

The Dublin Market (Page 7)

- In Q1 2023, the level of standardised average rents for new tenancies in Dublin stood at €2,102 per month as compared to €1,187 per month Outside Dublin (Non-Dublin).
- Year-on-year price inflation in rents for new tenancies was 8.0% for Dublin in Q1 2023.

- The level of standardised average rents in new tenancies in Dublin was 2.4% higher in Q1 2023 compared to the previous quarter (Q4 2022).
- The standardised average rent in new tenancies for houses in Dublin was €2,257 per month for Q1 2023.
- The standardised average rent in new tenancies for apartments in Dublin €2,083 per month for Q1 2023.

The Greater Dublin Area (GDA) (Page 7)

- For comparison purposes, Dublin is excluded from the GDA region in the RTB Index and so the GDA is composed of Meath, Kildare, and Wicklow.
- The standardised average rent in new tenancies in the GDA stood at €1,530 as of Q1 2023.
- For Q1 2023, year-on-year price increases in rents for new tenancies was 7.1% in the GDA.
- In the GDA, the standardised average rents rose by 1.7% for Q1 2023, compared to the previous quarter (Q4 2022).

Outside the Greater Dublin Area (GDA) (Page 18)

- Outside the Greater Dublin Area (GDA) is composed of all counties excluding Dublin, Meath, Kildare, and Wicklow.
- The standardised average rent in new tenancies outside the GDA was €1,133 in Q1 2023.
- Quarter-on-quarter, the standardised average rent for new tenancies outside the GDA increased by 1.5%.
- The standardised average rent in new tenancies for a house outside the GDA stood at €1,162 per month in Q1 2023.

Table 2. RTB Rent Index - Regional, Regional Houses and Regional Apartments: Index, Standardised Average Rent in New Tenancies (€), Quarterly Change (%) and Annual Change (%)

	Index Q1 2023	Standardised Average Rent in New Tenancies Q1 2023	Standardised Average Rent in New Tenancies Q4 2022	Q-o-Q Change (%)	Standardised Average Rent in New Tenancies Q1 2022	Y-on-Y Change (%)
All Property Types						
Dublin	162	2,102.49	2,052.63	2.4	1,946.67	8.0
Non-Dublin	148	1,187.13	1,168.28	1.6	1,095.86	8.3
GDA	149	1,530.06	1,504.26	1.7	1,428.04	7.1
Outside GDA	148	1,133.27	1,116.40	1.5	1,044.05	8.5
Houses						
Dublin	157	2,256.83	2,196.71	2.7	2,151.06	4.9
Non-Dublin	147	1,217.26	1,196.74	1.7	1,121.43	8.5
GDA	150	1,623.35	1,607.19	1.0	1,522.71	6.6
Outside GDA	147	1,162.17	1,140.30	1.9	1,066.40	9.0
Apartments						
Dublin	161	2,082.86	2,039.57	2.1	1,911.22	9.0
Non-Dublin	149	1,146.80	1,130.86	1.4	1,061.81	8.0
GDA	148	1,424.90	1,374.52	3.7	1,306.18	9.1
Outside GDA	148	1,094.71	1,085.99	0.8	1,018.66	7.5

A Closer Look at Irish Cities (Page 31)

To provide a more detailed insight into rental developments across cities in Ireland, the Residential Tenancies Board (RTB) and the Economic and Social Research Institute (ESRI) use indices and standardised average rents for new tenancies to examine Cork, Dublin, Galway, Limerick and Waterford cities.

- Rents for new tenancies in Dublin City were 3.6% higher in Q1 2023 compared to Q4 2022. They increased year-on-year by 6.7%.
- Rent levels in Dublin City for new tenancies stood at €2,045 per month in Q1 2023.
- Galway City had the second highest standardised average rent level in new tenancies in Q1 2023 at €1,535.
- The standardised average rent for new tenancies in Cork City stood at €1,490 per month and for Limerick City at €1,341 in Q1 2023.
- The city with the lowest standardised average rent in new tenancies in Q1 2023 was Waterford City at €1,171 per month.
- In Q1 2023, the year-on-year growth rates in standardised average rent for new tenancies were as follows; Dublin City at 6.7%, Galway City at 11.7%, Cork City at 5.0%, Limerick City at 7.7%, and Waterford City at 15.5%.

Table 6. RTB Rent Index -Cities: Index, Standardised Average Rent in New Tenancies (€), Quarterly Change (%) and Annual Change (%)

	Index Q1 2023	Standardised Average Rent in New Tenancies Q1 2023	Standardised Average Rent in New Tenancies Q4 2022	Q-o-Q Change (%)	Standardised Average Rent in New Tenancies Q1 2022	Y-on-Y Change (%)
Cork City	153	€1,490.09	€1,453.29	2.5	€1,418.83	5.0
Dublin City	164	€2,044.72	€1,974.39	3.6	€1,916.04	6.7
Galway City	163	€1,534.63	€1,519.36	1.0	€1,373.40	11.7
Limerick City	172	€1,340.93	€1,294.80	3.6	€1,245.28	7.7
Waterford City	180	€1,171.17	€1,144.54	2.3	€1,014.10	15.5

Local Authorities (Page 8)

Page 8 of the report presents the rent index, standardised average rent in new tenancies and growth rates for the local authority (LAs) areas within Dublin, Cork, and Galway. All other local authorities are identical to their counties and their results can therefore be found in the 'Rental Developments Across Counties' section of the main report (page 24).

- Within Dublin, Dún Laoghaire –Rathdown had the highest standardised average rent for new tenancies in Q1 2023 (€2,355 per month). Fingal County Council

had the lowest (€1,968 per month).

- Within Dublin, the year-on-year rates of change in new tenancy rents were highest in South Dublin (15.0%) and lowest in Fingal (5.4%).
- Cork City (5.0%) saw a higher year-on-year growth rate than Cork County (4.7%). The standardised average rent in new tenancies in Cork City (€1,490 per month) was €381 higher than in Cork County (€1,109).
- Galway City (11.7%) saw a lower year-on-year growth rate than Galway County (13.4%). In Q1 2023, the standardised average rent for new tenancies in Galway City (€1,535 per month) was €374 higher than for Galway County (€1,161).

Local Electoral Area (LEA) Rent Developments (Page 8)

- In Q1 2023, the LEA with the highest standardised average rent for new tenancies was Killiney- Shankill in county Dublin at €2,486.
- The LEA with the lowest standardised average rent for new tenancies in Q1 2023 was Lifford – Stranorlar in county Donegal at €686. The results for a total of 30 LEAs have been redacted as there were fewer than 30 observations in the sample in these areas in Q1 2023.

Rental Developments Across Counties (Page 24)

To provide a more detailed overview of rental data nationally, the Residential Tenancies Board (RTB) and the Economic and Social Research Institute (ESRI) uses standardised average rents, indices and percentage changes for new tenancies for each county to examine the rental developments across counties.

- The county with the fastest growing standardised average rent in new tenancies in Q1 2023 was Roscommon which reported 23.7% year-on-year growth. On an annualised basis, the lowest percentage change in the standardised average rent for new tenancies in Q1 2023 was in Carlow where new tenancy rents rose by 2.0%.
- Sixteen counties have standardised average rents in new tenancies above €1,000 per month in Q1 2023: Carlow, Clare, Cork, Dublin, Galway, Kerry, Kildare, Kilkenney, Laois, Limerick, Louth, Meath, Waterford, Westmeath, Wexford, and Wicklow.