



---

**An Bille um Thionóntachtaí Cónaithe (Leasú) (Uimh. 2),  
2021**  
**Residential Tenancies (Amendment) (No. 2) Bill 2021**

---

*Meabhrán Míniúcháin agus Airgeadais*  
*Explanatory and Financial Memorandum*

---





---

**AN BILLE UM THIONÓNTACHTAÍ CÓNAITHE (LEASÚ)  
(UIMH. 2), 2021  
RESIDENTIAL TENANCIES (AMENDMENT) (NO. 2) BILL 2021**

---

**EXPLANATORY AND FINANCIAL MEMORANDUM**

---

**Purpose of the Bill**

The purpose of this Bill is to provide for:

- an amendment to the current prohibition on any rent increase in a Rent Pressure Zone (RPZ) from exceeding general inflation (as recorded by the Harmonised Index of Consumer Prices (HICP)) to insert a new condition that the rent last set cannot increase by more than 2% per annum pro rata;
- enhanced protections for tenancies commencing 6 months from enactment, on the basis that after 6 months' duration, a 'Part 4 tenancy' is established (in accordance with a commitment under the Programme for Government and *Housing for All – a New Housing Plan for Ireland*) for an unlimited duration, until termination by the tenant or by the landlord (on limited grounds); and
- a temporary waiver in respect of annual registration fees in respect of each further Part 4 tenancy that exists upon the commencement (expected in Q1 2022) of the requirement for the annual registration of tenancies with the Residential Tenancies Board (RTB).

**Provisions of the Bill**

*Sections 1 and 8* contain standard provisions dealing with definitions, the title, and collective citation of the Bill.

*Section 2* provides a consequential technical amendment to section 6 of the Principal Act (Residential Tenancies Act 2004) which relates to the service of notices.

*Section 3* amends section 19 of the Principal Act as it provides for the maximum permissible rent increases in Rent Pressure Zones (RPZs). This section proposes to amend the current prohibition on any rent increase in a RPZ from exceeding general inflation (as recorded by HICP) to insert a new condition that the rent last set cannot increase by more than 2% per annum pro rata. A review of this provision will be carried out during the period between 12 and 15 months after its operation and a report prepared within 3 months of the commencement of the review, with that report to be laid before the Houses of the Oireachtas.

*Section 4* provides technical amendments, consequential to section 3, to section 22 and Schedule 2 of the Principal Act.

*Section 5* proposes to amend Part 4 (Security of Tenure) of the Principal Act to provide for enhanced tenancy protections on the basis that after 6

months' duration, a 'Part 4 tenancy' is established for an unlimited duration and not subject to expiry at the end of a 6 year term, should the landlord exercise his or her right to terminate the tenancy as currently provided under section 34(b) of the Principal Act. The provision will apply prospectively in respect of new tenancies commencing 6 or more months after the passing of this Bill. As existing Part 4/further Part 4 tenancies terminate/expire over time or are renewed, it will involve the creation of a new tenancy of unlimited duration in respect of any such dwelling, should it remain in the rental sector. Within 6 years and 6 months of the passing of this Bill, all residential tenancies will have converted to being of unlimited duration.

In the interim, this Bill provides that a landlord may grant his or her consent to any existing tenancy being treated as a tenancy of unlimited duration.

*Section 6* amends section 64B of the Principal Act to provide that the duration of tenancy under any tenancy of unlimited duration and under any preceding Part 4 tenancy and/or further Part 4 tenancy would be treated as one tenancy in calculating any termination notice period to be given.

*Section 7* proposes to amend section 134 of the Principal Act (Obligation to apply to register tenancy) to provide that, subject to the condition outlined below, where a landlord applies to register a 'further Part 4 tenancy' up until the day before the requirement for annual registration under sections 22 and 23 of the Residential Tenancies (Amendment) Act 2019 comes into force (expected in Q1 2022), no annual registration fee shall apply in respect of that 'further Part 4 tenancy'.

To benefit from the temporary annual registration fee waiver, a landlord must have paid the registration fee associated with any application to register the 'further Part 4 tenancy' referred to above, within 1 month of roll out of the annual registration requirement.

### **Financial Implications**

There will be no cost to the Exchequer. The temporary annual registration fee waiver for further Part 4 tenancies applies for so long as they exist and reflects the registration fees already paid.

*An Roinn Tithíochta, Rialtais Áitiúil agus Oidhreachta,  
Samhain, 2021.*