

Housing Executive

Cost and number of homeless households placed in private rented sector temporary accommodation

The table below outlines the numbers of placements made by Council Area for the 3 year period of April 2018 to March 2021.

It should be noted that the council area refers to the origin of the homelessness application and not where the placement was made and additionally, some households will have had more than one placement during the period outlined.

	Temporary Accommodation Placements		
Council Area	2018/19	2019/20	2020/21
Antrim & N'abbey	79	221	523
Ards & N. Down	165	190	362
Armagh/Banbridge / Craigavon	181	162	381
Belfast	1,303	1,664	4,756
Causeway & Glens	113	146	467
Derry & Strabane	642	1,046	1,250
Fermagh & Omagh	152	260	222
Lisburn & C'reagh	216	220	428
Mid & East Antrim	253	347	629
Mid Ulster	107	107	237
Newry & Mourne	129	164	497
Totals	3,340	4,527	9,752

The increase in demand for temporary accommodation as a result of the ongoing pandemic is outlined in the provision of 9,752 placements in temporary accommodation from 1st April 2020 to 31st March 2021 which compares with 4,527 placements in the equivalent period in 2019/20.

While demand has increased significantly, in some cases capacity within hostels has reduced to accommodate social distancing and/or self-isolation and the Housing Executive has sought to mitigate this reduction through the provision of a range of alternative measures such as the use of additional single lets, block booking arrangements for non-standard accommodation and the use of vacant Housing Executive properties for temporary accommodation.

Utilisation of private rental sector properties for temporary accommodation

In 2020/21 the Housing Executive incurred gross expenditure of £7.2m (£5.9m net of Housing Benefit Income) on the provision of single lets. Traditional Single Lets

include "Top Up" costs paid by the Housing Executive to Private Landlords. The Top Up cost is the difference between the Gross weekly charge less eligible HB.

Covid-19 Single Lets are retained by the Housing Executive on a block booking basis. Gross weekly charges are paid direct to the Landlord and are included in the figures. The Housing Executive receives HB Income in respect of eligible tenants.

The total portfolio of single lets, as of 30th November 2021, is circa 1,950.

Details regarding SAP rating of Housing Executive stock in comparison to the private rented sector

The 2016 House Condition Survey indicated a difference in the SAP rating across tenures. Below are percentage stock in each tenure of SAP rating C and above. The remaining percentage is D and below.

- 79% Social housing (including housing association and Housing Executive)
- 45% Owner occupied
- 43% Private rented and others
- 26% Housing Executive

The key difference between the overall social housing figure and Housing Executive figure is that housing associations are exclusively delivering new build annually for the last 20 years whereas the Housing Executive has not been building. Each new build house built in the last 6-8 years has delivered approximately SAP B, based on current NI building regulations.

Rolling programme of electrical inspections

The Housing Executive currently carries out an inspections of the fixed electrical installation in each of our properties on a 5 year cycle.

The inspections are carried out by our own internal maintenance contractor (Direct Labour Organisation) who will also repair any defects as part of this inspection to ensure the properties are safe.

Private rental sector queries

Information around the templates regarding three different lengths of tenancy

In relation to the three different lengths of tenancy, this was a proposal from a working group chaired by Department for Communities and comprising of Housing Rights Service, Chartered Institute of Housing, Belfast City Council, ARLA (letting agents), Landlords Association Northern Ireland and a tenant forum representative. The idea was to respond to concerns of security of tenure for some tenants, while others may want a more flexible tenancy. The Housing Executive supports a

proposal where there could be different templates of tenancy agreements and different notice to quit periods according to the type/length of tenancy being sought.

Further information on the build to rent model and how it would work

With regard to Build to Rent models, these are in operation in GB and there is some current interest in Northern Ireland. Build to Rent developments tend to be for high earning and single or two person households (not family accommodation). Typically, these are for households who do not want the commitment of looking after a home – responsibility would instead be with a management company. These are high quality, high spec apartments and often contain facilities such as gyms and swimming pools. We believe they would have limited benefit for households with affordability problems or those on the waiting list for social housing.

Evidence of how the 24 month review of rent is working in ROI

A Rent Pressure Zone (RPZ) is a designated area where rents cannot be increased by more than 4% per year. This applies to new and existing tenancies (unless an exemption is being applied). These zones are located in parts of the country where the rents are highest and continue to rise. The purpose of these zones is to slow the rise of rent in these areas so that those living in that area can live in accommodation that is affordable.

Outside of Rent Pressure Zones landlords can only review the rent 24 months after the tenancy commencement date or 24 months from the date of service of the last valid rent review. The review must be based on current market rent and three comparable properties must be provided by the landlord to show evidence as to how the new rent amount was arrived at.

Whilst the 24 month review of rent in the Republic of Ireland applies to tenancies outside of Rent Pressure Zones, which is around one quarter of tenancies, the 24 month review can also apply to existing tenancies in a newly designated Rent Pressure Zone.

An examination of data around rental disputes, this does not indicate any major issues in relation to rent reviews. However, if we look at rental increases (which RPZs have tried to cap at 4%), the overall annual rental increases have been above that nearly every year. Earlier this month the Government in Ireland introduced new legislation to cap its rental increases at 2%.

A more detailed analysis by our Research Team is attached in a separate document.

Evidence of how the 24 month review of rent is working in ROI

NIHE Research Department 25/11/2021

There are different rules for increasing rent for privately rented tenancies that are located within a Rent Pressure Zone (RPZ) than for those outside an RPZ. It is estimated that 74% of all tenancies fall within an RPZ¹ and the remaining 26% are not located within an RPZ.

Rent Pressure Zones

In the Republic of Ireland many areas (some whole local authorities and some Local Electoral Area's) are classified as a Rent Pressure Zone (see page 5 for a complete list of RPZs). Rent Pressure Zones are areas where rents are highest and rising quickly. An area must meet certain criteria to become an RPZ. RPZs were introduced on 24 December 2016, and in area designated as an RPZ annual rent increases are capped at 4% per year.

The RPZ system was changed on 16 July 2021 and annual rent increases in RPZs are now capped in line with general inflation as recorded by the Harmonised Index of the Consumer Price (HICP). RPZs were also extended until 31 December 2024 (they were due to expire on 1 January 2022).

In November 2021 the Government of Ireland approved a 2% cap on rent increases in RPZs². This new cap will only operate when general inflation is higher than 2%.

Rent reviews for a new tenancy in an RPZ

For a new tenancy in a Rent Pressure Zone, the landlord can review the rent once every 12 months. The landlord must give the tenant the following information, in writing, at the start of the tenancy:

- The amount of rent that was last set for the property
- The date the rent was last set for the property
- A statement as to how the rent set for the property has been calculated, having regard to the Rent Pressure Zone calculator which reflects the latest HICP. (This will indicate if the property is in an RPZ and can also be used to calculate the maximum rent increase permitted, if any, for the tenancy).

Rent reviews for an existing tenancy in an RPZ

If a tenancy is already in existence when an area becomes a Rent Pressure Zone, the first rent review can take place 24 months after either of the following:

- The start of the tenancy

¹ [The 4% rent hike rule is being scrapped - now any increase will be decided by inflation \(thejournal.ie\)](https://www.thejournal.ie/4%rent-hike-rule-being-scrapped-now-any-increase-will-be-decided-by-inflation-438411.html)

² [gov.ie - Government approves 2% cap on rent increases in RPZs \(www.gov.ie\)](https://www.gov.ie/en/news/2021/11/government-approves-2-per-cent-cap-on-rent-increases-in-rent-pressure-zones/)

- The date notified in writing of the last review

A tenant must be informed of any review to the rent with at least 90 days' notice in writing of a change in rent (an email or text is not considered appropriate notice of a rent review). The rent cannot be increased by more than general inflation, as recorded by the Harmonised Index of the Consumer Price (HICP), and the rent being sought should not be more than local market rents for similar properties.

Subsequent rent reviews can take place after 12 months and must adhere to the RPZ rules.

There are **3 exemptions** to the rent limits applied in Rent Pressure Zones.

- Properties that have not been let at any time in the previous 2 years
- Properties in protected structures or proposed protected structures that have not been let in the previous year
- Properties that have been substantially changed.

Even if a property qualifies for one of these exemptions, the new rent set must still be in line with market rent for similar properties in the area.

If a landlord wants to get an exemption from rent limits in an RPZ area they must notify the Residential Tenancies Board (RTB) within 1 month of setting the rent by completing the RTB's RPZ Exemption Form.

The RTB can investigate and sanction landlords who do not comply with RPZ rules. There are penalties for landlords who do not follow rent increase limits in RPZs, provide false information about an exemption in an RPZ area or do not notify the RTB about availing of an exemption.

Rent Review Outside of a Rent Pressure Zone³

Outside of Rent Pressure Zones landlords can only review the rent 24 months after the tenancy commencement date or 24 months from the date of service of the last valid rent review.

There is no given percentage increase on how much the rent can be increased by like in a RPZ. The review must be based on current market rent and three comparable properties must be provided by the landlord to show evidence as to how the new rent amount was arrived at.

The landlord must include the rent amount for three comparable dwellings of a similar size, type and character and situated in a comparable area to establish market rent. Evidence of the rent charged for comparable properties can be in the form of advertisements for such properties published within the previous four weeks.

A tenant must be informed of any review to the rent with at least 90 days' notice in writing of a change in rent (an email or text is not considered appropriate notice of a rent review). All landlords must serve a notice of rent review ensuring that they follow the Notice of Rent Review. The Notice of Rent Review must be followed closely, and landlords should not deviate from the wording used therein, change the format of the notice, or delete information from same as doing so could invalidate the Notice of Rent Review in full.

³ Residential Tenancies Board

If a tenant considers that they are being asked to pay more than the market rent, they can seek clarification from the landlord or take a dispute case to the RTB within 28 days of receipt of receiving notice of the rent review or at any time before the new rent amount is due to commence.

Table 1 below gives the details on disputes dealt with by the RTB. At a general level the number of disputes concerning rents were much less prevalent than other issues (such as withholding of deposits, rent arrears and validity of notice of termination).

- Disputes categorised as “Rent more than market rate” accounted for 3% (n43) of cases in Q3 2021.
- Disputes concerning “Rent review not in line with Rent Pressure Zone” accounted for 6% of cases (n99) in Q3 2021.
- Disputes concerning the “Validity of notice of rent review” accounted for 7% (n113) of cases in Q3 2021

Table 1: Dispute Resolution Case Types Q1 2019 - Q3 2021

Dispute Type	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Anti-social behaviour	84	82	110	96	91	95	155	146	117	132	119
Breach of fixed term lease	65	57	52	49	48	45	61	47	35	45	41
Breach of landlord obligations	268	279	250	293	284	216	269	242	221	229	253
Breach of tenant obligations	143	157	161	174	159	92	132	120	98	109	200
Damage in excess of normal wear and tear	66	75	93	83	79	45	90	72	53	71	68
Deposit retention	315	287	351	311	316	326	395	373	284	296	283
Other*	242	228	250	223	209	127	174	162	169	166	198
Overholding	175	214	184	131	142	28	118	79	86	147	225
Rent arrears / Rent Arrears and Overholding	401	429	470	402	450	270	472	407	391	491	520
Rent more than market rate (Not Applicable to Approved Housing Body Tenancies)	32	51	45	40	42	20	29	33	20	25	43
Rent review not in line with Rent Pressure Zone	59	58	68	78	70	33	41	36	29	42	99
Standard and maintenance of dwelling	139	132	132	174	167	92	131	106	117	131	165
Unlawful termination of tenancy (Illegal eviction)	118	131	109	101	84	93	117	158	77	80	117
Validity of notice of rent review	53	56	70	75	73	21	49	36	48	59	113
Validity of notice of termination (if you are disputing the validity of a termination notice issued)	361	390	294	300	263	68	193	204	157	250	268
Total Dispute types*	2521	2626	2639	2530	2,477	1,571	2,426	2,217	1,902	2,273	2,712
Total Cases	1501	1593	1609	1482	1,471	964	1436	1,307	1,200	1,201	1,653

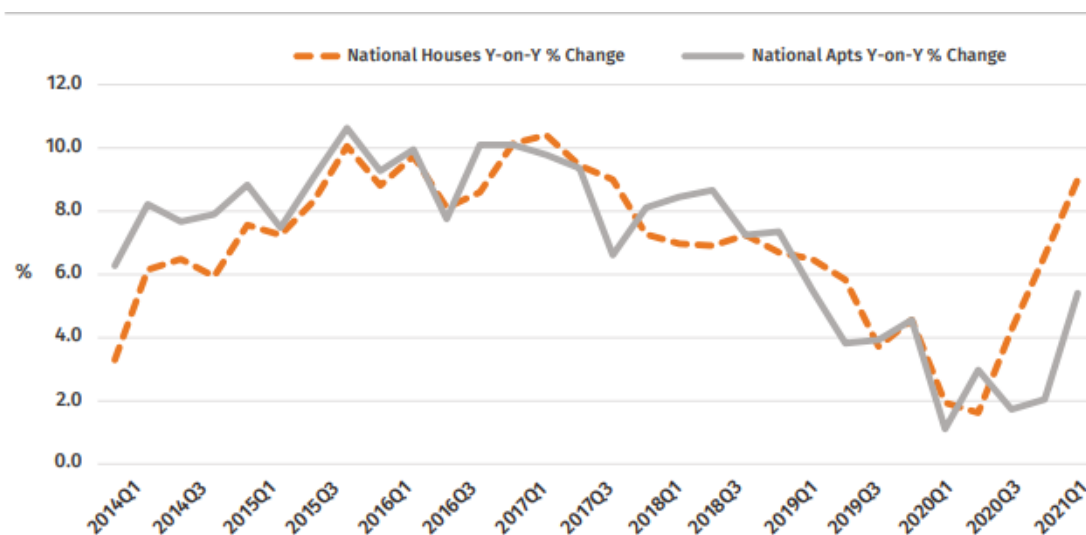
*There can be multiple reasons referred to as dispute types, on each application for dispute resolution.

It should be noted that the issue may be more complex than the number of disputes recorded. It does not necessarily mean that the rent reviews are working appropriately.

For example, if we look at rental increases in the Republic of Ireland, there was a 7 per cent annual increase in rent levels for the second quarter of 2021, and as Figure 1 below demonstrates, annual percentage increases in rents for both houses and apartments was above 4 per cent for a number of years since 2016 (when the RPZs were introduced).

As noted earlier, there can be legitimate reasons for higher rental increases as there are certain exemptions for tenancies in RPZs. However, some commentators believe that not all cases with higher increases fall into these exemption categories. The RTB has acknowledged that some landlords are not complying with rules restricting rent increases in rent pressure zones. The rental increases are restricted by legislation in RPZs, and this raises questions on what is happening in tenancies outside of RPZs. The rental data produced by the RTB does not differentiate between properties which are inside or outside the RPZs (or between new and existing rental stock) so it is not possible to determine which category of tenancy is driving this inflation.

Figure 1: The RTB Rent Index – Year on Year Rate of Change (%) in Standardised Average Rent for Houses and Apartments, National



Rent Pressure Zones

Outlined below is the list of the Local Authority (LA) areas and Local Electoral Areas (LEAs) that have been designated as Rent Pressure Zones and the dates they were designated. All of the RPZs listed below will remain designated as a RPZ until 31 December 2024.

24th December 2016

1. Cork City Council
2. Dublin City Council
3. Dún Laoghaire-Rathdown County Council

4. Fingal County Council
5. South Dublin County Council

27th January 2017

1. Ballincollig – Carrigaline LEA, Co. Cork
2. Galway City Central LEA, Co. Galway
3. Galway City East LEA, Co. Galway
4. Galway City West LEA, Co. Galway
5. Celbridge-Leixlip LEA, Co. Kildare
6. Naas LEA, Co. Kildare
7. Newbridge LEA, Co. Kildare
8. Ashbourne LEA, Co. Meath
9. Laytown-Bettystown LEA, Co. Meath
10. Ratoath LEA, Co. Meath
11. Bray LEA, Co. Wicklow
12. Wicklow LEA, Co. Wicklow

24th March 2017

1. Cobh LEA, Co. Cork
2. Maynooth LEA, Co. Kildare

22nd September 2017

1. Drogheda LEA, Co. Louth
2. Greystones LEA, Co. Wicklow

28th March 2019

1. Limerick City East LEA, Co. Limerick
2. Navan LEA, Co. Meath

2nd July 2019

1. Fermoy LEA, Co. Cork
2. Middleton LEA, Co. Cork

3. Athenry-Oranmore LEA, Co. Galway
4. Gort-Kinvara LEA, Co. Galway
5. Kilkenny LEA, Co. Kilkenny
6. Graiguecullen-Portarlinton LEA, Co. Laois
7. Portlaoise LEA, Co. Laois
8. Limerick City North LEA, Co. Limerick
9. Limerick City West LEA, Co. Limerick
10. Ardee LEA, Co. Louth
11. Dundalk-Carlingford LEA, Co. Louth
12. Dundalk South LEA, Co. Louth
13. Kells LEA, Co. Meath
14. Trim LEA, Co. Meath
15. Waterford City East LEA, Co. Waterford
16. Waterford City South LEA, Co. Waterford
17. Athlone LEA, Co. Westmeath
18. Gorey LEA, Co. Wexford
19. Arklow LEA, Co. Wicklow

26th September 2019

1. Carlow LEA, Co. Carlow
2. Macroom LEA, Co. Cork

18th December 2019

1. Cobh LEA, Co. Cork
2. Piltown LEA, Co. Kilkenny
3. Sligo-Strandhill LEA, Co. Sligo
4. Baltinglass LEA, Co. Wicklow

22nd April 2020

1. Mallow LEA, Co. Cork
2. Killarney LEA, Co. Kerry
3. Athy LEA, Co. Kildare

4. Tullamore LEA, Co. Offaly

5. Mullingar LEA, Co. Westmeath

16th July 2020

1. Bandon-Kinsale LEA, Co. Cork

29th September 2020

1. Kildare County Council