Residential Tenancies Act 2019 Breakfast Briefing

Rosalind Carroll, Director of RTB

14th November 2019
Overview

- About the RTB
- Overview of New Legislation
- Dispute Resolution Activity
- Investigations and Sanctions
About the RTB

Vision

An effectively regulated residential rental sector that is fair, accessible and beneficial to all
The rental sector is growing and changing, and we’re growing and changing with it.

We’ve also extended our opening hours.

We launched our new One Stop Shop and Webchat service.

Q2 2019
341,908 tenancies were registered with RTB

173,624 landlords registered tenancies with RTB

Since April 2016, over 31,120 Approved Housing Body tenancies had been registered with the RTB

703,908 people living in the rental sector.

We’ve answered over...
165,453 calls
70,313 emails
Overview of New Legislation
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<th>Legislative Changes</th>
<th>Commencement</th>
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<td>Changes to Notice Periods</td>
<td>4 June</td>
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<td>Changes to Sec 34 Termination Process</td>
<td>4 June</td>
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<td>RPZ Designation</td>
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<td>New Regulatory Powers of Investigations and Sanctions</td>
<td>1 July</td>
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<td>Student-specific Accommodation</td>
<td>15 August</td>
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<td>What’s coming?</td>
<td></td>
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<tr>
<td>Annual Registrations</td>
<td>Q1/2 2020</td>
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## Changes to Notice Periods

<table>
<thead>
<tr>
<th>Duration of Tenancy</th>
<th>Notice Period</th>
</tr>
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<tbody>
<tr>
<td>Less than 6 months</td>
<td>28 days</td>
</tr>
<tr>
<td>6 months but less than one year</td>
<td>90 days</td>
</tr>
<tr>
<td>1 year but less than 3 years</td>
<td>120 days</td>
</tr>
<tr>
<td>3 years but less than 7 years</td>
<td>180 days</td>
</tr>
<tr>
<td>7 years but less than 8 years</td>
<td>196 days</td>
</tr>
<tr>
<td>8 years +</td>
<td>224 days</td>
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</table>
Changes to Notices of Termination

- **Intention to Sell**: changes 3 months of termination date to 9 months. Landlord to offer back within 9 month period if sale does not proceed.

- **Substantially Refurbish**: Tenancy offered back on completion of works. Must include cert. in writing by registered professional stating:
  - Works propose a threat to healthy & safety of occupants of dwelling and should not proceed while occupied, and
  - If such risk is likely, time allowance shall not be less than 3 weeks.
Changes to Notices of Termination

- Landlord/Family move back in or Change in the use of dwelling: Landlords offer back extended from 6 to 12 months.

- Submit a copy of the Notice of Termination within 28 days of termination date. Form available on www.rtb.ie.
Remedial Notices

Notice of Termination

If notice invalid due to defect, and no prejudice:

- Adjudicator/Tribunal shall allow the landlord to remedy original notice by serving remedial notice within 28 days of issuing of Determination Order.
- Notice period becomes notice period + 28 days.
- Landlords do not have to start over again.
Rent Pressure Zones
New Designation Criteria

- RPZ Criteria changed to introduce Greater Dublin Area & Dublin Area to replace National Average rent criteria
- RPZ designations extended until 2021
- 68% of country in an RPZ – 44 RPZs in total

<table>
<thead>
<tr>
<th>Designation Date</th>
<th>Rent Pressure Zone (RPZ) Area</th>
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<tbody>
<tr>
<td>2nd July 2019</td>
<td>Fermoy LEA, Co. Cork</td>
</tr>
<tr>
<td></td>
<td>Midleton LEA, Co. Cork</td>
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<tr>
<td></td>
<td>Athenry-Oranmore LEA, Co. Galway</td>
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<tr>
<td></td>
<td>Gort-Kinvara, Co. Galway</td>
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<td></td>
<td>Kilkenny LEA, Co. Kilkenny</td>
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<tr>
<td></td>
<td>Portlaoise LEA, Co. Laois</td>
</tr>
<tr>
<td></td>
<td>Graiguecullen-Portarlington LEA, Co. Laois</td>
</tr>
<tr>
<td></td>
<td>Limerick City West LEA, Co. Limerick</td>
</tr>
<tr>
<td></td>
<td>Limerick City North LEA, Co. Limerick</td>
</tr>
<tr>
<td></td>
<td>Dundalk-Carlingford LEA, Co. Louth</td>
</tr>
<tr>
<td></td>
<td>Dundalk South LEA, Co. Louth</td>
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<tr>
<td></td>
<td>Ardee LEA, Co. Louth</td>
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<tr>
<td></td>
<td>Kells LEA, Co. Meath</td>
</tr>
<tr>
<td></td>
<td>Trim LEA, Co. Meath</td>
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<tr>
<td></td>
<td>Waterford City South LEA, Co. Waterford</td>
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<tr>
<td></td>
<td>Waterford City East LEA, Co. Waterford</td>
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<tr>
<td></td>
<td>Athlone LEA, Co. Westmeath</td>
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<tr>
<td></td>
<td>Gorey LEA, Co. Wexford</td>
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<tr>
<td></td>
<td>Arcklow LEA, Co. Wicklow</td>
</tr>
<tr>
<td>26th September 2019</td>
<td>Macroom LEA, Co. Cork</td>
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<tr>
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<td>Carlow LEA, Co. Cork</td>
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RPZ Exempt Properties

- Dwelling that hasn’t been rented for 2 years. Only applies to 1st rent setting.

- Dwelling which is, or is in, a protected or proposed protected structure and has not been rented in the last 12 months.

- Where a ‘substantial change’ in the nature of the accommodation has taken place. ‘Substantial change’ has been strictly defined.

All exemptions must now be notified to the RTB.
A ‘substantial change’ has been defined:

- A permanent extension that increases the floor area by at least 25%.

OR

- Where EU (Energy Performance of Buildings) Regulations 2012 apply, BER being improved by not less than 7 energy ratings.

OR
RPZ Substantial Change Exemption
Definition of Substantial Change

Three of the following:

- Internal layout permanently altered.
- Dwelling adapted for a person with a disability.
- Number of rooms is permanently increased.
- If BER D1 or lower: BER improved by not less than 3 energy ratings / If BER C3 or higher: BER improved by not less than 2 energy ratings.
RPZ Substantial Change Exemption
Definition of Substantial Change

- Does not include work required to take property to minimum standards
- Notify the RTB of exemption within 1 month from rent setting (tenancy commencement date or issue of notice)
- Where works carried out began before commencement of section, then 19(5) (A)
- Offences
Annual Registrations
Outline of the Key Changes

Yearly Registration on Anniversary of Date the Tenancy Commenced

Private - €40, Late sliding scale €10 p/m

Composites Fees
Private/Student - €170

New Registrations will be the same price as Annual Registrations

Transition Period of up to 4 months BUT Retrospective fees apply
Dispute Resolution Activity and Learnings from Case Outcomes
Dispute Resolution Activity

Who took cases?

- Tenants: 63%
- Landlords: 35%
- Third Parties: 2%

- 26% Rent Arrears / Rent Arrears and Overholding
- 22% Validity of Notice of Termination
- 20% Deposit Retention

Average Processing Times in Weeks

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Q3 2019</th>
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<tbody>
<tr>
<td>Adjudication</td>
<td>14</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Telephone Mediation</td>
<td>8</td>
<td>10</td>
<td>9</td>
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Notices of Termination

- 69% of NoT invalid in 2015, 42% invalid in 2018

Types of Notices Served:
Rent Arrears: 74% valid/26% invalid
Intention to sell: 56%/44%
Own/Family use: 51%/49%
Substantial Refurbishment: 23%/77%
Breach of tenant obligations: 42%/58%

Top 3 reasons why notices are invalid:
Did not give adequate notice period: 14%
Warning letter insufficient: 11%
Statement/statutory declaration insufficient: 10%

Use samples found on www.rtb.ie.
Notices of Rent Review

What we are finding:

▪ 67% of Notices of Rent Review were invalid

▪ 70% of Rent Review notices inside RPZs were invalid

Common reasons why notices are invalid:

▪ Did not show 3 comparables

▪ Min. 90 days’ notice not provided

▪ Amount higher than RPZ rules

▪ Did not state matter can be referred to RTB w/in 28 days

▪ Landlord not legally entitled to serve notice.

New Prescribed Rent Review Form
Investigations and Sanctions

How will the new Investigations and Sanctions powers work

- Gives the RTB strong regulatory powers
- Proportionate & risk-based regulation – about compliance not penalisation
- Reactive or Proactive
- Change from just disputes focus
- Focused on the primary ways by which RPZ legislation may be evaded
Issues Raised by Member of the Public

- Rent above 4% in RPZ (46%)
- Non registration (14%)
- NoT issued for sale and no opportunity to re-let (11%)
- Standard and maintenance (10%)
- NoT for own relatives and no opportunity to re-let (19%)
Communications, Engagement and Support

- National and regional public awareness advertising campaigns
- Stakeholder engagement – programme of events & information sessions on legislative change
- Stakeholder Forums - Tenants, landlords, AHBs, property professionals and agents
- Updated Good Landlord/Tenant Guide
- Direct mail
- RTB website & resources [www.rtb.ie](http://www.rtb.ie)
- Supported via webchat service & 0818 303037 / 01-7028100
Thank you