



Ireland's private rental crisis

Dr Rory Hearne,

Social Democrats TD Dublin North West, and
Housing Spokesperson

Author 'Gaffs: Why No One Can Get a House
and What We Can Do About It (2022)

Housing Shock: The Irish Housing Crisis and
How to Solve It (2020)

The latest Daft.ie report confirms that rents in Ireland are more unaffordable and unsustainable than ever, according to Social Democrats TD Rory Hearne.

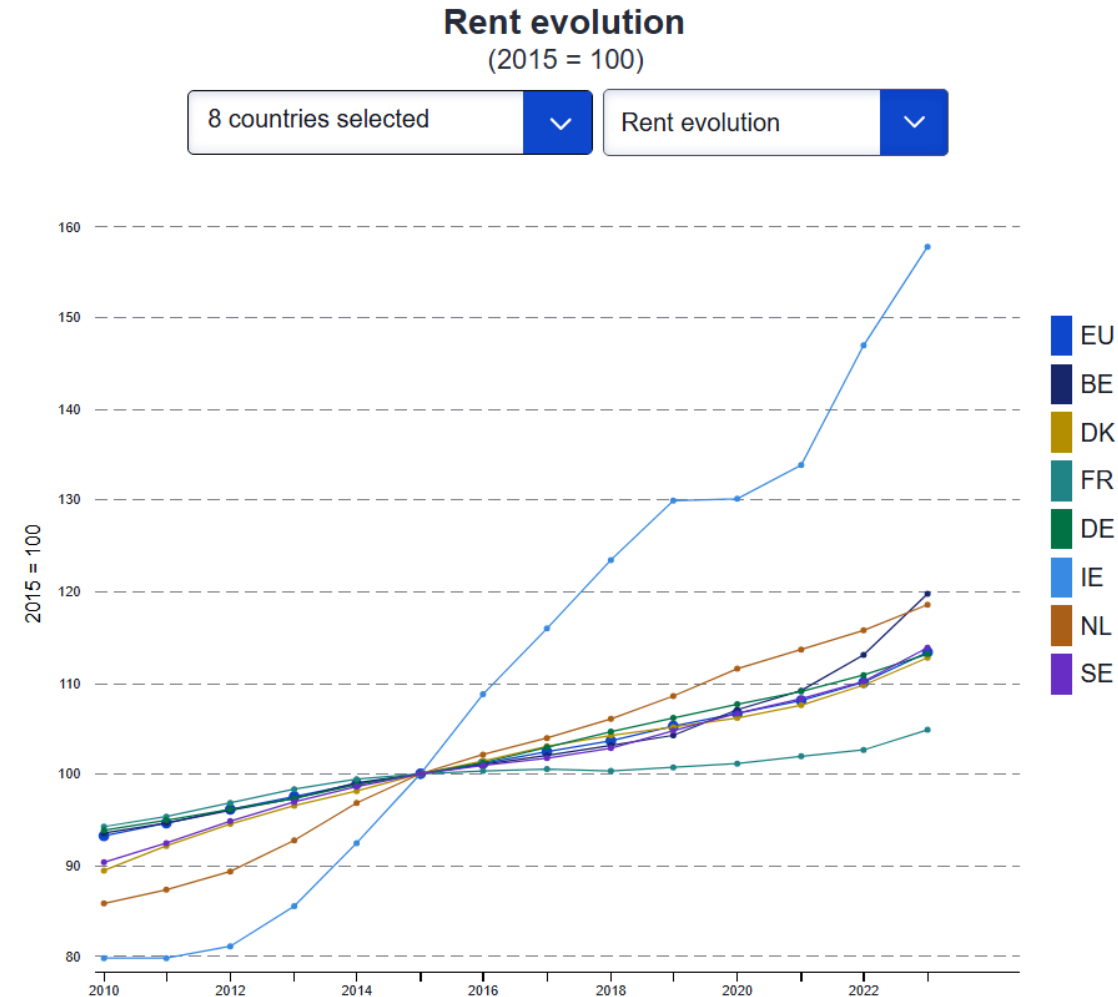
Deputy Hearne, who is the party's housing spokesperson, said:

"Today's figures show that rents are now beyond any reasonable level. Last year, advertised rents rose by an average of 5.7 per cent, which brings the average rent on the open market nationally to €1,956 – a staggering 43 per cent higher than pre-Covid levels in 2020.

"The situation is particularly bleak in Dublin, where rents in the final quarter of 2024 were up four per cent on the previous year, coming in at €2,481. For most earners, this level of rent is simply unsustainable.

Dublin is 9th most expensive city in Europe to live and 4th for rental costs

Survey shows looking only at rent costs Dublin ranked behind London, Zurich and Geneva, and ahead of Amsterdam and Luxembourg

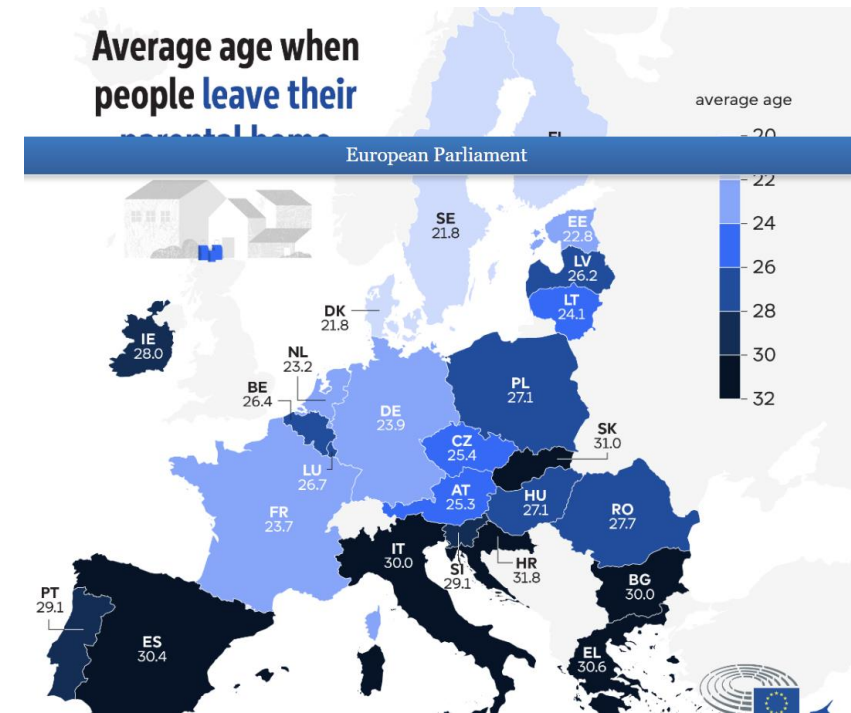


Affordability

- **Middle-to-higher income renters in Ireland are more likely to face high housing costs than their European counterparts:**
- 14% of renters in the 4th income quintile in Ireland pay more than 30% of income on rent vs 3% on average elsewhere.
- 16% of renters in the 3rd income quintile in Ireland pay more than 30% of income on rent vs 9% on average elsewhere.
- More than half of private sector renters not in receipt of housing supports in Ireland fall within these income bands (ESRI 2022)

Generation stuck in childhood boxroom

- **Affordability and availability concerns also impact the formation of new households - indications Ireland faces significant challenges in this regard:**
- Ireland has the 4th highest rate of homeownership for households aged 40+ (just under 80%), but only the 10th highest for households aged <40 (34%), resulting in one of the biggest gaps in ownership rates between younger and older generations.
- More than one-in-four young adults aged 25-34 in Ireland remained living with parents in 2019 and Ireland saw the largest rise in this share between 2015 and 2019.



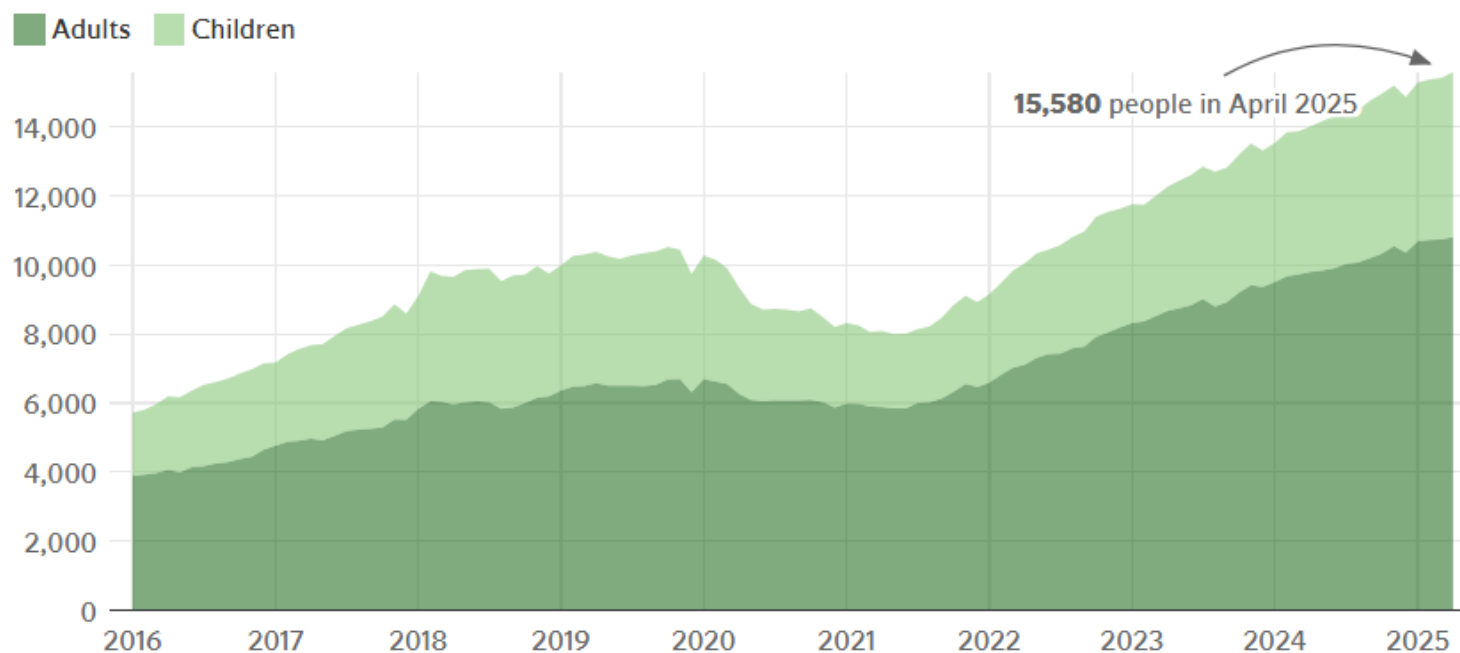
The number of people in emergency homeless accommodation across Ireland has increased to a record of 15,580, according to the latest Government figures. The data shows that 10,805 adults and 4,775 children were accessing emergency accommodation during the last full week of April.

Almost 1 in 3 of all people homeless in Ireland are children.

These figures do not include hidden homelessness – couch surfing, domestic violence refuges, institutions etc

The ongoing rise in homelessness

The number of adults and children accessing local authority managed emergency accommodation each month since 2016



Source: Dept of Housing, Local Government and Heritage

Rent caps – Rent Pressure Zones

- A Rent Pressure Zone (RPZ) is a designated area where rent increases are capped. Rents in a RPZ cannot be increased by more than 2% per annum pro rata or if it is lower, by the increase in the rate of inflation as recorded by the Harmonised Index of the Consumer Prices (HICP). This restriction applies to new and existing tenancies in RPZs (unless an exemption applies).
- The standardised average rent for new tenancies nationally rose by 5.5% year-on-year to €1,680 in Q4 2024. It rose by 4.6% year-on-year for existing tenancies nationally to €1,440 in Q4 2024. This marks a moderation on the rates of rental inflation seen earlier in 2024.

Rent cap exemptions

- Not all rented properties in RPZs are subject to rent caps (i.e. the restriction on rent increases to 2% per annum pro rata or the rate of HICP inflation, whichever is lower). Properties that are exempt from RPZ rent caps are as follows:
 - 1.A property that has not been rented for a period of two years prior to the immediate tenancy commencement date;
 - 2.A property that is a protected or proposed protected structure and has not been rented for the period of 12 months prior to the immediate tenancy commencement date;
 - 3.A property that has undergone a 'substantial change in the nature of the accommodation'.

Landlord group ‘delighted’ that rent pressure zones could be removed

Taoiseach Micheál Martin yesterday said that the government could look at developing an ‘alternative system’.

11.04am, 10 Feb 2025 ↗ 21.3k

61 Comments

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A GROUP REPRESENTING Irish landlords has said it is “delighted to see” Taoiseach Micheál Martin signal possible changes to Rent Pressure Zones.

The Irish Property Owners Association has said Martin’s comments yesterday show that the Taoiseach has “recognised that rent pressure zones haven’t worked”.

Rent Pressure Zones (RPZ) are in parts of the country where rents are highest and rising, and where households have the greatest difficulty finding affordable accommodation.

Rents in an RPZ cannot be increased by more than 2% per year.

They were first introduced in Dublin and Cork in 2016 for a period of three years, but RPZs have since been expanded across the country.

They were to remain in place until 31 December 2024 but last May, the Government agreed to extend them until 31 December 2025.

Speaking yesterday, Martin noted that RPZs expire at the end of the year and added: “We have time in between to say: ‘can we develop an alternative system which protects renters but also enables people to have a clear, stable environment in which to invest.’”

**Social
Democrats**



**KEEP RENT CAPS.
DON'T POUR OUR FUTURE
DOWN THE DRAIN**

**HOUSING
DEMONSTRATION**
OUTSIDE LEINSTER HOUSE
WEDNESDAY MAY 21st @ 6PM



**Deputy Rory
Hearne**

Great. I am conscious of my time but I have two more questions, the first of which relates to the lifting of the rent caps. Maybe both witnesses wish to come in on this question. If we lifted the rent caps and took whatever measures, there is no guarantee it would lead to an increase in supply because there are other factors that influence why institutional investors do or do not invest. Research has been done on the role of interest rates in particular. How much of a factor would the lifting of the rent caps be? Do the witnesses agree there is no guarantee that it would automatically increase supply?



**Dr. Rachel
Slaymaker**

The key thing is that rent pressure zones are calibrated very tightly at the moment. Rent increases must be 2% or lower. They are tight caps. That is likely to be acting as a barrier towards potential investment and new construction. As the Deputy has said, however, it is one factor and there are a lot of other factors going on, such as high construction costs as a result of inflation and high interest rates. It is difficult to disentangle them. While rent caps are probably acting as a barrier at present, that does not mean that simply removing the caps or loosening them would suddenly lead to an influx of supply without addressing the other issues around planning delays and interest rates. It is one factor.

Key elements of the right to adequate housing

Adequate housing must provide more than four walls and a roof. A number of conditions must be met before particular forms of shelter can be considered to constitute “adequate housing.” These elements are just as fundamental as the basic supply and availability of housing. For housing to be adequate, it must, at a minimum, meet the following criteria:

- **Security of tenure:** Housing is not adequate if its occupants do not have a degree of tenure security which guarantees legal protection against forced evictions, harassment and other threats.
- **Availability of services, materials, facilities and infrastructure:** Housing is not adequate if its occupants do not have safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage or refuse disposal.
- **Affordability:** Housing is not adequate if its cost threatens or compromises the occupants’ enjoyment of other human rights.
- **Habitability:** Housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards.
- **Accessibility:** Housing is not adequate if the specific needs of disadvantaged and marginalized groups are not taken into account.
- **Location:** Housing is not adequate if it is cut off from employment opportunities, health-care services, schools, childcare centres and other social facilities, or if located in polluted or dangerous areas.
- **Cultural adequacy:** Housing is not adequate if it does not respect and take into account the expression of cultural identity.

One email to the Taoiseach said: “Dear Mr Martin, I am absolutely appalled by your proposal to end rent pressure zones by the end of this year.

“I am frankly dumbfounded as to how one could think that this would in any way help with the housing emergency which Ireland and Cork have been facing for the past 10 years.”

Another, sent to all TDs in the Taoiseach’s constituency on February 11th, said: “I strongly disagree with removing this vital renter protection without first addressing the lack of housing.

On February 12th, a renter told the Housing Minister that “the only thing that’s keeping a roof over my head” is that their rent could not be put up by more than 2 per cent.

“If it’s lifted I can see a considerable raise in my rent overnight,” they said.

In separate correspondence, a HAP recipient said removing RPZs could leave them homeless.

“This would be catastrophic for a large proportion of the vulnerable population of Ireland including ourselves,” an email sent on February 11th said.

“I understand the need for private investment in future housing projects in Ireland but surely it cannot come at the expense of all us who are already unfairly burdened with extortionate rents.”

They said their HAP payments do not cover their rental costs, and they have to deal with issues such as black mould that the property management has not tackled in three years.

“I sincerely doubt that many landlords have gotten out of the rental game explicitly because of rent pressure zones, which actually still allow them to incrementally increase rates.

“With houses as catastrophically expensive as they are, I do not know what renters like me are to do.

“Renters rely on a modicum of protection from our government to be able to afford to live, work and make a contribution in a town like Cork.

“I can stomach being unable to find a decent, affordable home to buy, but paying 100s of euro more in rent every year is pushing me and people in my position to breaking point, and ever further away from the simple wish of having a place of my own in a town I have made my home.”

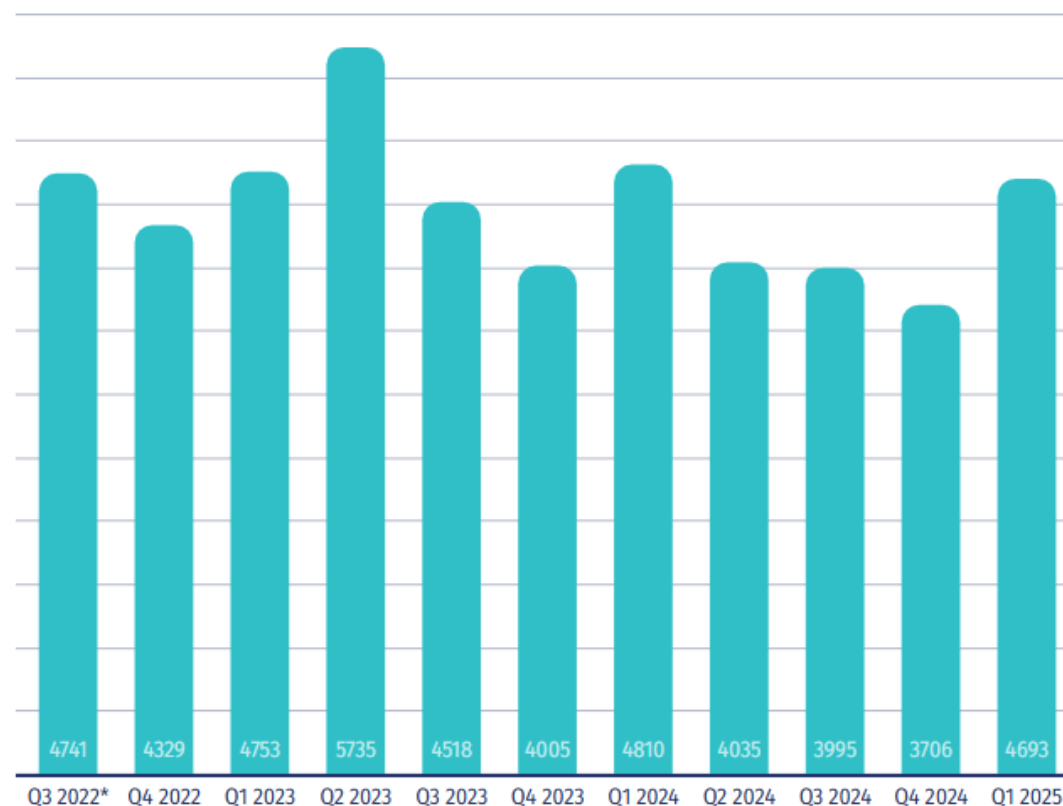
Figure 2: RTB Total Number of received Notices of Termination, by Reasons for Termination

Q3 2022 - Q1 2025



Figure 1: RTB Total Number of Received Notice of Terminations

Q3 2022 - Q1 2025



Note: The data presented relates to the NoTs received via the standard and rent arrears processes.

* In July 2022, the legislation on NoTs changed. Please refer to introductive text.