

# Renting and Risk

- an analysis of the  
vulnerabilities of renting

*A Threshold and Citizens Information Board Report*





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- an analysis of the vulnerabilities of renting

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Any errors or omissions in the report are solely the responsibility of the author.

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# Foreword

The unique analysis in this report brings together the collective experience of Threshold – the specialist private rental sector housing advice and advocacy provider - and Citizen’s Information Services (CISs) – an independent information network, funded and supported by the Citizens Information Board. These organisations have decades of experience in informing, advising, and advocating for people in housing difficulty.

Given the strong working relationship between the organisations<sup>1</sup>, a joint approach to researching tenants’ experience of finding, securing and affording a home in the private rented sector was seen as having obvious merit. With access to over 90,000 queries from Threshold and CISs over a two year period, the research provides a rich insight into the difficulties and barriers experienced by people in accessing and retaining suitable and affordable housing, in the private rental sector. With the current housing market characterised by under-supply and declining affordability, this research explores the circumstances of renters seeking advice in the continuing and deepening crisis in the private rental sector.

The research finds the lack of security of tenure is foremost in the findings, together with the problem of how this impacts on the agency of the tenant in the tenant-landlord relationship – that is the lack of control and negotiating imbalance for tenants. Anyone who has ever rented a home will likely identify with this sentiment. This lack of security was most strongly evident in the exposure experienced by private renters when their landlord decided to sell the home, or to take it back for their own use, or when a private renter feels they must accept an invalid rent increase.

One thing that differentiates the current housing crisis in Ireland from other societal issues, is the way in which it extends to, and negatively affects, almost all age cohorts and a broad range of tenure types. In Ireland, the ever rising cost of home-ownership – *the affordability issue* – has resulted in an expansion of the private rented sector over the past decade, such that the market now accommodates 1-in-5 households.<sup>2</sup> Many of the concerns raised by clients of Threshold and Citizens Information Services (CISs) stem from the fact that policy relating to the private rental sector has not necessarily kept pace with the rapid growth in the reliance on the sector, or the broad range in household types now dependent on the sector for housing. The data in this report is an indicator of the extent to which the private rental sector now operates in such a way as to render vulnerable, many people that enter the rental market.

For both Threshold and CIS clients, the issue of rent review/increases ranked highly in the

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<sup>1</sup> CIB and Threshold have worked in partnership for over 10 years to provide specialist back up to Citizens Information Services in dealing with complex housing queries. CIB provides direct funding to Threshold to provide this 2nd tier support.

<sup>2</sup> One in five people in Ireland are renting 'because they can't afford a mortgage'. See RTB survey results at <https://www.thejournal.ie/rte-renters-5494598-Jul2021/>

issues emerging, appearing especially prevalent for private renters in receipt of housing supports. The difficulties this presents are compounded by the fact that recipients of housing supports are more likely to be in receipt of a social welfare payment, have children, and to be a one-parent household. A more unexpected finding of this research is the level of vulnerability and exposure to the vagaries of the rental market experienced by single renters, with no dependents, who earn a salary/wage and are not in receipt of housing supports. This is in comparison to other vulnerable groups, particularly when it comes to the prevalence of tenancy terminations. This fact - that the private rental market casts a wide net - together with the high level of vulnerability experienced in relation to security of tenure is deeply worrying. This is particularly so in the context of Ireland's current reliance on the sector to meet the housing needs of many for whom both home-ownership and state provided social housing are beyond reach.

While acknowledging the recent changes to the Housing Assistance Payment (that is, the increase in the discretion rate payable by local authorities), there continue to be shortcomings in the support mechanisms for those in need of social housing. There is also a need to ensure that policy keeps pace with the challenges that continue to emerge and that unintended consequences are addressed as policy changes. The report also points to the fact that current social housing policy and provision in Ireland is not yet managing to reflect the right of all citizens to be housed adequately, safely and securely.

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# Glossary of Terms & Abbreviations

**Affordability:** The accepted rule of thumb for affordability in the rental market is that monthly rent should not be more than 30% of a tenant's gross monthly income.

**AHB:** Approved Housing Body. Independent, not-for-profit organisations that provide affordable rented housing for people who are eligible for social housing.

**BTL:** Buy-to-Let. To purchase a property specifically to rent it out.

**BTR:** Build-to-Rent. Purpose-built residential rental accommodation professionally owned and managed by an institutional landlord.

**BTS:** Build-to-Sell. The development of property for sale, rather than for rent.

**CIB:** Citizens Information Board. A statutory body which supports the provision of information, advice, and advocacy on a broad range of public and social services.

**CISs:** Citizens Information Services. Funded and supported by CIB to provide services to the public across eight regional CIS companies.

**CIC:** Citizens Information Centre. A network of local centres nationwide with additional outreach services.

**Cost-Rental Homes:** Developments with rents targeted at least 25% below market rate to cover the cost of developing, financing, managing, and maintenance of the rental property.

**'Fair Deal' Scheme:** The Nursing Home Supports Scheme, or 'Fair Deal', provides financial support to people in need of long-term nursing home care.

**Fixed-income renter:** For this analysis, a renter whose main source of income is either a social welfare payment or a pension payment.

**HAP:** Housing Assistance Payment. A social housing support for people with long-term housing needs, administered through local authorities. Tenants must first be approved on the social housing list before applying for HAP.

**HAP permitted contribution:** The rent 'contribution' paid by the tenant, is calculated based on household size and income. In general, it cannot exceed 30% of the household income.

**HAP rent limit:** The maximum rent payable on a property. The HAP rent limits were set in 2016 and vary by household size and local authority.

**HAP 'Top-Up' payment:** A HAP 'Top-Up', paid in addition to the permitted 'contribution', is paid by a tenant directly to the landlord when the monthly rent exceeds the maximum rent limit payable by the local authority.

**HICP:** Harmonised Index of Consumer Prices. A measure of consumer inflation.

**Homeless HAP:** The Homeless HAP scheme is operated by the Dublin Region Homeless Executive on behalf of the Dublin local authorities. It provides discretion to exceed the HAP rent limits by up to 50% for homeless households, if necessary, to source suitable accommodation.

**IHREC:** Irish Human Rights and Equality Commission.

**ILMI:** Independent Living Movement Ireland.

**Large landlord:** A landlord who operates 100+ tenancies.

**Licence agreement:** A licence grants the licensee permission to occupy a premises or part thereof, falling short of granting exclusive occupation or possession of the premises to the licensee. Examples include where an individual is residing in the same dwelling as their landlord or where an individual resides in a dwelling with the

permission of an existing tenant. Licence agreements fall outside the scope of the Residential Tenancies Acts (RTA) 2004 to 2021.

**MABS:** Money Advice and Budgeting Services. A free, independent, confidential, and non-judgemental money advice and budgeting service for all members of the public which is funded and supported by the Citizens Information Board.

**Medium landlord:** A landlord who operates between three and 99 tenancies.

**NAS:** National Advocacy Service for People with Disabilities.

**NHSPWD:** National Housing Strategy for People with Disabilities 2011-2016 (extended to 2020).

**NHSDP:** National Housing Strategy for Disabled People 2022-2027.

**'No fault' eviction:** 'No fault' evictions are evictions where there has been no wrongdoing or breach of obligation by the tenant and typically include tenancy terminations to facilitate the sale of a rental property; use of the rental property by the landlord or their family members; or substantial renovation.

**'Part Four' tenancy:** A tenancy that lasts longer than six months, with no notice of termination being served. The landlord can only end the tenancy for explicit reasons set out in the Residential Tenancies Act 2004.

**Part V:** Part V of the Planning and Development Acts 2000 to 2020 sets out the requirement for social and affordable housing. Social and affordable housing must make up 20% of new developments granted planning permission after 3 September 2021.

**RAS:** Rental Accommodation Scheme. This scheme caters for tenants in receipt of long-term Rent Supplement. The local authority enters a contract with the landlord and pays the full rent on behalf of the tenant.

**Rent Supplement:** A short-term, means-tested, income support administered through the Department of Social Protection as part of the Social Welfare or Supplementary Welfare Allowance payment. Those in long-term receipt of Rent Supplement will eventually transfer to the HAP scheme.

**RPZ:** Rent Pressure Zone. A designated area where rents cannot be increased by more than general inflation as recorded by the HICP or by 2% per annum where HICP is higher.

**RTA:** Residential Tenancies Acts 2004 to 2021.

**RTB:** Residential Tenancies Board. A public body set up to support and develop a well-functioning rental housing sector. Their remit extends to the private rental, Approved Housing Bodies, and Student Specific Accommodation sectors.

**RTI:** Rent-to-Income ratio is the percentage of income a tenant pays towards their monthly rent.

**Security of tenure:** Security of tenure is a tenant's right to stay in rented accommodation for a set amount of time. In general, security of tenure applies automatically when a tenant has been renting for six months and has not received a valid notice of termination from their landlord in that time.

**Short-Term Let:** Short-term lets are for stays of less than 14 days at a time.

**SILC:** Survey on Income and Living Conditions. The CSO collects information on the income and living conditions of different household types in Ireland, in order to derive indicators on poverty, deprivation and social exclusion.

**Small landlord:** A landlord who operates one or two tenancies.

**SPR:** Social Policy Return. SPRs are additional qualitative data recorded by CISs when dealing with a query. These indicative cases represent queries that CISs consider significant enough to warrant further review as an overarching policy issue or concern.

**SVP:** The Society of St. Vincent de Paul.

**Vulnerable renter:** For this analysis, a vulnerable renter is one who is more exposed to, or without the social and financial capital to withstand, the disruptions or high costs which are inherent in the private rented sector.

# Executive Summary

## Introduction and Context

The rental market in Ireland today is one characterised by two issues - supply and affordability. The current situation had its foundations laid over a decade ago when the construction sector moved from completing over 80,000 homes in one year to fewer than 5,000 effectively overnight.<sup>1</sup> The knock-on consequences of this slow-down, for those hoping to purchase a home, or rent a home, are rising prices, and rapidly declining affordability.

Rental prices have increased nationally by almost 80% in the past 10 years.<sup>2</sup> This growth has been driven predominantly by the Dublin market where growth of 90% has been recorded over the period. Rising rent prices have had a negative impact on affordability, with one-in-five tenants in Ireland now spending over 40% of their disposable income on rent, and close to one-in-ten renters paying more than 60%.<sup>3</sup>

As a result, a crisis has manifested that sees young people struggling to pay rent and save for a deposit; families struggling to find affordable accommodation, and fearful of the very real threat of becoming homeless if their landlord decides to leave the market; and older people concerned about what a future living in private rented accommodation looks like.

Threshold, Ireland's national housing charity, and the Citizens Information Board (CIB)<sup>4</sup>, the statutory body with responsibility for the provision of information, advice including money advice and advocacy, have long highlighted the issues affecting vulnerable renters, or renters in more vulnerable situations. Considering the challenges around supply and affordability, they have now come together to investigate the main issues facing these clients and the extent to which they are exposed to the issues in the private rented sector. This unique analysis brings together the collective experience of these two bodies, with decades of experience in advising, supporting, and advocating for people in housing difficulty in the private rented sector. A combined dataset of over 90,000 private renter queries, not represented anywhere else, is used to explore the research question.

## Research Question and Methodology

With the current levels of under-supply and declining affordability in the market, the main objective of this report is to identify the key issues facing people who have sought advice and assistance, and to set out a number of policy recommendations to address the issues. Understanding these issues, and their impact on renters, is critical to appropriately inform policy development, its implementation and regulations, and to allow service providers to support tenants in the most effective manner possible. To meet this aim, the study is divided into two components:

- 1. To identify the main issues facing tenants in the private rented sector, and**
- 2. To analyse the impact of the most prevalent issues on vulnerable groups, with a particular focus on affordability.**

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<sup>1</sup> CSO, New Dwelling Completions

<sup>2</sup> RTB, Rent Index Q2 2021

<sup>3</sup> National Social Monitor, European Edition, Spring 2019, Social Justice Ireland

<sup>4</sup> Data drawn from CIB supported frontline Citizens Information Services (CISs).

A mixed-method research approach is deployed, commencing with an exploration of the key trends and policies in the rental market over the past 10 years or so.

The next stage of the analysis draws on client data captured by Threshold and Citizens Information Services (CISs) in 2019 and 2020, focusing only on those client housing queries relating to the private rented sector. In the first instance, the analysis focuses on the general issues facing tenants in private rented accommodation.

A deeper analysis to understand the impact of issues on vulnerable renters, or renters in vulnerable circumstances, then follows. There is a particular focus on the financial vulnerabilities of private renters, with discussions on affordability, rent levels, rent increases, rent arrears, rent supports etc. The term 'vulnerable' can have many meanings, however, in the context of this study, Threshold's and CIB's vulnerable client cohorts are defined as 'groups who are more exposed, or without the social and financial capital, to withstand the disruptions or high costs which are inherent in the private rented sector.'

Based on this definition, eight Threshold and CIB client groups are identified as being exposed to, or vulnerable to, the vagaries of the rental market. These groups include (1) clients with one or more dependent children; (2) clients who are single, with no dependents, earning a salary/wage, and not in receipt of any housing support; (3) clients aged 66+ years; (4) clients in receipt of housing support; (5) clients whose main source of income is social welfare; (6) clients in licence agreements; (7) clients who have a disability or long-term illness; and (8) clients who are non-Irish.

Stakeholder consultations, in the form of a focus group (with Threshold advisors) and an online survey (with CISs/MABS advisors), were also undertaken to guide the analysis, contextualise findings, and inform policy recommendations.

## Key Findings

### ***Tenancy termination emerged as the most prevalent issue facing clients...***

Across 2019 and 2020, the main issue facing both Threshold and CISs clients was tenancy termination, and predominantly landlord-led terminations, to either sell the property or use it for personal or family use. An equally important trend that emerged in 2020, on foot of the Covid-19 pandemic, was the rise in queries related to tenant-led terminations, tenancy agreements, and tenants' rights and obligations. This was mainly driven by younger, single clients, earning a salary or wage, and living in a city, and reflects the desire of this group to move home during the height of the pandemic when restrictions on movement and work from home mandates were in place.

### ***...with vulnerable clients on fixed incomes most likely to be adversely impacted.***

Deeper analysis of the various vulnerable groups in the study shows that compared to single clients, those with children; in receipt of a social welfare payment; or a housing support, are more likely to face landlord-led terminations, invalid notices of termination, and the threat of homelessness as a result. Single clients are, however, shown to face a wider range of issues, and this may explain the low prevalence of this issue, compared to other vulnerable groups. Indeed, the risk of homelessness is elevated for all vulnerable groups seeking support on these issues, with the risk elevated again for those concerned about a 'no-fault' eviction.

This issue of tenancy termination also ranked highly for those with a disability, with this group facing the additional challenge of sourcing suitable/accessible accommodation. Despite a reduction in prevalence for all but one of the vulnerable cohorts, the issue of tenancy termination remained the number one query in 2020. Licensee clients were the only group to record an increase in tenancy termination queries in 2020, reflecting the limited rights currently afforded to this group of renters.

### ***The issue of rent review/increase also ranked highly for clients...***

The issue of rent review/increase was amongst the most common query brought to Threshold and CISs in 2019. This issue was raised frequently by clients in receipt of housing supports. Given this cohort are more likely to have a fixed income (social welfare), and to be a lone parent, it is perhaps not wholly surprising that they are more likely to seek advice on the matter.

While the overall prevalence of queries related to rent review/increase declined in 2020, this is largely found to be driven by the increase in importance of other issues, such as standards and repairs, and deposit retention, rather than an inherent improvement in a client's ability to bear a rent increase during (i) a period of exceptional rent inflation and (ii) the uncertainty of the Covid-19 pandemic.

### ***...especially for those in receipt of housing support; with children; or with a fixed income.***

Unsurprisingly, the analysis shows that those vulnerable groups who are most likely to have a fixed income and dependent children in the home were more likely to contact Threshold and CISs for support on a rent review/increase. For those in receipt of housing support, and HAP in particular, the findings reassert the long-standing challenges around HAP rent limits and the increased burden a rent increase can cause. The analysis shows that the challenges for HAP recipients are compounded by the fact that they are more likely to be in receipt of a social welfare payment, have dependent children in the home, and to be a lone parent – leaving them particularly exposed to the burden of a rent review and the knock-on impact on the often required additional 'top-up' payment to the landlord.

### ***The importance of certain issues changed during the Covid-19 pandemic...***

Across the general client group, queries relating to Rent Supplement rose significantly in 2020, likely reflecting the increase in demand and eligibility for the support as a result of increased flexibility in criteria for the payment during the pandemic. Queries relating to standards and repairs also recorded a notable increase for the general client group in 2020. During the pandemic the number of on-site inspections dropped considerably, as did a landlord's ability to undertake repairs, thus resulting in an increase in the proportion of clients seeking advice and support on the issue.

### ***...with the range of issues dealt with by Threshold and CISs increasing as a result.***

For the vulnerable groups analysed in this report, the prevalence of certain issues changed during the pandemic. Notwithstanding the Covid-19 tenancy protection measures and the moratorium on evictions, tenancy termination remained the number one query for almost all groups. While other issues relating to standards and repairs, advice on lease agreements, and deposit retention rose in importance. The issue of income and employment loss also rose in prominence, becoming a common reason for rent arrears during 2020, especially for those with children in the home; those in receipt of social welfare; and single clients – all of whom were more likely to have reported income loss as a result of the pandemic.

## Policy Implications and Recommendations

Overall, the analysis reinforces the already perceived vulnerability, or exposure, of certain renters to the threat of no-fault evictions and the impact of rental inflation on general affordability. Based on the findings of this analysis, the following key recommendations focus on the right to housing and security of tenure; addressing the link between rent increases and rent arrears; and the implications of rent increases for those in receipt of housing support.

1. Accept Article 31, 'The right to housing', of the Revised European Social Charter, holding a referendum for constitutional change if necessary to do so.
2. The abolition of 'no-fault' evictions, and legislation to improve security of tenure, is required to establish the private rented sector as a viable long-term housing option.
3. Consideration should be given to abolishing the category of licensee tenants and replacing it with a set of circumscribed tenancy rights.
4. Provide a greater level of protection and support to tenants who accrue rent arrears and introduce an arrears management strategy, similar to the mortgage arrears provisions.
5. Revise HAP limits in line with market rents to remove the need for tenants to 'top-up' their rent.
6. Address affordability in the private rented sector:
  - a) Greater enforcement of Rent Pressure Zones.
  - b) Nationwide expansion of Rent Pressure Zones.
  - c) The most viable and long-lasting mechanism to stabilising rents in Ireland is through the increased role of, and investment by, the State in housing construction.
7. Improve and streamline the application process for housing supports and social housing.
8. Investigate landlord's resistance to HAP and make changes accordingly.
9. Additional measures (e.g., tax) are required to incentivise landlords to remain in the market.
10. Improve the standards of private rented accommodation.

# 1. Introduction

## 1.1 Context

Ireland's private rental sector is currently characterised by rising price inflation and chronic undersupply. One factor that differentiates this crisis from previous ones is the pervasive nature in which almost all age groups, and tenure types, have been impacted. With supply and affordability issues in the home ownership side of the housing market, the private rented sector in Ireland has trebled in size since 2000. The private rental market now accommodates approximately one-in-five households<sup>5</sup> compared to one-in-ten households in 2002, with the ratio likely to have increased further in the six years since Census 2016.

As a result, the demographics of those residing in private rented accommodation has changed over time. The average age of those living in the private rented sector has increased over the past thirty years. In 1991 the average age that marked the changeover between renting and home ownership was 26 years. By Census 2016, the changeover age had risen to 35 years.<sup>6</sup> In general, a greater proportion of people are now staying in private rented accommodation for longer, either out of necessity or choice, and so the proportion of households living in the sector has increased from 8% in 1991 to 20% in 2016.

With a growing reliance on private rented accommodation during a period of low levels of affordable supply and elevated rental prices, it is critical that the sector is fit for purpose in terms of providing a stable, safe, and secure long-term housing option for tenants.

In light of these challenges, this research has been commissioned by Threshold and the Citizens Information Board (CIB) to investigate the main issues facing their clients, and clients of CIB funded services, with a particular focus on groups of private renters in more vulnerable situations.

Threshold, Ireland's national housing charity, was founded in 1978 and provides frontline advice, advocacy, and support services to those facing housing problems in Ireland. Operating regional advice centres in Dublin, Cork, and Galway, Threshold are at the forefront of the issues prevailing in Ireland's private rented sector. In this role, Threshold devises policy solutions and makes proposals to Government based on surveys, analysis, and research of their client database of private renters. Their overall objective is to make the private rented sector a fairer, more affordable, better quality, and more secure place in which to live and call home.

CIB, a statutory body, supports the provision of information, advice, and advocacy on a broad range of public and social services. CIB funds and supports a range of services including Citizens Information Services; Money Advice and Budgeting Service (MABS); National Advocacy Services for people with disabilities; and the Sign Language Interpreting Service.

The CIB anonymised client data used in this analysis is recorded by CISs in the first instance and collated/analysed by CIB. CISs provides free, impartial, and confidential information, advice, and advocacy services to the public. Eight regional CIS companies cover North Dublin; Dublin South; North Connacht and Ulster; South Connacht; North Leinster; South Leinster; North Munster; and South Munster. Like Threshold, CIB compiles social policy reports and submissions based on feedback from the network of CISs, its client database, and other

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<sup>5</sup> Russell, H., I. Privalko, F. McGinnity and S. Enright, 2021, Monitoring Adequate Housing in Ireland, ESRI and Irish Human Rights and Equality Commission (IHREC)

<sup>6</sup> CSO, Census of Population 2016 - Profile 1 Housing in Ireland: Tenure & Rent

voluntary organisations. CIB also resource Threshold to provide second tier supports to CISs advisors around more complex issues in the private rented sector.

Because of this long-standing relationship, both bodies have now come together to produce a social policy report based on their unique, combined, dataset of over 90,000 private renter client queries. The comprehensive dataset, not represented anywhere else, is used to explore the principal issues in rented accommodation and concludes with a set of policy recommendations to improve the experience of those living in the sector.

## 1.2 Research Question

Given the prevailing issues in the rental market regarding supply and affordability, the objective of this research project is two-fold:

1. **To identify the main issues facing tenants in the private rented sector.**
  - Data captured by Threshold and CISs in their day-to-day service of providing information, advice, and advocacy services, is used to explore the principle issues facing tenants in the private rented sector. The study period covers 2019 and 2020.
  - Over 90,000 client queries captured by Threshold and CISs in 2019 and 2020, for tenants living in private rented accommodation specifically, are analysed. The purpose of this stage of the analysis is to establish and understand the main concerns and challenges facing Threshold's and CIB's clients.
2. **To analyse the impact of these issues on vulnerable clients.**
  - The vulnerability (financially or otherwise) of private renters to issues such as tenancy termination and rent reviews/increases is then considered. For the purpose of this analysis a vulnerable client is defined as one who is considered to be more exposed, or without the social and financial capital, to withstand the disruptions or high costs which are inherent in the private rented sector.
  - This stage of the project identifies the extent to which these issues threaten security of tenure of a selection of vulnerable clients in the private rented sector i.e., clients with dependent children; single clients; clients aged 66+ years; clients in receipt of housing supports or social welfare; clients in licence agreements; clients with disabilities; and non-Irish clients.

More broadly, the effectiveness of rent regulations, tenant protections related to Covid-19, and related enforcement measures as well as the impact of state housing supports are considered in relation to the research objective, and policy recommendations to address the issues identified are presented.

## 1.3 Report Structure

The report is structured as follows:

**Section 2** sets out the three distinct phases of the methodological approach used to (i) set out the economic and policy context of the report, (ii) identify the main issues facing tenants in the private rented sector as presented to Threshold and CIB services and, (iii) understand the impact of these issues on vulnerable tenants.

**Section 3** sets out recent trends in the private rented sector and the policy background. The desk-based literature and public data review illustrates the situation in the private rental market currently, and in the housing market more generally.

**Section 4** presents the findings for the first part of the research question with a discussion of the various issues identified as being the most pertinent for clients in 2019 and 2020.

**Section 5** presents the findings of the second part of the research question i.e., the impact of tenancy termination and rent review/increase on vulnerable groups privately renting. Issues associated with RPZs, housing supports, employment, and Covid-19 are also considered.

**Section 6** concludes the report by presenting a summary of findings, and the policy implications and recommendations based on the experience of clients of Threshold and CIB supported services.

## 2. Methodological Approach

### 2.1 Methodology

There were three distinct phases to the mixed-mode approach applied in this report.

#### Phase 1: Desk-Based Research

The first phase of the project consisted of desk-based research of statistics, government legislation and policy, and existing literature relating to the Irish housing and private rental market.

#### Phase 2: Quantitative Research

The second phase involved analysis of the client data captured by Threshold and CISs in 2019 and 2020, to answer the two elements of the research question.

- **Stage One: To identify the main issues facing tenants in the private rented sector.**
  - The datasets were cleaned to remove any duplication of cases between 2019 and 2020, and to include only those queries related to private rented housing<sup>7</sup>, or to clients who reside in private rented accommodation.
  - The data was segmented based on whether a client was in receipt of housing support or not (in the case of Threshold data), or if a query related to a housing support or not (in the case of CISs data).
  - Where additional investigation of the main issues was required, the data was subdivided based on indicators such as age, gender, family type, employment status, country of origin, location etc.
  - CISs Advocacy Cases and CISs Social Policy Returns (SPRs) were also reviewed as part of the research. These datasets are used to provide additional narrative around the main issues facing CISs clients in the private rented sector.
  - Summary Statistics of the Threshold and CISs datasets are contained in Appendix 1 and Appendix 2 respectively.

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<sup>7</sup> Note: It is not possible to deduce that CIS private rented sector queries relate to those residing in the sector. Some proportion of queries are made by those enquiring about moving into the sector.

<sup>8</sup> Maitre, B., I Privalko and D. Watson (2020), Social Transfers and Deprivation in Ireland: A Study of Cash and Non-Cash Payments Tied to Housing, Childcare, and Primary Health Care Services, Social Inclusion Report No. 9, ESRI and Department of Social Protection

- **Stage Two: To analyse the impact of these issues on vulnerable clients.**
  - Vulnerable groups were identified based on their 'social risk grouping'<sup>8</sup> meaning that the groups were distinguished based on non-class characterisation.
  - Eight vulnerable client groups were identified for inclusion in the study.



- For each of the eight vulnerable client groups, the impact of a selected range of issues (as informed by the findings from Stage One of the project) was assessed.
- The prevalence of the issue for each vulnerable group was assessed; how various social and economic factors impact the prevalence of the issue; and the extent to which cohorts face a threat of homelessness because of the issue.
- Where data was available, consideration was also given to the impact of the Covid-19 pandemic.
- CISs Advocacy Cases and CISs SPR datasets provided valuable additional insight into the impact of certain issues, such as tenancy termination and rent increases, on vulnerable client groups living in the private rented accommodation.

### Phase 3: Qualitative Research

In the third phase of the project, stakeholder consultations were undertaken with Threshold, CIB, CISs and MABS advisors<sup>9</sup>. The purpose of the consultation process was to contextualise the report's findings and inform the range of policy recommendations. A thematic review of the stakeholder consultation process is contained in Appendix 3.

- A focus group with eight Threshold advisers was facilitated in mid-2021. Three participants in the focus group were advisors in Threshold's Dublin office, two were from the Galway office and three from the Cork office. The national spread of advisors provided comprehensive insight into the personal experiences of advisors across different regions of Ireland, and if/how challenges differ across regions. The topics/themes covered included clients awareness of the range of supports/entitlements available to them; who advisors considered to be vulnerable clients; the efficacy of HAP; the impact of main issues on clients; and identifying various policy changes that could improve issues in the sector.

<sup>9</sup> MABS Advisers deal with clients in the private rented sector who experience debt and arrears issues relating to housing costs.

- An online survey of CISs and MABS advisors was undertaken over a three-week period in mid-2021. The survey format (i.e., free form questions) facilitated the compilation of complete knowledge and understanding of CISs/MABS advisors. The survey captured advisor sentiment regarding issues in the private rented sector and potential policy responses. Similar themes to the Threshold focus group were covered in the survey, tailored to reflect the initial findings of the CISs client data.

## 2.2 Data Representativeness

By its nature, the Threshold and CISs data represent only those renters in the private rented sector who sought advice/support. Therefore, the datasets may not fully represent the experience of all renters in the sector. A brief review of the Threshold and CIB dataset demonstrates this.

Compared to the nationally representative sample as captured by the RTB<sup>10</sup>, private renters contacting Threshold and CISs for assistance are overrepresented under a number of headings -

- One-in-six of Threshold's clients are **one-parent**. This group makes up one-in-12 of renters generally in the private rented sector.
- **Single people** (99% of whom have no dependent children) account for almost half of all cases created by Threshold in 2019 and 2020. This group accounts for just over a third of tenants in the private rented sector.
- Renters whose main source of income is **social welfare** make up 30% of callers to Threshold even though this cohort account for only 6% of the rental market.
- In 2019 and 2020, **female renters** accounted for 57% of the queries dealt with by CISs, marginally higher than in the national rental market.
- Those contacting CISs were also more likely to be **older** with one-third of clients with private rented sector queries aged 45 years or older. This age cohort accounts for, on average, 17% of the national rental market. This may be linked to the physical presence of CISs offices in every county which older people may be more likely to use, rather than Threshold's phonenumber. **Younger renters** are also underrepresented in CISs data. Only 5% of private renters contacting CISs were aged 24 years or less. This age cohort makes up 13% of the national rental market.

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<sup>10</sup> RTB Rental Sector Survey 2021

## Sample Profile – Representative Comparison

	RTB	Threshold	CISs
<b>Gender</b>			
Male	50%	-	37%
Female	50%	-	57%
<b>Age</b>			
24 years and under	13%	9%	5%
25-34 years	43%	45%	-
35-44 years	27%	33%	63%*
45-64 years	16%	11%	28%
65+ years	1%	2%	4%
<b>Household Composition</b>			
Living with spouse or partner with children	34%	21%	-
Living with children and no spouse or partner	8%	16%	-
Living alone or with others (sharing)	36%	47%	-
<b>Employment Status</b>			
Employed full- or part-time (incl. self-employed)	68%	57%	-
In receipt of social or community welfare benefit	6%	29%	-
Retired/Pension	2%	1%	-
<b>Region</b>			
Dublin	39%	37%	-
Other	61%	63%	-

Source: RTB Tenants Research Report (July 2021), Threshold client dataset, CISs client dataset. 2019 and 2020 combined average.

Note: '-' indicates data is not available.

\* 63% relates to the age bracket 25-45 years, as captured by CISs.

Gender: The gender profile of the RTB renter survey was pre-determined to align with the CSO Census 2016.

Age: Age brackets across the datasets are not completely comparable. Note that in the Threshold dataset, age brackets include 45-65 and 66+ as opposed to the brackets captured by RTB – 45-64 and 65+. Note that the CISs dataset includes the age bracket 26-44 years.

Household Composition: Threshold captures clients living in a two-parent family; and clients in a one-parent family.

Employment Status: Threshold captures clients whose main source of income is wage/salary; a social welfare payment; pension.

Region: Threshold captures clients who state their county of residence.

There are some limitations associated with the datasets used in this analysis. The report findings are related only to the sizable sample of private renters, or those looking to move into the private rented sector, who contact Threshold and CIB for assistance. The datasets only capture information as it pertains to the person making the call. For example, the data does not capture the economic status of other adults in the client's household.

For both Threshold and CIBs, the sample size reduced in 2020, by 22% and 26% respectively. This is likely a reflection of the fact that face-to-face meetings could not take place during the height of the Covid-19 pandemic. Data from 2019 is therefore considered to reflect the 'normal' situation in the rental market. Data for 2020 contains important information on how private renters were impacted by the Covid-19 pandemic.

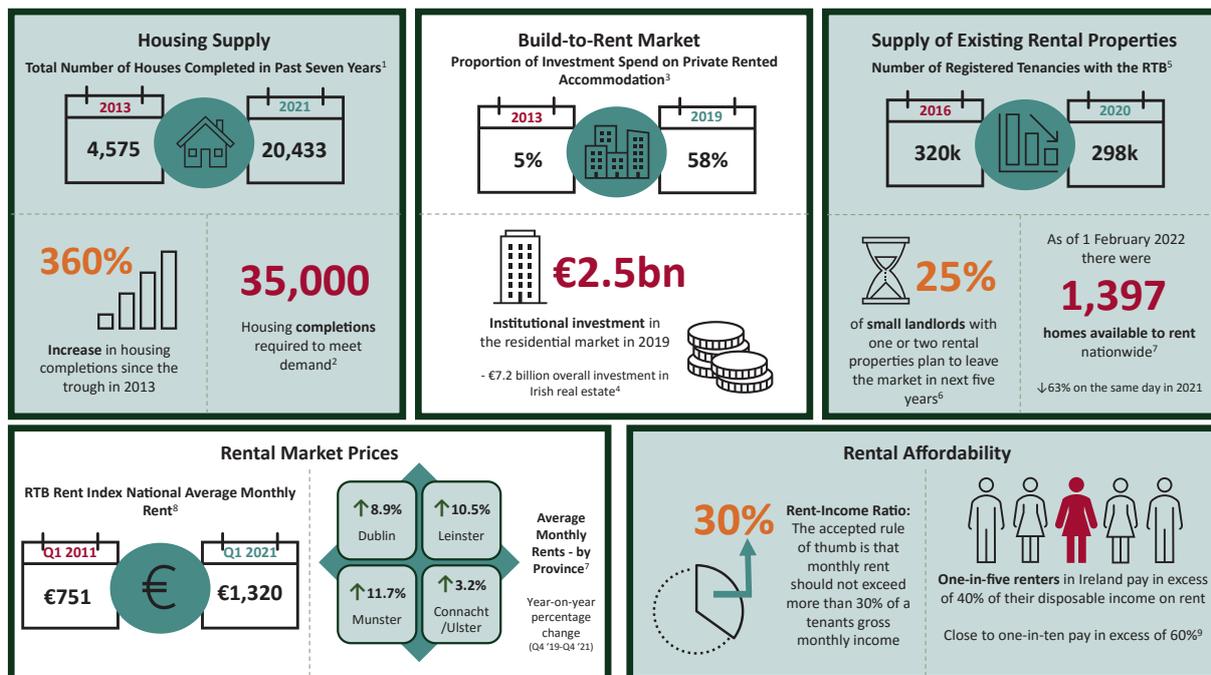
Notwithstanding these limitations, this is an important study that makes a considerable contribution to the evidence base. The findings from this research will inform both Threshold and CIB, as well as the wider policy agenda, on the most significant issues facing their client base and will guide the direction of future research and policy recommendations.

# 3. Overview of the Private Rented Sector and Policy Background

A review of key market trends and policy is presented in this Section. In Sub-Section 3.1 trends in the overall housing market, and specifically in the private rented sector, are presented. These trends focus primarily on supply, rent prices, and affordability - all of which inform the issues facing renters in private accommodation.

Sub-Section 3.2 details the policy background relating to the private rented sector and current policy direction. There is a focus on policies targeted specifically at issues in the housing and private rented sector i.e., the right to housing, affordability, and schemes to support vulnerable renters.

## 3.1 Key Trends in the Private Rented Sector



Sources: 1. CSO, 2. Allen-Coughlan M., K. McQuinn and C. O'Toole (2020), Assessing the Impacts of Covid-19 on the Irish Property Market: An Overview of the Issues, ESRI Special Article 3. Savills, Ireland Investment Market Q1 2021; 4. Jim Power Economics (September 2020), The Role of Institutional Investment in the Irish Real Estate Market, Irish Institutional Property (IIP); 5. RTB Private Tenancy Registration Statistics; 6. RTB Rental Sector Survey 2021: Small Landlords Report; 7. Daft.ie Rental Price Report Q4 2021; 8. RTB, Rent Index Q1 2021; 9. Social Justice Ireland (2019), National Social Monitor, European Edition

### 1. Housing Supply

Ireland's housing market has been in an extended period of flux over the past 25 years and the scale of the housing crisis continues to escalate. This is demonstrated by the current level of housing supply in the market, the pipeline of supply, and the knock-on impact on prices and affordability. Low levels of supply of affordable housing, high prices, and strict macroprudential rules have locked many would-be first-time-buyers out of the market. As a result, these people are living in the rental market for longer than planned. The reduced provision

of traditional social housing and the introduction of Rent Supplement and HAP has also meant that those that would have moved to social housing are now remaining in the private rented sector. This, along with an exodus of landlords from the market, has had a knock-on effect on the rental market, reducing the level of availability and increasing rental prices.

## The Build-to-Rent Market

In recent years, the recovery in supply of housing has largely been driven by construction activity in Dublin where there has been a significant increase in apartment building activity in the Build-to-Rent (BTR) market. BTR, or purpose-built residential accommodation, are schemes that are managed and serviced by an institutional landlord.

Although constituting a relatively small part of the overall market<sup>11</sup>, the BTR market has evolved relatively quickly since 2018. In 2016, apartments made up 23% of all units granted planning permission. This proportion increased to 59% by 2020. Added to this, planning permissions for apartments nationally jumped 114% in 2019, and by a further 34% in 2020, far in excess of the growth rates recorded for housing planning permissions.

While BTR does have a role to play in the housing market, these properties are primarily being delivered in Dublin and tend to be provided at higher price points (new BTR is excluded from RPZ regulation) therefore only meeting the housing needs of a limited cohort of renters. The standards to which these developments must adhere is also different to those applicable in the 'Build-to-Sell' (BTS) market. For example, a mix of apartment sizes is not required, units can be smaller, and a maximum of 12 apartments per floor does not apply. And so, while BTR is helping to address supply in certain regions, and for certain markets, an over-supply in any one aspect of the market (i.e., BTR versus BTS) is unlikely to adequately address prevailing issues in the housing market more generally.

## Cost Rental Homes

The provision of cost rental homes is another important component of Ireland's rental market in terms of additional supply and securing more balance and affordability. The housing agency Clúid was the first to bring cost rental accommodation to the market in mid-2021 for those not in receipt of housing supports and with net household incomes below €53,000 per annum.<sup>12</sup>

An average of 2,000 cost rental homes per year are targeted for supply over the next 10 years or so, with rents set to be at least 25% below market rates and will cover the cost of developing, financing, managing, and maintaining the rental property.<sup>13</sup> In Budget 2022, €75 million was made available to deliver 750 Cost Rental homes and they will also be supplied by private developers under the Part V<sup>14</sup> requirement to provide 20% of zoned residential land to the State.

Threshold notes that the delivery of this form of rental accommodation will need to be at a large enough scale to ensure a moderating impact on market rents, a reduction in social inequality and poverty, and future re-investment in further cost rental developments.<sup>15</sup>

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<sup>11</sup> Property funds, real estate firms and real estate investment purchased a net 1% of transacted units in 2017. Department of Finance (2019), Institutional Investment in the Housing Market

<sup>12</sup> See Clúid for more detail on their cost rental scheme.

<sup>13</sup> Housing for All - a New Housing Plan for Ireland, Department of Housing, Local Government and Heritage

<sup>14</sup> Part V of the Planning and Development Act 2000

<sup>15</sup> Threshold, 'Housing for All' Submission 2021

## Supply of Existing Rental Properties

Securing the existing stock of rental properties is arguably as important as the delivery of new stock to the market. According to the Residential Tenancies Board (RTB), the number of registered private rental tenancies has consistently declined since 2016 (7% decline 2016-2020).<sup>16</sup> The issues relating to rental supply are set to be compounded in the coming years with a further 25% of small landlords, with one or two rental properties, planning to leave the market in the next five years.<sup>17</sup>

Buy-to-Let (BTL) or Residential Investment Letting (RIL) mortgages have declined dramatically over the past 15 years, further reflecting the decline in smaller scale landlords in the Irish market. In 2005, 25,800 BTL mortgages were drawn down with a value of €6.3 billion. By 2020, this had declined to just over 800 BTL mortgage drawdowns with a value of €120 million.<sup>18</sup> While the BTL market is an important one in terms of supply, their offering is very different to that typically provided by small landlords e.g., three-bed semi-detached type home outside main urban areas. This shift in rental offering, from small scale 'mom-and-pop' to large scale institutionally funded landlords, could have considerable cost and affordability implications for renters.

The downward trend in existing stock was further highlighted in the Daft.ie Q2 2022 Renal Report.<sup>19</sup> As of 1st August 2022, only 716 homes were available to rent across Ireland, the lowest level on record and down 63% on the same date in 2021. Putting this figure in context, on average, between 2006 and 2019, there were typically 9,300 homes available to rent nationwide at any one time.<sup>20</sup>

Much of the supply is in Dublin, with 820 properties to rent. This means that only 640 properties were available to rent across the rest of Ireland, including the other four main cities. The reasons for such a trend are complex but a recent RTB survey<sup>21</sup> captured the sentiment amongst small landlords and found that while 45% of respondents report simply no longer wishing to be a landlord, 55% stated that being a landlord is either no longer profitable or taxation is too high for them to stay in the market. As far back as 2014, DKM Economic Consultants<sup>22</sup> established that the cost to a landlord of operating a rental property had increased by c. 24% due to increases in rental income tax, property tax, and additional regulations.

The reduction in the long-term private rental supply has also been impacted by the short-term let market. In July 2021 there were 9,400 properties available for short-term rent on Airbnb, of which 51% (or 4,700 properties) were available for 'entire home' rental.<sup>23</sup> During the Covid-19 pandemic, the stock of apartments for rent in Central Dublin rose by almost two-thirds. While coming off a very low base, this constituted the return of c. 1,000 short-term rental properties to the long-term rental market.<sup>24</sup>

The Government has made commitments to review the regulatory controls over short-term lettings to ensure the availability of residential accommodation is balanced with the needs of the tourism sector.<sup>25</sup> This commitment comes on foot of changes introduced in 2019 which included the requirement for planning permission if a property is to be used for tourism or short-term letting purposes. These changes only apply to short-term letting properties in Rent Pressure Zones, however, and there have been calls to extend this further to areas of high tourism where low levels of rental property are available.<sup>26</sup>

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<sup>16</sup> RTB Private Tenancy Registration Statistics

<sup>17</sup> RTB Rental Sector Survey 2021

<sup>18</sup> Banking and Payments Federation Ireland (BPI), Mortgage Drawdowns Q2 2021

<sup>19</sup> Daft.ie Rental Price Report Q2 2022

<sup>20</sup> Daft.ie Rental Price Report Q2 2021

<sup>21</sup> RTB Rental Sector Survey 2021: Small Landlords Report

<sup>22</sup> DKM Economic Consultants (2014), Future of the Private Rented Sector, The Housing Agency

<sup>23</sup> Inside Airbnb, Dublin accurate as of 22 September 2021.

<sup>24</sup> Daft.ie Housing Market Report, June 2020

<sup>25</sup> Housing for All - a New Housing Plan for Ireland, Department of Housing, Local Government and Heritage

<sup>26</sup> Threshold (April 2019)

## 2. Rental Prices

A direct impact of inadequate supply in the rental market has been rising rent prices across urban and rural areas of Ireland. Standardised average rental prices nationally have increased by almost 80% in the past 10 years (Q2 2011 – Q2 2021) and currently stand at €1,352 per month.<sup>27</sup> The growth has been driven predominantly by the Dublin market where growth of 90% was recorded over the same 10-year period.

The Daft.ie Rent Report Q3 2021<sup>28</sup> further illustrates the emergency with regard to rental prices and identifies the impact of Covid-19 on the rental market with increased demand for tenancies outside of the main cities. While this growth is largely driven by demand, with remote workers leaving cities, the significant reduction in existing supply of rental properties and persistently low levels of new, affordable supply, as demonstrated previously, appear to be having a significant impact on prices.

## 3. Affordability

As rent prices rise, affordability in the market declines. The accepted rule of thumb for affordability in the rental market is that monthly rent should not be more than 30% of a tenant's gross monthly income. Once rent goes above this level it becomes more challenging for a household or individual to save and cover other household or unforeseen costs. The ESRI<sup>29</sup> identifies another rule, called the "30/40 rule", which includes an income limit to capture those households in the bottom 40% of the income distribution. Unsurprisingly, the research finds that lower income households have a higher average rent-to-income (RTI) ratio compared to higher income households, 40% versus 17% respectively, and that single adult households have a higher RTI ratio (c. 35%) relative to households of two or more adults (c. 25%).

The International Monetary Fund report similar findings across a selection of advanced European economies.<sup>30</sup> Across nearly three-quarters of the countries analysed, over half of the lowest income quintile renters were overburdened in 2018 i.e., paying at least 40% of their disposable income on rent. In Ireland, a 2019 Social Justice Ireland<sup>31</sup> study found that one-in-five renters in Ireland are paying over 40% of their disposable income on rent, with close to one-in-ten paying in excess of 60%. These findings are echoed in Threshold's Annual Tenant Sentiment Survey 2021<sup>32</sup> which shows that 35% of renters spend between 31% - 40% of their after-tax income on rent each month with a further 18% of the survey respondents spending over 41% on their after-tax income on rent.

An increase in the supply of housing may have a limited impact on affordability in the housing market with other factors such as population growth, inflation, and interest rates also playing a role.<sup>33</sup> However, in a market where national average rents are at their highest point in over 12 years, and the availability of rental properties are at their lowest levels since 2006, the delivery of significant levels of cost-rental projects, affordable homes, and local authority housing will help to considerably improve the current situation overall.

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<sup>27</sup> RTB, Rent Index Q2 2021

<sup>28</sup> Daft.ie Rental Price Report Q3 2021

<sup>29</sup> Corrigan, E., D. Foley, K. McQuinn, C. O'Toole and R. Slaymaker (2019), Exploring Affordability in the Irish Housing Market, *The Economic and Social Review*, Vol. 50, No. 1, Spring 2019, pp. 119-157

<sup>30</sup> Elfayoumi, K., J. Salas and A. Tudyka (2021), Affordable Rental Housing: Making it Part of Europe's Recovery, IMF, Volume 2021: Issue 013

<sup>31</sup> Social Justice Ireland (2019), National Social Monitor, European Edition

<sup>32</sup> Threshold Annual Tenant Sentiment Survey 2021

<sup>33</sup> Mulherin, I. (2019), 'Tackling the UK Housing Crisis: Is Supply the Answer?', UK Collaborative Centre for Housing Evidence

## 3.2 Private Rented Sector Policy Background

In the years immediately following the financial crisis in 2008, the housing market was principally characterised by falling prices, contracted supply, and a significant slowdown in demand. In 2011, the Government issued a Housing Policy Statement which reflected a new vision for the housing sector *'based on choice, fairness, equity across tenures and on delivering quality outcomes from the resources invested.'*<sup>34</sup> The focus at the time was to ensure a more equitable treatment of housing tenure, reducing the focus on homeownership, and providing instead, high-quality housing across the range of tenures, suitable to all household circumstances.

This sentiment was echoed in 2016 through (i) the National Development Plan and (ii) the 'Rebuilding Ireland' plan. Working towards an improved rental sector formed 'Pillar 4' of the 'Rebuilding Ireland' plan focused on security, supply, standards, and services. However, the €6 billion plan missed a number of key targets. For example, an average of 21,000<sup>35</sup> homes were completed in 2019/2020 compared to the targeted 25,000 units per annum; 2,450 children are currently living in emergency accommodation<sup>36</sup> despite the promise to eradicate this by July 2017<sup>37</sup>; and the overreliance on the private rented sector to meet social housing needs has increased the burden of supply and affordability in the sector. The overall increased reliance on the private rental sector has also not been met with improved security of tenure, lifetime tenancies or affordable rents.

In September 2021, the 'Housing for All' plan<sup>38</sup> was published with the overall aim that *"everyone in the State should have access to a home to purchase or rent at an affordable price, built to a high standard and in the right place, offering a high quality of life."* The plan has set ambitious supply targets with c. 33,000 new completions per annum by 2030 with an average investment of c. €4 billion a year. The annual supply targets comprise 11,800 new private ownership homes, 10,300 new social housing homes, 6,500 new private rental homes, and 4,100 new affordable homes.<sup>39</sup> Compared to the Rebuilding Ireland plan which targeted 'maturing the rental sector so that tenants see it as one that offers security, quality and choice of tenure', the Housing for All plan marks a shift away from tenure neutrality with a renewed focus on home ownership.<sup>40</sup>

Within this context, this Sub-Section focuses on government policy and legislation as it pertains to the issues facing tenants in private rented accommodation e.g., rental supply, affordability, the right to housing, and security of tenure. This review provides a framework within which the issues identified in Sections 4 and 5 will be discussed.

### 1. Security of Tenure

With a growing reliance on the private rented sector as a long-term housing option, the need to strengthen legislation around security of tenure has become increasingly important. The Residential Tenancies Act 2004 details the main rights and obligations of landlords and tenants in this regard. The Act places no restrictions on a landlord's right to end a tenancy in the first six months provided they have issued a valid notice of termination and provided 28 days' notice to the tenant. Under Section 28 of the Act, once a tenancy has lasted for more than six months, and no notice of termination has been issued, the tenant enters a 'Part Four' tenancy. This

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<sup>35</sup> CSO, New Dwelling Completions

<sup>36</sup> Homeless Report December 2021, Department of Housing, Local Government and Heritage

<sup>37</sup> The Ombudsman for Children (2019), No Place Like Home - Children's Views and Experiences of Living in Family Hubs

<sup>38</sup> Housing for All - a New Housing Plan for Ireland, Department of Housing, Local Government and Heritage

<sup>39</sup> See Appendix 4 for an overview of the provisions in the Housing for All plan that relate directly to the private rented sector.

<sup>40</sup> Byrne, M. (2021), Understanding Ireland's Housing Challenge in the Light of Housing for All, UCD Geary Institute for Public Policy

<sup>41</sup> Residential Tenancies Act 2004

means that a landlord may only end the tenancy for the reasons set out in the Act.<sup>41</sup> The terms of a Part Four tenancy were changed under the most recent Residential Tenancies (Amendment) Act 2021<sup>42</sup> which was signed into law in December 2021. As of June 2022, a Part Four tenancy is of an unlimited duration and cannot be ended after six years without any reason. It will take six years, from the date of inception, for all tenancies to become tenancies of unlimited duration.

There are still grounds for termination of Part Four tenancies which allow the landlord to terminate a tenancy agreement in circumstances where

- The tenant has failed to comply with the obligations of the tenancy e.g., non-payment of rent;
- The landlord intends to sell the dwelling within nine months;
- The dwelling is no longer suited to the needs of the occupying household;
- The landlord requires the dwelling for own or family member occupation;
- Vacant possession is required for substantial refurbishment, or renovation, of the dwelling; or
- The landlord intends to change the use of the dwelling.

The above changes mark an important shift towards tenure security for renters. Research undertaken in 2020 found that *'the power of landlords to terminate tenancies and engage in retaliatory behaviour limits the capacity of tenants to advocate for themselves and remedy breaches of their rights.'*<sup>43</sup> The provision of indefinite tenures in the private rented sector would see legislation align with the 'Secure Occupancy Model'<sup>44</sup> as advocated by the National Economic and Social Council in 2015 whereby

- A system of rent regulation would be introduced to provide greater certainty for tenants and landlords;
- There would be a move towards a regime of indefinite leases;
- The sale of property as a reason for vacant possession would be removed; and
- Existing dispute resolution procedures would be improved.

Both Threshold and CIB had long called for the legislating of tenancies of indefinite duration. Threshold<sup>45</sup>, in their 'Housing for All' submission noted the importance of long-term leases as an effective way to ensure security of tenure for renters while CIB<sup>46</sup> noted in their submission that the ongoing insecurity of tenure in the private rented sector is one of the main obstacles to delivering quality social housing in Ireland and one of the main contributing factors to the risk of homelessness. Such a change, as introduced under the Residential Tenancies (Amendment) Act 2021, is a step toward strengthening the private rented sector as a viable long-term housing option for households.

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<sup>34</sup> Department of Housing, Local Government and Heritage (2011)

<sup>42</sup> Residential Tenancies (Amendment) Act 2021

<sup>43</sup> Byrne, M. and R. McArdle (2020), Security and Agency in the Irish Private Rental Sector, Threshold

<sup>44</sup> National Economic and Social Development Office (2015), Ireland's Rental Sector: Pathways to Secure Occupancy and Affordable Supply, No. 141

<sup>45</sup> Threshold, 'Housing for All' Submission 2021

<sup>46</sup> CIB, Stakeholder Consultation on 'Housing for All' Policy Statement and Action Plan 2021

## 2. The Right to Housing

The right to housing is regarded as a core component of citizenship and social inclusion.<sup>47</sup> Under the heading of Constitutional Reform, the 2020 Programme for Government<sup>48</sup> committed to holding a referendum on housing. A successful referendum to introduce a right to housing would bring Ireland in line with Article 31 of the Council of Europe's Revised European Social Charter which sets out the responsibility of the State to

*“promote access to housing of an adequate standard, to prevent and reduce homelessness with a view to its gradual elimination, and to make the price of housing accessible to those without adequate resources.”*

Hitherto, the State has opted out of Article 31 of the Charter however this appears likely to change in the short- to medium-term with the Government reiterating their commitment to hold a housing referendum in the 'Housing for All' plan.

The Commission on Housing, established in 2021, will be tasked with examining a broad range of issues such as tenure, standards, sustainability, and quality of life issues as they pertain to the provision of housing. The Commission will also establish an expert sub-committee to examine the complex constitutional issues relating to potential wording of an amendment to the Constitution.

The objective of the Commission is to provide a 'long-term strategic view on these aspects of housing, over an extended time horizon.' The Terms of Reference<sup>49</sup> for the Commission will see it examine areas such as

- Tenure, standards, sustainability, and quality-of-life issues in the provision of housing.
- The efficient functioning of the markets for housing construction and provision.
- Long-term housing policy post 2030, and how to build on the policy changes outlined in Housing for All and related Government policies.

Threshold has welcomed the Commission as a tool to address the cyclical nature of housing provision in Ireland and note that provision for the right to housing in the Constitution would allow the legislature and the courts to balance the right to private property and the right to housing against each other to mediate competing interests.<sup>50</sup>

By its nature, the housing sector is one which requires a long-term, multi-government approach, to adequately address the persistent issues around supply and affordability. The establishment of a Commission for Housing, and a potential future referendum enshrining the right to housing in the Constitution will establish an obligation on the State to ensure the housing needs are met for those who cannot meet them themselves.

In their opening statement<sup>51</sup> to the Joint Oireachtas Committee on Housing in late 2020, Home for Good, a coalition of organisations and individuals, clarified the type of amendment required to enshrine the right to property in the Constitution on one hand, and the right to housing on the other. In its current form, the Constitution provides for the right to private property but not for the right to housing. As such, any changes to regulation in respect of land are constructed in the context of a property owner's rights rather than the common good. In the current housing crisis, a more effective and proactive constitutional approach would be

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<sup>47</sup> CIB, Stakeholder Consultation on 'Housing for All' Policy Statement and Action Plan 2021

<sup>48</sup> Programme for Government: Our Shared Future

<sup>49</sup> Commission on Housing - Expression of Interest and Terms of Reference

<sup>50</sup> Threshold, 'Housing for All' Submission 2021

<sup>51</sup> Home for Good Opening Statement to the Joint Oireachtas Committee on Housing, November 2020

for the legislature and the courts to balance the two rights, thus removing the current narrow interpretation of private property rights. Such an amendment would enable the Government to respond to the challenges around housing supply and security, affordability, and homelessness in a fairer and more balanced manner.

A 2016 study on the impact of the right to housing in Ireland came to similar conclusions in that<sup>52</sup>

*“The right to housing in Irish law would not give a right to a key to a home for all. It would require the State in its decisions and policies to reasonably protect the right... The right to housing in our Constitution would put in place a basic protection in recognition that a home is central to the dignity of each and every person and a foundation of every person's life.”*

If such a constitutional change were to occur, Ireland would follow the likes of Belgium, Finland, Greece, the Netherlands, Portugal, and Sweden who have all recognised the right to housing in their constitutions – and Austria, France, Germany, Luxemburg, and the United Kingdom who have all legislated for the right to housing.<sup>53</sup>

### 3. Affordability in the Private Rented Sector

RPZs were first introduced in 2016 in an attempt to curtail significant rent price increases across certain regions of the country, and improve affordability for tenants.<sup>54</sup> Following their introduction in 2016, rent price inflation (i.e., rent price increases) in RPZs moderated by 2.5%-3% per annum.<sup>55</sup> This compared to a 0.2% decline in non-RPZ areas over the same period. While price inflation in RPZs fell relative to other areas following the introduction of the policy, annual rent inflation remained in excess of 7% until Q3 2019 in Dublin, and until Q1 2020 nationally (excl. Dublin)<sup>56</sup> with the market only showing signs of slowdown in 2020. Since the introduction of RPZs in 2016, the standardised average monthly rent has increased by a further 30%.<sup>57</sup>

The RTB's Rental Sector Survey 2021<sup>58</sup> captured both landlords' and tenants' experience and sentiment of RPZs. Amongst medium landlords<sup>59</sup> (3 – 99 tenancies), 40% reported having a negative attitude towards RPZs as a measure to address rental inflation, with just over a third claiming that PRZ restrictions penalise the landlord for keeping rent low, or force them to increase rent to the limit. Small landlords<sup>60</sup> (1 – 2 tenancies) were more accepting of RPZs, though 25% had a negative attitude toward the policy, with just over half of the group claiming that the policy is unfair to smaller landlords, or that it interferes in the market and does not solve the main problem of supply.

From the tenants perspective there appears to be limited awareness of RPZs in general, with just under two-thirds of respondents not knowing what a RPZ is despite a similar proportion of survey respondents living in a RPZ area. Tenants also appear to have limited knowledge of the rights and responsibilities associated with RPZs and rent increases, with 40% claiming to have no knowledge of RPZs and 24% claiming to have no knowledge about how a landlord may increase the rent.

<sup>52</sup> The Right to Housing in Ireland, Mercy Law Resource Centre, 2016

<sup>53</sup> The Right to Housing in Ireland, Mercy Law Resource Centre, 2016

<sup>54</sup> At inception, an RPZ was defined as a designated area where rents could not be increased by more than 4% per annum, applying to new and existing tenancies. In late 2021, the Government approved a 2% cap on rent increases in RPZs which will only apply when general inflation (HICP) is higher than 2%. For those renting outside of RPZs, a provision to review rents on a biennial basis will continue out to December 2024, providing rent certainty for tenants for a minimum of two years at a time.

<sup>55</sup> Ahrens, A., M. Martinez-Cillero and C. O'Toole (2019), Trends in Rental Price Inflation and the Introduction of Rent Pressure Zones in Ireland, ESRI and Residential Tenancies Board

<sup>56</sup> RTB Rent Index Q4 2020

<sup>57</sup> RTB, Rent Index Q2 2021

<sup>58</sup> RTB Rental Sector Survey 2021

<sup>59</sup> Medium Landlords (3-99 Tenancies) account for 13% of registered landlords and 41% of registered tenancies.

<sup>60</sup> Small Landlords (1-2 Tenancies) account for 87% of registered landlords and 53% of registered tenancies.

This limited knowledge is reflected in the initial findings from the RTB's 'Investigations and Sanctions Function'. 28 of the 29 sanctions were for a breach of RPZ rent review restrictions with over €250,000 in overcharged rent returned to tenants.<sup>61</sup> Such a result marked an important milestone in the expansion of RTB's regulatory role and highlights the need for greater enforcement of the rules, from a landlord's perspective.

While acknowledging the important role of RPZs in the rental market, Threshold have also called for additional measures to ensure accessibility for all, and to tackle unaffordable rents.<sup>62</sup> These measures include, removing any exclusions from the RPZ measures (i.e. new builds); the introduction of a rent register so that tenants can check that they are paying the lawful rent; and more generally, an increase in local authority and AHB supply.

#### 4. Housing Supports in the Private Rented Sector

The reliance on the private rental sector to support social housing needs has further compounded the issues around supply and affordability in the market. In the five years covered by the 'Rebuilding Ireland' plan, the housing needs of 130,000 households were supported through social housing. However, the majority of these households were supported through the private rental sector since only c. 18,500 new-build social housing units were provided in the period. Approximately three-quarters of households were facilitated through leasing in the private rented sector with the Housing Assistance Payment (HAP) and the Rental Accommodation Scheme (RAS).<sup>64</sup>

HAP is the most common form of housing support amongst tenants in rented accommodation with almost 65,000 households in HAP tenancies at the end of 2021.<sup>65</sup> While its introduction as a long-term housing support addresses some of the issues with Rent Supplement, (e.g., HAP is paid directly to the landlord, and recipients can work more than 30 hours per week) the current HAP rent limits, which were set in 2016, do not reflect the significant rent increases that have occurred in the market over the past five years.

For example, the HAP rent limit for one adult looking to rent accommodation in Ireland's two main cities falls well below the current market rent levels. In Dublin and Cork, the HAP rent limit for a single person is €660 and €550 respectively while the average market rent for a one-bed apartment in both cities is in excess of €1,100.<sup>66</sup> In rural counties too, such as Kerry and Donegal, the HAP rent limit applicable for one adult (€380 and €340, respectively) is much lower than the current average market rent limit in these counties (€705 and €544, respectively).

The local authority has flexibility to increase the HAP rent limit by 20% on a case-by-case basis, this increased to 35% in July 2022 and by up to 50% in the Dublin region if there is an immediate risk of homelessness. However, in many instances, even with this flexibility, a shortfall, or 'top-up' still needs to be covered by the tenant. The distinction should be made between 'top-ups' and permitted 'contributions', both of which are paid by the tenant. The rent 'contribution', which is paid by the tenant to the local authority, is aligned with the differential rent contribution for social housing, and is based on the household size and income of the household. 'Top-ups', on the other hand, are paid directly to the landlord, in addition to the permitted 'contribution'. 'Top-ups' are required when the monthly rent exceeds the maximum HAP rent limit payable by the local authority.<sup>67</sup>

In 2019, Threshold undertook a survey<sup>68</sup> of HAP recipients and found that in addition to the rent 'contribution' that is paid directly to the local authority, 48% were paying a 'top-up' directly to their landlord. The 'top-up'

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<sup>61</sup> The RTB published its first 29 Sanctions under its Investigations and Sanctions Function, December 2021

<sup>62</sup> Threshold, 'Housing for All' Submission 2021

<sup>63</sup> Social Housing Construction Projects Status Report Q1 2021

<sup>64</sup> Detail on the four main housing supports is contained in Appendix 5.

<sup>65</sup> Budget 2022 Expenditure Report, Department of Public Expenditure and Reform and Department of Finance

<sup>66</sup> Daft.ie Rental Price Report Q3 2021

<sup>67</sup> See hap.ie.

<sup>68</sup> Threshold (2019), Topping Up - The Cost of HAP, A Survey on the Housing Assistance Payment

amounts ranged from €20 to €575 per month. The RTB, in their Rental Sector Survey<sup>69</sup> found similar results, with over two-thirds of tenants in receipt of rental assistance paying a 'top-up' to their landlord. Within that cohort, 70% were paying an average of €100 or more on a monthly basis.

CIB have noted that while HAP is an important tool in supporting vulnerable tenants in the private rental sector, its success is intrinsically linked to the supply of affordable rental accommodation and should not act as a substitute for secure social housing.<sup>70</sup> Their review of internal client data demonstrates that where clients/tenants are unable to source suitable accommodation within the HAP rent limits, fears in relation to homelessness arise. The Simon Community, who track the anomaly of HAP rent limits, found that there were 148 properties available to rent within the standard HAP rates in December 2021.<sup>71</sup>

The provision of HAP is an expensive alternative to the provision of secure social housing. In 2020, expenditure on the scheme amounted to €465 million.<sup>72</sup> According to SVP<sup>73</sup>, the provision of new build social housing makes more financial sense than via the current method of acquisitions and HAP. The financing of a direct build social housing unit in Dublin, through state borrowing, would cost approximately €800 per month. In contrast, the monthly repayment for a HAP unit in Dublin is €1,244. This means financing a HAP unit in Dublin is €5,328 more expensive to the state per annum than a new build unit. Furthermore, if private market rents continue to increase then the cost of HAP necessarily must increase in time.

## 5. Social Inclusion in the Private Rented Sector

### Renters with Disabilities

The number of people with disabilities living in the private rented sector has increased considerably in the past decade. In 2016 there were c. 97,400 people with a disability, or in bad health, living in private rented accommodation.<sup>74</sup> This compares to c. 86,300 in 2011. While the number has increased, research has shown that people with disabilities are significantly less likely to rent in the private market compared to those without a disability. According to Census 2016, 12% of disabled people rented from private landlords compared to 18% of the general population. The study surmised that this may be due to lower income levels, or a reflection of the discrimination faced by applicants with disabilities in accessing rented accommodation.<sup>75</sup>

Joint research from CIB and Disability Federation of Ireland (DFI) concluded that when it comes to housing options, people with a disability are considered to be disadvantaged compared to people who do not have a disability due to their often specific design, location, and support requirements.<sup>76</sup> The 2007 report called for greater funding and supports, a housing needs assessment, and improved inter-agency collaboration in addressing the issues facing people with disabilities. This joint research on the housing needs of people with disabilities has been revisited recently by CBI and DFI in a forthcoming report, which informed CIB's submission<sup>77</sup> on the formation of the new National Housing Strategy for Disabled People (NHSDP).

<sup>69</sup> RTB Rental Sector Survey 2021

<sup>70</sup> CIB, Housing Assistance Payment: The Experience of Citizen Information Services, Social Policy Series 2017

<sup>71</sup> Simon, Locked Out of the Market December 2021

<sup>72</sup> Report of the Accounts of the Public Services 2020, Chapter 8, Oversight of the Housing Assistance Payment. Office of the Comptroller and Auditor General

<sup>73</sup> Society of St Vincent de Paul, Submission to the National Reform Programme 2019

<sup>74</sup> Health is self-declared by Census respondents. Options are "very good", "good", "fair", "bad", and "very bad". This analysis includes those who self-report being in "bad" or "very bad" health.

<sup>75</sup> Russell, H., I. Privalko, F. McGinnity and S. Enright (2021), Monitoring Adequate Housing in Ireland, ESRI and Irish Human Rights and Equality Commission (IHREC)

<sup>76</sup> Browne, M. (2007), The Right Living Space - Housing and Accommodation Needs of People with Disabilities, Citizens Information Board and Disability Federation of Ireland

<sup>77</sup> National Disability Housing Strategy - CIB Submission 2021

A 2010 Housing Agency<sup>78</sup> review of the potential role of the private rented sector in accommodating people with disabilities came to similar conclusions. The study found that the main barriers facing tenants with disabilities in private rented accommodation include:

- A lack of suitable accommodation and security of tenure – accessibility, existing adaptations, and landlords' reluctance to undertake alterations.
- A lack of availability – compounded for those in receipt of housing support.
- Affordability – higher quality and accessible accommodation is likely to be more expensive and too expensive for tenants in receipt of a disability payment and/or housing supplement.

The National Housing Strategy for People with Disabilities (NHSPWD) 2011-2016<sup>79</sup> (extended to 2020) set out a framework to support people with disabilities moving to independent living within the social housing and private rented sector. The overall aim of the strategy was *'to facilitate access, for people with disabilities, to the appropriate range of housing and related support services, delivered in an integrated and sustainable manner, which promotes equality of opportunity, individual choice and independent living.'*

While there have been positive outcomes associated with the 2011-2016 strategy, including the provision of 88,000 adaptation grants<sup>80</sup> up to the end of 2020, a 2018 review of the NHSPWD 2011-2016, by Independent Living Movement Ireland (ILMI), found that local authorities had generally failed to develop effective local strategic housing disability plans.<sup>81</sup> Across a checklist of 13 indicators, only 2% of the plans from 31 local authorities were 'very good' and 65% of plans were 'poor', with many plans failing to provide basic components like assessment of need, timeline, targets, and budget.

CIB's pre-budget submissions over recent years have noted that all new developments should be *'universally designed to ensure accessibility for all irrespective of age or ability'*.<sup>82</sup> The new national strategy<sup>83</sup> for the 2022-2027 period was published in early 2022 and echoes the vision of the 2011 Strategy

*"to facilitate disabled people to live independently with the appropriate choices and control over where, how and with whom they live, promoting their inclusion in the community; and to further enable equal access for disabled people to housing with integrated support services."*

The new NHSDP 2022-2027 is based on six core themes that look to build on, and strengthen, the objectives of the original strategy to facilitate independent living -

- i. The provision of accessible housing and communities.
- ii. Greater collaboration between relevant agencies e.g., between local authorities and the HSE.
- iii. Enabling access to affordable housing for either home ownership or private renting.
- iv. Improved communication and access to information.
- v. Sharing information and building upon expertise within organisations.
- vi. Ensuring that all Government strategies and policies, from a housing perspective, promote the rights of disabled people.

The Implementation Plan is set to be published by the Housing Agency in the second quarter of 2022 and will be based on the principles of the United Nations Convention on the Human Rights of Persons with Disabilities.

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<sup>78</sup> The Housing Agency (2010), The Potential Role of the Private Rented Sector in the Provision of Accommodation for People with Disabilities, Housing Policy Discussion Series

<sup>79</sup> National Housing Strategy for People with a Disability 2011-2016

<sup>80</sup> The Housing Agency (2021), Review of the National Housing Strategy for People with a Disability 2011-2016 extended to 2021

<sup>81</sup> Independent Living Movement Ireland (2018), Submission to the Oireachtas Committee on Housing, Planning and Local Government

<sup>82</sup> CIB, Pre-Budget Submission 2022: Addressing Citizens' Concerns on Adequacy of Income, Debt and Money Advice

<sup>83</sup> Department of Housing, Local Government and Heritage, National Housing Strategy for Disabled People 2022 - 2027

## Older Renters

According to Census 2016, the point at which two-thirds of households owned their own homes occurred at 41 years of age. In Census 1991 the equivalent age was 28 years.<sup>84</sup> A growing concern for this group of private renters is their ability to meet rising rental prices on a fixed income (pension) that does not consider that a person may not own their own home by pension age.<sup>85</sup> Such an assumption has implications for affordability with over 50% of people aged 65+ years in private rented accommodation paying more than 35% of their disposable income on rent.<sup>86</sup>

In general, the trend of people staying in rented accommodation later in life will have implications for the sustainability of the home for an aging population of private renters.<sup>87</sup> While the proportion of people aged 65+ years entering homeless services has remained relatively stable (c. 2% of total), the number of people in this age cohort experiencing homelessness has tracked upwards since 2014 and has increased by 60% in the past seven years.<sup>88</sup> This trend may be linked to a lack of suitable housing options for this group of renters, in terms of affordability and design.

Long-term consideration needs to be given to the type of housing supply required to meet the needs of older and aging renters, cost, design, and security of tenure.<sup>89</sup> State schemes, such as Fair Deal are currently designed based on the assumption that a person owns their own home. The growing trend of older people in the private rented sector will thus have implications for the financing of long-term care.

While there is little reference to these specific issues and additional supports required for older people living in private rented accommodation, the Government acknowledges the need for 'age friendly' and 'right-sized' housing options to allow older people to live with dignity and independence. It has committed to delivering dedicated social housing provision through local authority Housing Delivery Action Plans - by considering the housing needs of older people through the Housing Needs and Demand Assessment Framework; delivering 'age friendly' housing; and supporting innovative forms of housing redesign/reorganisation to deliver additional rental accommodation supply.<sup>90</sup>

## 3.3 Concluding Remarks

The housing market is currently in a state of dysfunction with chronic levels of undersupply of homes to purchase and rent. This undersupply has resulted in years of rising house and rent prices, particularly in urban areas. The Covid-19 pandemic has added further to this, with demand for housing and rental properties outside the main urban centres increasing as a result of work-from-home mandates.

This review of the key trends, policies and related strategies, lays the foundations in terms of the issues currently facing renters and illustrates the extent to which further action is required to ensure security of tenure and affordability for all those living in private rented accommodation. From ensuring a person's right to housing, and the provision of suitable and accessible accommodation for those with disabilities or older groups, to greater enforcement of RPZ rules, and review of HAP rent limits – the remainder of this report shows that these factors are inherent to the day-to-day issues facing renters today.

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<sup>84</sup> CSO, Census of Population 2016 - Profile 1 Housing in Ireland: Tenure and Rent

<sup>85</sup> Amárach Research, R. Lyons, L. SIRR and Innovation Ireland (2016), Housing for Older People - Thinking Ahead, Ireland Smart Aging Exchange and the Housing Agency

<sup>86</sup> CSO, The Rental Sector in Ireland 2021

<sup>87</sup> Alone, Housing Choices for Older People in Ireland - Time for Action

<sup>88</sup> Department of Housing, Local Government and Heritage, Homelessness Data 2014 - 2021

<sup>89</sup> Lyons, R., L. SIRR, Amárach Research and Innovation Delivery (2016), Housing for Older People - Thinking Ahead, Ireland Smart Aging Exchange and the Housing Agency

<sup>90</sup> Housing for All - a New Housing Plan for Ireland, Department of Housing, Local Government and Heritage

# 4. The Main Issues Facing Tenants in the Private Rented Sector

## 4.1 Introduction

This report has thus far presented the situation, at a national level, in the private rented sector. Various policies and market interventions over the past 10 years have resulted in a situation where renters are now exposed to a severely contracted market and rising rental prices. It is within this environment that the findings of the first part of the research question - identifying the main issues facing tenants in private rented accommodation – are presented.

A brief overview of the Threshold dataset, and the main issues facing Threshold's clients, is discussed in Sub-Section 4.2. The main issues are presented based on

1. Clients who state they reside in the Private Rented Sector/House Shares with no supports,
2. Clients who state they are in receipt of HAP or Homeless HAP,
3. Clients who state they are in receipt of Rent Supplement, and
4. Clients who state they are in receipt of the Rental Accommodation Scheme (RAS).

A brief overview of the CISs dataset, and the main issues facing CISs clients, is presented in Sub-Section 4.3 based on

1. Housing queries relating to Private Rented Accommodation,
2. Housing queries relating to HAP, and
3. Social Welfare queries relating to Rent Supplement.

A high-level review of the top three issues facing Threshold and CISs clients is presented in this Section of the report. A deeper analysis of these issues follows in Section 5.

## 4.2 The Main Issues Facing Threshold's Clients

Threshold has advocated since 1978 to secure a right to housing, particularly for households experiencing poverty and exclusion. The charity supports clients living in a wide range of tenures, from those in private rented accommodation, and Purpose-Built Student Accommodation, to local authority and voluntary housing. In 2019 and 2020<sup>91</sup>, 40,000 clients were supported across all tenure types. Of the cases created by Threshold in 2019 and 2020, c. 28,800<sup>92</sup> related specifically to private rented accommodation, and it is these client queries that inform this analysis.

<sup>91</sup> Due to the method of data collection, <4% of the Threshold cases included in this analysis were created, and closed, in the period between 2016 and 2018. The inclusion of these data points does not have a material effect on the analysis presented.

<sup>92</sup> In 2019, 84% of queries received by Threshold related to the private rented sector. Of those queries related to the private rented sector, approximately 5,000 observations were identified as duplicates between 2019 and 2020. One of the most common reasons for this is that cases were 'opened' in 2019 and not resolved until 2020. To avoid double-counting, client cases are only included for the year in which they were first entered in the Threshold database i.e., 2019.

The issues facing Threshold’s clients are captured under a range of headings including tenancy termination and disputes, rent reviews and arrears, standards/repairs, and queries on housing supports etc. The top three issues are presented and discussed here and a full list of issues is included in Appendix 1. The issues are categorised based on tenancy type and by those in receipt of various housing supports i.e., clients not in receipt of any supports, clients in receipt of HAP, clients in receipt of Rent Supplement, and clients in receipt of RAS.

A discussion follows based on the main issues identified.

### The Main Issues Facing Threshold’s Clients, by Tenancy Type, 2019 and 2020

	2019	2020
<b>Clients Without Housing Supports</b>	<b>71%</b>	<b>78%</b>
1. Tenancy Termination	35%	24%
2. Rent Review/Rent Increase	12%	6%
3. Standards/Repairs	8%	9%
<b>Clients in Receipt of HAP and Homeless HAP</b>	<b>17%</b>	<b>16%</b>
1. Tenancy Termination	40%	33%
2. Rent Review/Rent Increase	18%	13%
3. HAP General Query	11%	13%
<b>Clients in Receipt of Rent Supplement</b>	<b>11%</b>	<b>4%</b>
1. Tenancy Termination	49%	31%
2. Rent Review/Rent Increase	15%	12%
3. Rent Supplement General Query	7%	10%
<b>Clients in Receipt of RAS</b>	<b>2%</b>	<b>2%</b>
1. Tenancy Termination	49%	34%
2. RAS General Query	12%	10%
3. Standards/Repairs	11%	16%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: Threshold. Morley Economic Consulting calculations.

Note: May not sum due to rounding. Issues are ranked based on 2019 data.

## 1. Tenancy Termination

Across all tenancy types, the main query raised by Threshold’s clients in both 2019 and 2020 related to tenancy termination. For those in private rented or shared accommodation (without housing supports), the issue accounted for just over a third of queries made in 2019. The issue was more prevalent for those in receipt of housing supports – accounting for close to half of queries made by Rent Supplement and RAS clients respectively.

In 2019, almost all terminations recorded with Threshold were landlord-led. Across all tenure types

- Selling as a reason to terminate a tenancy dropped from 42% in 2019 to 36% in 2020;
- Renovations as a reason fell from 11% to 5% in the year; while
- Landlord or family use as a reason remained relatively unchanged at 17%.

Based on the available datasets it is difficult to ascertain if these changes are as a result of market trends or as a result of the Covid-19 pandemic. The latter is more likely, however, given the extent of the restrictions in place for a significant part of the year. The market for residential sales contracted significantly in 2020, particularly in the first half of the year as a result of the uncertainty associated with the pandemic.<sup>93</sup> In such an environment, one would expect a drop in the proportion of tenancy terminations to sell the property. Similarly, the prevalence of property renovations is also likely to have declined as a result of the pandemic and the impact on the construction sector in general. As the market continues to recover from the initial shock of the pandemic, these trends may revert to 2019 levels. Legislative changes introduced in 2019 limited a landlord's ability to evict a tenant for the purposes of renovation and this may also have played a role in the decline.<sup>94</sup>

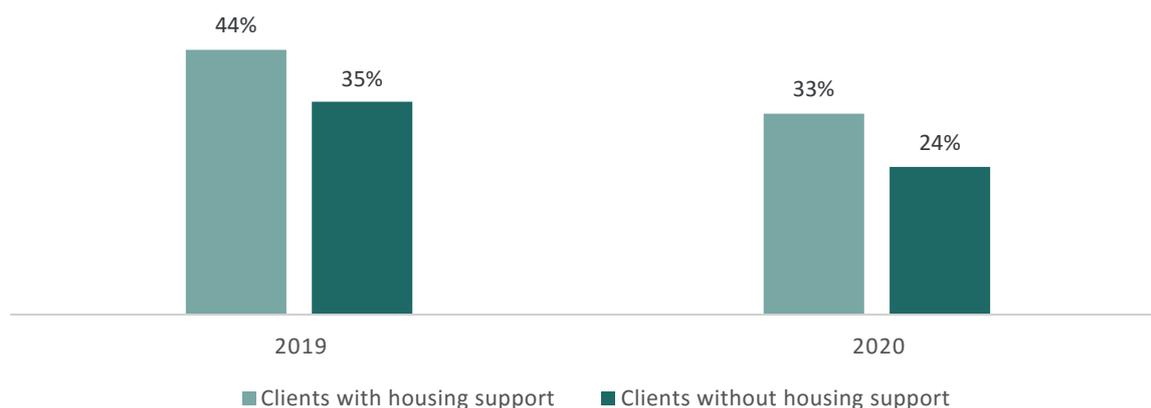
The validity of terminations was a common point of query, with 45% of all landlord-led termination queries received in 2019 and 2020 related to invalid notices.

The prevalence of tenant-led terminations rose over the study period. In 2019, less than 10% of the tenancy terminations flagged with Threshold were tenant-led. By 2020, this had increased to one-fifth of cases. This trend was largely driven by

- Younger clients (under 34 years) - accounting for over three-quarters of tenant-led terminations;
- Single clients - accounting for two-thirds of tenant-led terminations;
- Clients with no dependent children in the home - accounting for close to 90% of tenant-led terminations;
- Clients earning a wage/salary as their main source of income - accounting for three-quarters of tenant-led terminations; and
- Clients living in a city - accounting for over two-thirds of tenant-led terminations

This suggests that the increase in tenant-led terminations was largely driven by a desire of this group of renters to move to alternative accommodation during the pandemic as a result of the strict restrictions throughout 2020, and the remote working mandate that was in place for long durations.

### Prevalence of Tenancy Termination Queries for Threshold's Clients with and without Housing Supports, 2019 and 2020



Source: Threshold.

Although the proportion of queries relating to tenancy termination declined in 2020, across all tenure types, it remained the most prevalent issue facing clients. For those in receipt of a housing support, tenancy termination still accounted for approximately one-in-three queries made by Threshold's clients in 2020, compared to approximately one-in-four queries made by those in private rented or shared accommodation without housing supports.

<sup>93</sup> Daft.ie House Price Report Q3 2021

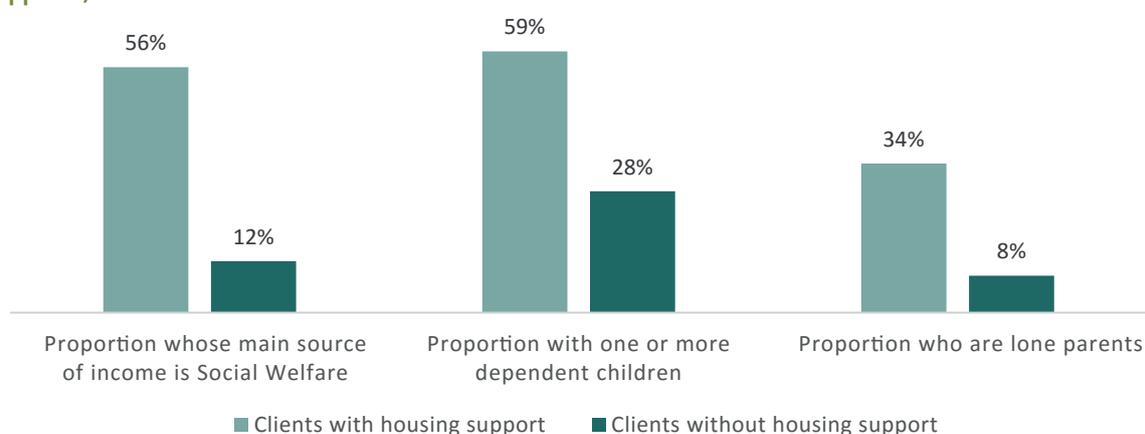
<sup>94</sup> RTB, Grounds to End a Tenancy

## 2. Rent Review/Increase

In 2019, rent review/increase was the second most prevalent issue amongst Threshold's clients, except for those in receipt of RAS. Across all groups, the prevalence of queries related to rent review/increase declined in 2020.

A more thorough review of this issue is presented in Section 5, however, the data presented here indicates that rent review/increase is a marginally greater issue for those in receipt of housing supports, compared to those who are not. Further interrogation of Threshold's client data indicates that this group are more likely to rely on a social welfare payment as their main source of income; are more likely to have one or more children in the home; and to be a lone parent. Given the challenges that these characteristics present, in terms of lower income levels and greater financial outgoings<sup>95</sup>, it is not surprising that this group of renters are more likely to seek advice and assistance for rent price increases.

### Profile of Threshold's Clients Seeking Advice on Rent Review/Increase, for Clients with and without Housing Supports, 2020



Source: Threshold.

Longstanding issues around rent 'top-ups' continue to impact housing support recipients, and have been exacerbated by ever increasing rental prices. In the context of the client profile reported above, the existence of 'top-ups' can pose significant challenges. Maximum monthly HAP rent limits have remained largely unchanged since July 2016, while national average rent levels have increased by more than 25%. Therefore, even modest increases in rent levels can have a significant impact on these tenants, with the average 'top-up' estimated to be €177.<sup>96</sup> The implications of this are discussed further in Sub-Section 5.3.

By comparison, clients who are not in receipt of any housing supports (i.e., in private rented or shared accommodation) and seeking advice on rent review/increase were more likely to be single, younger, with no children, and earning a salary/wage. Given the significant rise in queries relating to lease advice (+8%) and deposit retention (+3%) in 2020, it is likely that the decline in queries (-6%) relating to rent review/increase for this cohort is driven more by their desire to leave their tenancy (as discussed above), as opposed to a significant improvement in their ability to take on a rent increase.

Indeed, the prevalence of queries related to rent review/increase declined for all clients in 2020. While short-term Government initiatives around rent freezes may have influenced this trend it is likely that the rise of other issues such as advice on lease, standards and repairs, and deposit retention led to this trend.

<sup>95</sup> See Sub-Section 5.1 for a review of the existing literature and data regarding the increased vulnerability/exposure of certain groups of Threshold clients.

<sup>96</sup> Threshold (2020), Housing Assistance Payments: Opening statement to Joint Oireachtas Committee on Housing, Local Government and Heritage

### 3. Standards/Repairs

Queries relating to standards/repairs increased for all tenancy types in 2020. The issue was most prevalent amongst tenants in receipt of Rent Supplement, accounting for 16% of their queries. In fact, this issue was the second most common query made by Rent Supplement recipients in 2020, preceded only by queries relating to tenancy terminations. Across all tenancy types, the most common issues referenced with regards to standards/repairs included dampness/mould (22%), structural issues (18%), and heating issues (16%).

The Covid-19 pandemic impacted the number of on-site inspections taking place and this may be one reason for the rise in queries related to standards/repairs. In 2019, close to 41,000<sup>97</sup> local authority inspections were carried out on rental properties (c. 23,400<sup>98</sup> HAP inspections). This dropped to c. 24,300 in 2020 (c. 12,000 HAP inspections), with c. 1,400 virtual inspections taking place. With approximately 300,000 private tenancies<sup>99</sup> registered with the RTB, this represents an inspection rate of only 9% in 2020, compared to 14% in 2019.

## 4.3 The Main Issues Facing CISs Clients

CISs frontline information providers capture client data via their Housing, and Social Welfare categories. Queries relating to the private rented sector are categorised under three headings – those relating to private rented accommodation (captured by CISs Housing); HAP (captured by CISs Housing – Local Authority and Social Housing); and Rent Supplement (captured by CISs Social Welfare). As opposed to the Threshold data which captures if a client is in receipt of a specific housing support, queries captured by CISs, relating to HAP, or rent supplement, do not necessarily mean that the client is in receipt of either housing support.

In 2019, c. 92,000 housing-related queries were captured by CISs Housing (c. 87,300) and CISs Social Welfare. Local authority and social housing (including HAP) comprised almost 54% of housing queries received. In 2020, c. 62,700 housing-related queries were captured by CISs Housing (c. 57,600) and CISs Social Welfare.<sup>100</sup>

Of all the housing-related data collected by CISs, data pertaining only to the private rented sector (i.e., Private Rented Accommodation, HAP, and Rent Supplement) is included in this report. The analysis is therefore based on c. 35,900 queries received by CISs in 2019 and c. 26,600 queries received in 2020.<sup>101</sup>

#### CISs Renter Related Queries, 2019 and 2020

Queries	2019	2020
Renting a Home (Private Rented Accommodation)	13,000 (36%)	9,600 (36%)
HAP	18,100 (50%)	11,900 (45%)
Rent Supplement	4,800 (13%)	5,100 (19%)
<b>Total Renter-Related Queries</b>	<b>35,900</b>	<b>26,600</b>

Source: Citizens Information Board. Morley Economic Consulting calculations.

Note: May not sum due to rounding.

<sup>97</sup> Private Rental Inspections 2005-2020, Private Housing Market Statistics, Department of Housing, Local Government and Heritage

<sup>98</sup> Report of the Accounts of the Public Services 2020, Chapter 8, Oversight of the Housing Assistance Payment. Office of the Comptroller and Auditor General.

<sup>99</sup> As of Q4 2019. See RTB Private Tenancy Registration Statistics

<sup>100</sup> Decreases in the number of callers and related queries to CISs in 2020 and 2021 arose as a result of the closure of face-to-face services due to Covid-19 restrictions.

<sup>101</sup> See Appendix 2 for summary statistics.

HAP related cases accounted for 50% of private rented sector cases created by CISs in 2019. This fell by 5% in 2020. The proportion of queries received by CISs relating to Rent Supplement rose by 6% in 2020 while the proportion of queries relating to private rented accommodation remained unchanged between 2019 and 2020.

The main issues facing CISs clients are categorised based on query type i.e., whether they relate to Private Rented Accommodation; to the HAP housing support<sup>102</sup>; or to the Rent Supplement housing support.

The top three issues are presented and discussed here and a more comprehensive list of issues is included in Appendix 2.

A discussion follows based on the main issues presented.

### The Main Issues Facing CISs Clients, by Query Type, 2019 and 2020

	2019	2020
<b>Housing Assistance Payment</b>	<b>50%</b>	<b>45%</b>
1. HAP Eligibility/Administration	83%	86%
2. Rent Review/Rates/Limits	7%	3%
3. Employment/Education/Income	3%	2%
<b>Private Rented Accommodation</b>	<b>36%</b>	<b>36%</b>
1. Tenants' Rights and Obligations	21%	23%
2. Notice, Eviction, Disputes	21%	20%
3. Landlords' Rights and Obligations	16%	17%
<b>Rent Supplement</b>	<b>13%</b>	<b>19%</b>
1. Rent Supplement Eligibility/Administration	76%	90%
2. Rent Allowance	5%	1%
3. Rent Review/Rates/Limits	5%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: Citizens Information Board. Morley Economic Consulting calculations.

Note: 'HAP Administration' and 'Rent Supplement Administration' capture queries relating to information, securing accommodation, entitlement, qualification, eligibility, and application forms. These sub-headings also include miscellaneous queries where no other information is captured by CISs, other than that the query related to either HAP or Rent Supplement.

Note: Queries relating to HAP and Rent Supplement are based on representative samples. Issues are ranked based on 2019 data.

## 1. HAP and Rent Supplement Eligibility/Administration

The majority of queries received by CISs relate to HAP and Rent Supplement eligibility, access, and administration, with clients seeking information on qualification rules, eligibility for the respective housing supports, as well as advice on securing accommodation. In 2019, HAP and Rent Supplement administration related queries accounted for 83% and 76% of all housing queries sampled respectively.

In 2020 there was a notable increase in queries relating to both, with HAP eligibility/administration queries increasing by 3% and Rent Supplement Administration queries by 14% in the year.

<sup>102</sup> A representative sample of HAP and RS related queries was determined based on 95% Confidence Interval, a 5% Margin of Error and 50% Standard Deviation. The analysis of HAP queries is based on a representative sample of 377 client cases and 372 client cases in 2019 and 2020 respectively. Analysis of RS queries is based on a representative sample of 356 client and 357 clients in 2019 and 2020 respectively.

The significant rise in Rent Supplement eligibility/administration queries came on foot of Covid-19 related legislation to support private rented tenants encountering difficulties paying rent, and the increased flexibility in the qualifying rules and criteria.<sup>103</sup> In the 12 months since these social welfare changes were introduced over 12,500 private renters impacted by Covid-19 availed of Rent Supplement, with 8,316 still in receipt of payment as of March 2021.<sup>104</sup>

## 2. Tenancy Termination & Tenancy Agreement

CISs client data is captured in such a way that queries related to tenancy termination/agreement are captured under a number of different headings (outlined below). As such, a simple review of the above table fails to reveal the extent to which queries related to tenancy terminations and agreements are raised by clients. Here, all queries related to tenancy terminations and tenancy agreements are discussed, based on the various headings, and sub-headings, under which they are categorised by CISs advisors.

- **Tenants' and Landlords' Rights and Obligations**
  - Under the heading of 'tenants' rights and obligations', queries related to tenancy terminations and tenancy agreements accounted for 40% of queries in 2019. In 2020, this rose to 46%.  
  
This growth was largely driven by queries relating specifically to tenancy agreements. Additional data is limited, however, the increase may be linked to the increased prevalence of private renters seeking to end their tenancy in light of the strict Covid-19 restrictions throughout much of 2020. CISs SPRs show that one-in-four of the SPRs in 2020 related to third-level students wishing to vacate their rented accommodation due to Covid-19 restrictions. This trend was also demonstrated in Sub-Section 4.2 for Threshold's clients. Similar to Threshold's client data, CISs queries specifically related to tenancy terminations fell in 2020.
  - Under the heading of 'landlords' rights and obligations', a similar trend emerges. Tenancy agreements accounted for 20% of queries in 2020, compared to only 6% in 2019. Queries related to tenancy termination also recorded a decline in 2020. The reasons for these trends are assumed to be similar to above, with CISs clients possibly looking to confirm the rights and obligations of their landlord with respect to tenant-led terminations.
- **Notice, Evictions, Disputes**
  - Under this heading queries related to termination notices, and tenancy terminations/agreements accounted for just over two-thirds of queries in 2019. This dropped to less than half of queries received in 2020. The considerable decline may be linked to (i) the limited face-to-face clinics that could be conducted during the height of the pandemic, which reduced overall caller numbers or (ii) the various tenancy protections that were introduced in 2020 during the pandemic. This trend is also reflected in the Threshold data.

## 3. Rent Review/Increase

As above, queries related to rent review/rates/limits are captured under several different headings but the issue is clearly an important one for CISs clients. Below, this issue is discussed, as it related to CISs clients, under the various headings, and sub-headings, by which it is categorised by CISs advisors.

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<sup>103</sup> See CitizensInformation.ie for more detail.

<sup>104</sup> See Department of Social Protection.

- **Tenants' and Landlords' Rights and Obligations**
  - Under this heading, rent review/increase accounted for 18% of the issues brought to CISs in 2019. This dropped in 2020 to only 3% of queries and reflects a similar trend observed for Threshold's clients in Sub-Section 4.2.
  - Enquiries about 'landlords' rights and obligations' in relation to rent reviews/increases/issues stood at 12% in 2019, dropping to 8% in 2020.
  - The fall in rent review/increase queries is more likely as a result of the significant rise in other issues during the pandemic e.g., 'Covid-19' (+13%), 'notice, eviction, dispute' (+8%) and 'dispute with landlord' (+9%), rather than an improved ability for CISs clients to bear a rent increase.
- **Rent Review**
  - Under this heading, rent increases accounted for approximately two-thirds of queries in 2019 dropping to half of queries in 2020.
  - Queries on rent reviews in RPZs rose from 14% in 2019, to 30% in 2020. This was primarily driven by an increase in clients seeking 'information', rather than 'advice/assistance', on how rent increases apply in RPZs, from one-third of cases in 2019, to half in 2020.
- **Rent Review/Rates/Limits**
  - Queries captured under this heading relate to the HAP and Rent Supplement categories. Issues relating to the HAP rent limits and the implication for HAP 'top-ups' from rent increases were the most prevalent.

#### 4. Employment/Education/Income Changes

Generally, queries that fall under this heading relate to how tenants' rights, in relation to housing supports, may be impacted by a change in employment/income, or a return to education. The types of query received by CISs include

- **HAP Category**
  - The impact of an increase/decrease in income.
  - The impact of starting a new job, or becoming self employed.
  - Income cap and means test.
- **Rent Supplement Category**
  - The impact of working more than 30 hours per week.
  - The impact of attending full-time or part-time education.
  - The impact of gaining/losing employment.

In 2020, 3% of the HAP related queries related to changing circumstances, an increase of just 1% on 2019. The rate of increase is low compared to what one might expect as a result of the Covid-19 pandemic. It may be the case that this query heading captures only a fraction of the cases of clients impacted by the pandemic. Similar information may potentially be captured under alternative headings e.g., 'Covid-19'/Housing or 'HAP Eligibility/Administration', which includes a significant number of miscellaneous queries.

## 4.4 Concluding Remarks

This Section has presented the main issues facing Threshold's and CISs clients living in the private rented sector. The similarities in the findings between the Threshold and CISs data demonstrates the extent to which clients are impacted by two very important issues – that of tenancy termination and rent review/increase.

The findings have significant implications in the context of the current rental market as they present evidence related to security of tenure and affordability. As demonstrated in Sub-Section 3.1, the private rented sector is currently characterised as one with chronically low supply levels and the highest rental prices in recent decades. Considering this, these findings are not wholly surprising.

The findings also highlight that certain cohorts of clients have a greater exposure to certain issues. For example, Threshold's clients in receipt of housing supports appear more likely to seek advice for a tenancy termination. Since this group of renters tend to be in receipt of social welfare, and to have one or more children in the home, the threat of tenancy termination would be particularly challenging given the current rental market.

Due to the nature of the HAP scheme in particular, and the permitted 'contributions' to the local authority, and further 'top-up' payments, in certain situations, to the landlord, both datasets also illustrate the extent to which clients in receipt of housing supports are negatively exposed to rental increases and are bearing hidden additional housing costs.

A client facing a landlord-led tenancy termination or a rise in their rent will likely have few alternative options available to them, with limited supply in the market, and market rents in excess of what many renters can afford. It will take a number of years to address supply and affordability to any meaningful extent. Therefore, interim measures, as addressed in Section 3, including Threshold's and CIB's calls for tenancies of indefinite duration, and revision of the HAP rent limits, will clearly be required to ensure security of tenure for renters, and improved affordability in the short-term.

The next section of the report presents a deeper analysis of how the issues identified here impact certain groups of renters who are potentially more exposed to the various disruptions, and high costs, inherent in the private rented sector.

# 5. The Impact of Issues on Vulnerable Clients

## 5.1 Identifying Socially and Financially Exposed Clients

This Section of the report examines the second component of the research question –the impact of issues such as tenancy termination and rent review/increase on clients who may be more exposed, either socially or financially, to aspects of the private rented sector.

By the very nature of the service provided by Threshold and CIB services, the private renters who reach out to them for advice and support are assumed to already be in a difficult situation. However, there are certain client groups who may be more exposed to, or without the social and financial capital to withstand, the disruptions or high costs which are inherent in the private rented sector. Therefore, this part of the study subdivides the available data into cohorts according to certain social and economic characteristics that are deemed to leave a client more exposed to changes in their rented circumstances.<sup>105</sup>

The CSO's Survey on Income and Living Conditions (SILC)<sup>106</sup> dataset provides a profile of the population at risk of poverty, experiencing deprivation, and in consistent poverty by demographic characteristics. In 2019, the majority of those living below the poverty line<sup>107</sup> (61%), experiencing deprivation<sup>108</sup> (60%) and experiencing consistent poverty (78%) were living in rented (or rent free) accommodation.

Based on data availability, existing literature, a review of SILC data, and stakeholder consultations with Threshold, CISs and MABS advisors, the following client groups were identified as being potentially more vulnerable (financially and otherwise) compared to the average renter in the market.<sup>109</sup>

### 1. Clients with one or more dependent children

The proportion of households with dependent children living in private rented accommodation grew significantly between Census 2011 and Census 2016.<sup>110</sup> In the five-year period, the number of children under the age of 18 years living in private rented accommodation rose by 19%. The growth was principally amongst primary school children, aged 5-12 years, growing 33% between 2011 and 2016. According to research from Focus Ireland<sup>111</sup>, the majority of homeless families in Dublin (58% of whom became homeless as a direct consequence of issues in the private rented home) had one or two children (69%), 16% had three children, and 14% of families had four or more children. While couples and two parent families have a lower risk of affordability issues because of the household's pooled income<sup>112</sup>, families with dependent children are likely to experience greater financial outgoings which may impact the proportion of income which can be ringfenced for rent.

<sup>105</sup> The six vulnerable cohorts primarily informed by Threshold's data account for c. 90% of Threshold's total client data in 2019 and 2020. For example, one cohort not included in this section of the analysis is 'couples with no dependent children, earning a salary/wage, under the age of 66 years, and not in receipt of housing support'. The issues facing this cohort, and the risk of homelessness, is similar to that of the single cohort.

<sup>106</sup> CSO, Survey on Income and Living Conditions (SILC) 2019

<sup>107</sup> Including all social transfers, 60% median income threshold.

<sup>108</sup> Experienced two or more types of enforced deprivation.

<sup>109</sup> See Appendix 6 for group Summary Statistics.

<sup>110</sup> Census 2016, Profile 3 - An Age Profile of Ireland. CSO

<sup>111</sup> Long, A. E., S. Sheridan, L. Gambi and D. Hoey (2019), Family Homelessness in Dublin: Causes, Housing Histories, and Finding a Home, Insights into Family Homelessness Series, Vol 2, No. 1, Focus Ireland

<sup>112</sup> Russell, H., I. Privalko, F. McGinnity and S. Enright (2021), Monitoring Adequate Housing in Ireland, ESRI and Irish Human Rights and Equality Commission (IHREC)

According to ESRI<sup>113</sup> SILC data analysis, lone parent families are at a higher risk of experiencing poverty and basic deprivation, and experience difficulties in achieving a satisfactory standard of living due to barriers to labour market participation. Census 2016 shows that 44% of lone parents are living in public or private rented accommodation. Housing affordability is also a critical issue with 45% of lone parents reporting a heavy financial burden associated with housing costs, as opposed to 30% for two-parent families.<sup>114</sup>

## 2. Single Clients, with no dependents, earning a salary/wage, and not in receipt of housing supports

This group of renters faces numerous challenges in the private rented sector. Through consultation with Threshold and CIs/MABS advisors, it became clear that single people tend not to be aware of the range of entitlements available to them, and struggle to find suitable accommodation that does not involve house sharing. This is particularly the case for older clients in this cohort. Where HAP or Rent Supplement has been secured it is generally insufficient to secure accommodation for single tenants and thus there is a dependence on shared accommodation.<sup>115</sup> Single people are also disproportionately represented in homelessness data with 'single adult homelessness' increasing by almost 10% during 2020, while 'family homelessness' fell by well over a third over the same period.<sup>116</sup> A 2018 IHREC report<sup>117</sup> concluded that when it comes to housing discrimination (owner-occupied, private renters and local authority housing) single people without children are 1.5 times more likely to report discrimination than couples without children.

## 3. Clients aged 66+ years

The number of older renters increased by 17% between Census 2011 and 2016.<sup>118</sup> Amongst this cohort, an additional 21% were renting from a local authority in 2016 compared to 2011. The problems faced by older people in private rented accommodation include concerns that their fixed income (pension) will not cover rising rental costs. MABS supports older people who are experiencing indebtedness and arrears in relation to housing costs. However, MABS has identified that uncertainty around future income for older people has made it very difficult to put in place a long-term plan to finance accommodation related expenses.<sup>119</sup> Ireland's state pension is currently designed to 'cover the cost of living, but not living costs', due to the assumption that the recipient has no mortgage, rent or other housing debt to be covered by the pension payment.<sup>120</sup> In 2021, just under 50% of tenants aged 65 years or older were spending more than 35% of their disposable income on rent.<sup>121</sup>

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<sup>113</sup> Watson, D., B. Maitre, C. T. Whelan and H. Russell (2016), Social Risk and Social Class Patterns in Poverty and Quality of Life in Ireland, 2004-2013, Department of Social Protection and the ESRI and Roantree B., B. Maitre, A. McTague and I. Privalko (2021), Poverty, Income Inequality and Living Standards in Ireland, The Community Foundation of Ireland and the ESRI

<sup>114</sup> SVP (March 2019), Working, Parenting and Struggling? An Analysis of the Employment and Living Conditions of One Parent Families in Ireland

<sup>115</sup> Threshold, 'Housing for All' Submission 2021

<sup>116</sup> Reidy, A. and M. Allen (2021), Single Adult Homelessness Continues to Rise Despite Pandemic Decrease, Focus Ireland

<sup>117</sup> Grotti, R., H. Russell, É. Fahey and B. Maitre (June 2018), Discrimination and Inequality in Housing in Ireland, Irish Human Rights and Equality Commission and ESRI

<sup>118</sup> Census 2016, Profile 3 - An Age Profile of Ireland. CSO

<sup>119</sup> Addressing Citizens' Concern on Adequacy of Income, Debt and Money Advice, CIB Pre Budget Submission 2022

<sup>120</sup> Amárach Research, R. Lyons, L. Sirr and Innovation Ireland (2016), Housing for Older People - Thinking Ahead, Ireland Smart Aging Exchange and the Housing Agency

<sup>121</sup> The Rental Sector in Ireland 2021, CSO

#### 4. Clients in receipt of housing support i.e., HAP, Homeless HAP, Rent Supplement and RAS

Although the Equal Status Acts 2000-2018 makes it unlawful to discriminate against someone in receipt of a housing support, 2019 research established that the two biggest obstacles facing people eligible for a housing support are (i) finding a suitable property within HAP rent limits and (ii) finding a landlord willing to accept HAP.<sup>122</sup> The majority of private renters who reported HAP and Rent Supplement discrimination to Threshold in 2020 were already living in the property – accounting for 69% of the cases. Just under one-third of new and prospective tenants also faced discrimination when searching for accommodation.<sup>123</sup> Housing support discrimination, aligned with inadequate HAP rent limits, and a cumbersome administrative process, can make sourcing accommodation challenging for this cohort of renters.

#### 5. Clients whose main source of income is social welfare

In 2019, social welfare (excluding pensions) was the primary source of income for 21% of renters.<sup>124</sup> Research has shown that unemployed people, students, and especially inactive<sup>125</sup> people report higher levels of housing discrimination compared to employed people. Across a range of equality groups (e.g., lone parents, non-Irish, people with a disability etc.) the rate of housing discrimination reported is reduced when employment is controlled for.<sup>126</sup> Tenants in receipt of social welfare may therefore find it difficult to secure private rented accommodation as some landlords may be unwilling to rent to people not earning a salary/wage.

#### 6. Clients who are in licence agreements

Examples of licence agreements include where an individual resides in the same dwelling as their landlord or in a dwelling with the permission of an existing tenant. A licence grants permission to occupy a premises but falls short of granting exclusive occupation or possession of the premises. Under such agreements tenancies do not need to be registered with the RTB; minimum standards may not apply; and there is no strict requirement for a rent book or minimum notice periods. Such tenants are vulnerable in that they currently have few rights or recourse to justice.<sup>127</sup>

#### 7. Clients with a disability or long-term sickness

The proportion of people with disabilities living in private rented accommodation increased by 13% between Census 2011 and 2016.<sup>128</sup> Those self-reporting as being in bad or very bad health and living in the private rented sector rose by 13%. In total, as of Census 2016 there were c. 97,000 people either with a disability, or in bad health, living in the private rented sector. According to SILC 2019, individuals who were not at work due to illness or disability were most at risk of poverty in 2019. They were also most at risk of experiencing two or more types of enforced deprivation, and second only to unemployed people to be living in consistent

<sup>122</sup> Threshold (July 2021), HAP and Rent Supplement Discrimination - Discrimination cases identified by Threshold in 2020

<sup>123</sup> Threshold (July 2021), HAP and Rent Supplement Discrimination - Discrimination cases identified by Threshold in 2020

<sup>124</sup> The Rental Sector in Ireland 2021, CSO

<sup>125</sup> Persons aged 15 years or over are classified as not being in the labour force (inactive) if they do not satisfy the International Labour Office (ILO) criteria for being classified as being employed or unemployed.

<sup>126</sup> Grotti, R., H. Russell, É. Fahey and B. Maitre (June 2018), Discrimination and Inequality in Housing in Ireland, Irish Human Rights and Equality Commission and ESRI

<sup>127</sup> Threshold, 'Housing for All' Submission 2021

<sup>128</sup> Census 2016, Profile 9 - Health, Disability and Carers, CSO

poverty.<sup>129</sup> Households with a 'disability related need for housing' have been found to be less likely to live in private rented accommodation (10%), compared to households without a disability (18%)<sup>130</sup> potentially due to (i) the unsuitability of private rented housing for people with a disability or (ii) discrimination in the private rented sector.<sup>131</sup>

## 8. Clients who are non-Irish

A 2021 study of the experiences of tenants during the Covid-19 pandemic found visa status was an important factor in migrants' access to housing, the quality of their accommodation, and security of tenure. Non-Irish nationals are also more likely to be employed in low paying jobs with the incidence of minimum wage just over twice that of Irish employees, leaving them more likely to be at risk of poverty.<sup>133</sup> The overreliance of non-Irish people on the private rented sector (48%)<sup>134</sup> compared to those born in Ireland (9%) also leaves them more exposed to the uncertainty of living in rented accommodation and at risk of homelessness. A 2018 report found that while non-Irish nationals make up c. 12% of the population (Census 2016), they made up 33% of those experiencing homelessness in 2017.<sup>135</sup>

Note that the data is constructed in such a way that the overlapping of vulnerable groups is possible, and unavoidable. For example, it is possible that a client who has dependent children in the home may also be included in the group of clients in receipt of a housing support, and in the group of clients whose main source of income is social welfare. The intention of this exercise is to determine how these various social and economic attributes affect a client living in private rented accommodation, rather than to make explicit comparisons between group.

The remainder of this Section presents the impact of tenancy termination (Sub-Section 5.2) and rent review/increase (Sub-Section 5.3) on vulnerable groups one through five. The impact of issues on clients in a licence agreement, with disabilities, and non-Irish clients is presented separately in Sub-Section 5.4 for the following reasons:

- Clients in a licence agreement have limited rights or recourse to justice and are considered particularly vulnerable to the disruptions and/or high costs which are prevalent in the private rented sector. Since their experience of the rental sector is inherently different to those groups protected under the Residential Tenancies Act, the findings from this part of the analysis are presented separately. Threshold client data is used to inform their situation.
- The issues impacting clients with disabilities and non-Irish clients are predominantly informed by CISs client data. CISs data is unique in that it captures the nationality and country of origin of its clients. Similarly, the CISs SPRs capture limited information on whether a client, or a family member, has a disability or long-term illness. Threshold also captures limited data on the type of social welfare payment (i.e., disability/illness benefit and carer's allowance) received by clients. These findings are discussed separately to facilitate the difference in the type of data being presented.

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<sup>129</sup> CSO, Survey on Income and Living Conditions (SILC) 2019

<sup>130</sup> Grotti, R., H. Russell, É. Fahey and B. Maitre (June 2018), Discrimination and Inequality in Housing in Ireland, Irish Human Rights and Equality Commission and ESRI

<sup>131</sup> Kenny, O. (2021), Analysis of Households with a Disability Basis of Need for Social Housing, prepared on behalf of the Housing Agency

<sup>132</sup> Byrne, M. and J. Sassi (2021), Experiences of 'Home' in the Irish Private Rental Sector: A Qualitative Research Study of the Experiences of Tenants During the Covid-19 Pandemic, UCD Geary Institute for Public Policy Discussion Paper Series

<sup>133</sup> Maitre, B., S. McGuinness and P. Redmond (2017), A Study of Minimum Wage Employment in Ireland: The Role of Worker, Household and Job Characteristics, The Low Pay Commission and ESRI

<sup>134</sup> Maitre, B., S. McGuinness and P. Redmond (2017), A Study of Minimum Wage Employment in Ireland: The Role of Worker, Household and Job Characteristics, The Low Pay Commission and ESRI

<sup>135</sup> Morrin, H. and B. O'Donoghue Hynes (April 2018), A Report on the 2016 and 2017 Families who Experienced Homelessness in the Dublin Region, Dublin Region Homeless Executive

## 5.2 Tenancy Termination

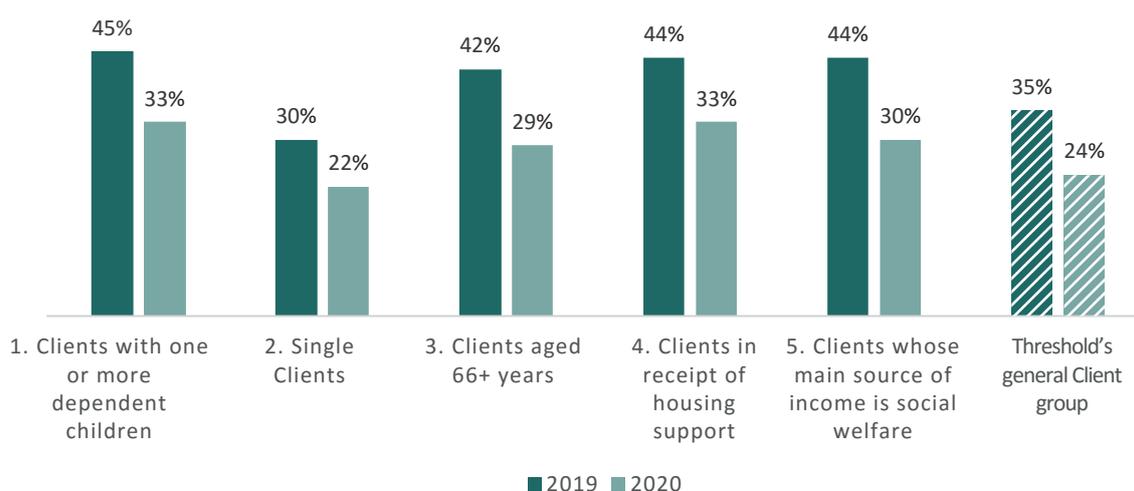
Landlord- and tenant-led tenancy termination was found to be the number one issue facing Threshold’s clients in 2019 and 2020. In both years, across all tenancy types (i.e., renters with and without housing supports), tenancy termination accounted for a third of all cases created by Threshold. For CISs clients, the data shows that tenancy termination was also a prominent issue with over half of all queries<sup>136</sup> relating to the matter.

Given the prominence of the issue amongst clients in general, this Sub-Section delves further into how certain vulnerable cohorts are potentially impacted by tenancy terminations, particularly landlord-led terminations. Where data is available, the extent to which vulnerable client groups are impacted by the issue is examined; commonalities are identified to try to explain the prevalence of the issue amongst groups; and the extent to which groups are put at risk of homelessness as a result of the issue is reviewed.

### 5.2.1 The Profile of Vulnerable Cohorts Impacted by Tenancy Terminations

The prevalence of queries relating to landlord-led and tenant-led tenancy termination is broadly similar across four of the five vulnerable cohorts for which data is available.

#### Proportion of Queries Relating to Tenancy Termination, by Vulnerable Client Type, 2019 and 2020



Source: Threshold. Morley Economic Consulting calculations.

Note: Includes queries related to both landlord- and tenant-led tenancy terminations.

For comparison, tenancy termination accounted for 35% and 24% of all queries made by Threshold’s general client group in 2019 and 2020 respectively. The proportion of cases relating to tenancy termination declined in 2020 for all vulnerable groups, possibly linked to the various pandemic related policies introduced in 2020 and a reduction in the overall number of queries received during the year.

There is a significant distinction in the prevalence of the issue for single clients compared to the other vulnerable client groups, indicating that the experience of single clients may be implicitly different.

One explanation for the difference may be that single clients face a greater range of challenges for which they seek advice and support. In 2019, for example, the top five issues accounted for 67% of all queries received by Threshold from this group of renters. This compares to an average of 77% for each of the other vulnerable groups. This indicates that, pre-Covid, single renters faced a greater range of issues compared to the other

<sup>136</sup> Queries received by CISs Housing under the heading of 'private rented accommodation'.

cohorts and may be one reason for the disparity identified in the figure above. The clear distinction is not as evident in 2020 but the data does show that all groups faced a greater range of issues during the pandemic, with the top five issues only accounting for c. 65% of all queries.

On average, across 2019 and 2020, the vulnerable cohorts for which tenancy termination made up over one-third of cases were more likely to

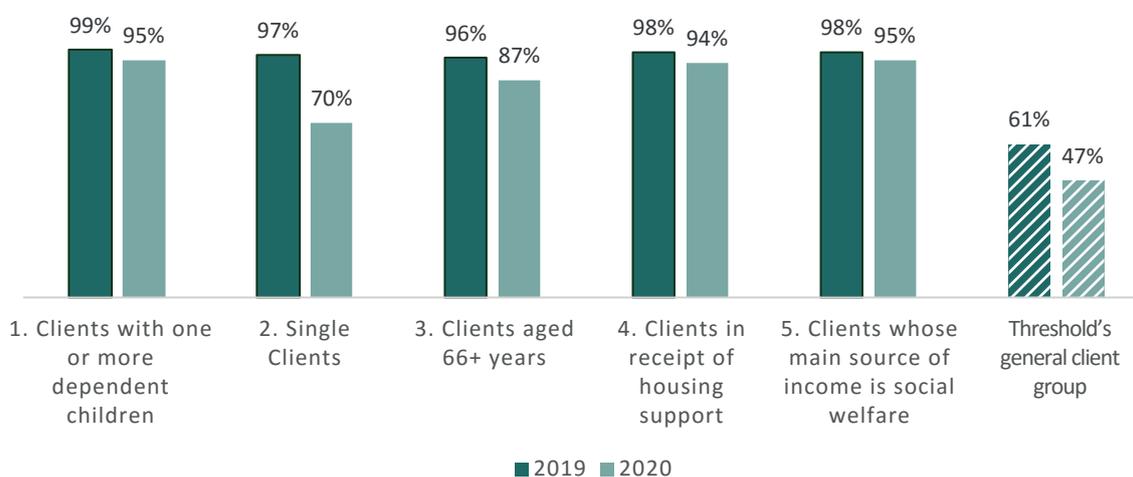
- Have one or more dependent children,
- Be aged 35+ years, and
- Be in receipt of a social welfare payment or a housing support.

This compares to single clients who tend to be younger, aged 25-34 years and who, by definition (for the purposes of this study), have no children, and are not in receipt of a social welfare payment or housing support.

Alternatively, it may be hypothesised that single renters may have greater options available to them, either by choice or necessity, if they were to lose, or leave, their tenancy e.g., to find alternative accommodation with family or friends. Meanwhile cohorts one, three, four, and five may have fewer options in the current rental market due to the various constraints associated with dependent children, fixed income, and housing supports, thus turning to Threshold and CISs for support.

Despite the variation in prevalence across cohorts, the risk of homelessness is broadly similar, particularly in 2019.<sup>137</sup> Compared to the average client contacting Threshold over the study period, 60% of whom were considered at risk of homelessness, vulnerable cohorts seeking advice in relation to tenancy termination face the very real and concerning threat of becoming homeless.

### Risk of Homelessness for Clients Seeking Advice on Tenancy Termination, by Vulnerable Client Type, 2019 and 2020



Source: Threshold. Morley Economic Consulting calculations.

Note: Includes queries related to both landlord- and tenant-led tenancy terminations.

Reflecting the important work of Threshold and CISs, Threshold were in a position to prevent homelessness in approximately two-thirds of cases relating to tenancy termination in 2019 and 2020. This was primarily achieved through re-housing (over 50% of cases) or through protecting the client's current tenancy (c. one-third of successful cases). For the remaining one-third of cases where Threshold was unable to prevent homelessness, approximately half of the vulnerable clients entered homelessness. Older clients, aged 66+ years were even more likely to be supported in this respect with homelessness prevented for c. 80% of clients impacted by tenancy termination.

<sup>137</sup> See Sub-Section 5.2.2 for further explanation of the reduced risk of homelessness for single clients in 2020.

## Box 1: The Prevalence of Tenancy Termination for Those in Receipt of Housing Supports

The concerns relating to tenancy termination can be particularly heightened for those tenants in receipt of housing supports, especially HAP. Under the Equal Status Acts 2000-2018 a landlord is prohibited from discriminating, directly or indirectly, if a person seeking accommodation is in receipt of Rent Supplement or HAP, or if a sitting tenant needs to avail of either support. In spite of this, data suggests that discrimination still exists in the market.

The CIS SPRs created in 2019 and 2020 relating to landlords unwilling to accept HAP tenancies, demonstrate two primary forms of discrimination. In the first instance there is the issue of long-term tenants reporting difficulty with their landlord accepting their change in circumstances and requirement for housing support. A recent study from Threshold found that 85% of landlords and agents involved in discrimination refused outright to accept HAP or Rent Supplement.<sup>1</sup> The sentiment that tenants are afraid that their landlord will not accept HAP was echoed by stakeholders. In the second instance, there is the issue of clients unable to find accommodation that will accept HAP in the first place.

There are multiple cases of landlords refusing to accept and sign the required documentation to facilitate a tenant's HAP application. In this situation, the tenant is left either (i) being unable to afford to rent without the housing support, or (ii) losing their tenancy if their landlord is unwilling to accept HAP. This is evidenced in the data with one CIS client, in receipt of disability allowance of c. €370 a week, forced to pay full rent of €800 a month as their landlord refused to sign the relevant forms for housing support.

In other instances, landlords have threatened to evict long-term tenants. In one SPR case, a tenant needed to transfer from Rent Supplement to HAP but their

*"landlord refused to sign the HAP form and asked the tenant to leave the house."*

In another, a client stated that their landlord of four years was increasing the rent and refusing to accept HAP. The landlord had

*"asked [the tenant] to leave, stating he is selling the property."*

While another client stated that their landlord refused to sign HAP form and

*"the following week the landlord gave the client 120 days notice to quit."*

In addition to the issues of supply and affordability faced by all renters, tenants in receipt of housing support face the added challenge of finding accommodation (i) within the permitted rent limits and (ii) where housing supports are accepted. A 2019 Focus Ireland<sup>2</sup> survey found that the majority of families (61%) trying to exit homelessness had applied to over 20 properties through HAP again illustrating the difficulties in sourcing and securing 'HAP-friendly' accommodation.

<sup>1</sup> Threshold (July 2021), HAP and Rent Supplement Discrimination - Discrimination Cases Identified by Threshold in 2020

<sup>2</sup> Long, A. E., S. Sheridan, L. Gambi and d. Hoey (2019), Family Homelessness in Dublin: Causes, Housing Histories, and Finding a Home, Focus Ireland Research Briefing No. 1

## 5.2.2 The Type of Tenancy Termination

The type of termination that occurs, either landlord-led or tenant-led, is an important factor in explaining the prevalence of tenancy termination queries for certain vulnerable groups. Across 2019 and 2020, the prevalence of landlord-led terminations for cohorts one, three, four, and five was close to 100%.

For these same client cohorts, landlord-led terminations were to facilitate the sale of the property or for the landlord, or family members, to move into the property, in approximately two-thirds of cases. The issue of landlord-led 'no-fault' termination is particularly challenging in a market where affordable rental supply is low and rental prices are high.

CISs data highlights the impact that landlord-led termination notices can have on tenants. In one instance, a family on the social housing list was issued with a termination notice and were unable to secure alternative accommodation. The family was

*"facing homelessness due to lack of suitable alternative affordable accommodation in the market."*

Another couple who received an eviction notice were

*"not entitled to housing supports as income [was] slightly over the threshold. The couple cannot afford current rents and are concerned about becoming homeless."*

A 2019 Focus Ireland<sup>139</sup> report found that 68% of homeless families in Dublin reported their last stable home as being in the private rented sector, with just over one-third of these becoming homeless because their rental property had been removed from the market (e.g., landlord selling). Unsurprisingly, the risk of homelessness increases for all cohorts facing a landlord-led termination. For example, 98% of the single cohort querying a landlord-led termination in 2020 were considered at risk of homelessness by Threshold's advisors, compared to 70% across both termination types.

The single cohort was most likely to seek advice on tenant-led terminations, compared to other vulnerable groups, with the prevalence of queries increasing from 8% in 2019 to 36% in 2020. Similar to the trends identified in Sub-Section 4.2, this cohort's main source of income is wage/salary; the majority of clients are aged 18 – 34 years; and live in Dublin City, Cork City, or Galway City. It is likely therefore that the increase in tenant-led terminations was driven by a desire for this cohort of renters to move to alternative accommodation during the pandemic. Indeed, for each of the vulnerable cohorts, the data suggests that tenants were more inclined to initiate termination of their tenancy in 2020, compared to 2019 but this trend was most pronounced for single cohorts. It is important to note, however, that despite this trend in rising tenant-led terminations in 2020, the majority of queries related to tenancy terminations, for all cohorts, were landlord-led.

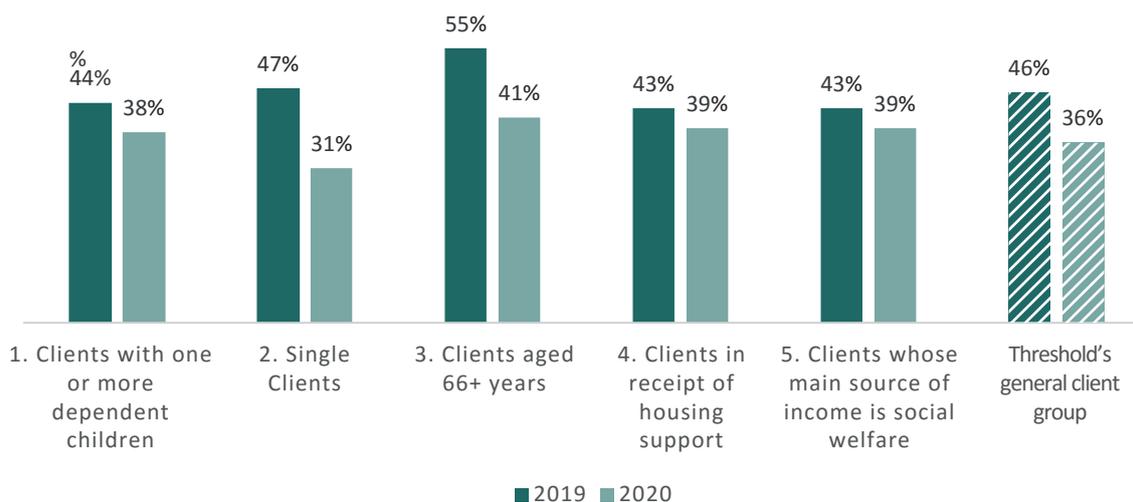
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<sup>139</sup> Long, A. E., S. Sheridan, L. Gambi and d. Hoey (2019), Family Homelessness in Dublin: Causes, Housing Histories, and Finding a Home, Focus Ireland Research Briefing No. 1

### 5.2.3 The Validity of Tenancy Terminations

The issue of invalid notices of termination appears to be a significant one amongst all vulnerable cohorts, particularly those aged 66+ years. The reasoning for this is unclear from the data but the result is broadly similar for the average Threshold client (i.e., approximately four-in-ten notices of termination were invalid) and indicates that this problem is common across the board.

#### Proportion of Invalid Notices of Tenancy Termination, by Vulnerable Client Type, 2019 and 2020



Source: Threshold. Morley Economic Consulting calculations.

There are a number of reasons why a notice of termination may be invalid. In some cases, it may be an administrative error on behalf of the landlord or the incorrect method was used (e.g., verbal rather than in writing). CISs data demonstrates this, for example, a CISs information provider

*"...Reviewed notice but it is invalid as landlord failed to include certain required information on same."*

Other reasons include incorrect notice periods -

*"Client had been given notice to terminate their tenancy... They were not given the proper notice and there was no statutory declaration included with the notice."*



## Case Study 1: Invalid Notice of Termination

Eileen was renting her home for almost 15 years when the landlord tried to increase the rent. Eileen was receiving rent supplement to cover the rent and couldn't afford the rent increase. The Threshold advisor identified that the rent review was invalid. When Eileen challenged the landlord, he issued her a notice of termination. This too was invalid, and Threshold supported Eileen to take a case to the RTB.

The landlord then withdrew both the notice of rent increase and the notice of termination. But then issued a valid notice of termination, stating the property was to be sold. Eileen was unable to find anywhere else to live and had to enter homeless accommodation before securing a home with a housing association. However, some months later Eileen saw the landlord had advertised the property for rent at a much higher rent. Threshold supported her to lodge a dispute with the RTB who found the landlord to be in breach and made an award in her favour.

Source: Threshold.

### 5.2.4 Concluding Remarks

Single clients<sup>140</sup>, compared to other vulnerable cohorts, emerge as an apparent outlier in terms of their experience of **tenancy terminations**. The data indicates that the cohort are less likely to seek advice for 'tenancy termination' queries in both 2019 and 2020. Considering the noted challenges facing single renters in private rented accommodation in general, there are likely underlying factors at play here. The analysis does show that this cohort is more likely to face a wider range of issues, and this may explain the low prevalence. It may also be hypothesised that, compared to other vulnerable cohorts - who are more likely to have children in the home, be older, and be in receipt of housing support - single clients may be more flexible in meeting their housing needs i.e., they may be willing to accept unsuitable housing; may opt for house shares; may have the opportunity to stay with family or friends temporarily; and are less likely to be discriminated against. The risk of homelessness amongst the cohorts seeking advice on tenancy termination is broadly similar, despite the differences in prevalence. Further analysis, beyond the means of this project, would greatly enhance knowledge in this regard.

The analysis also highlights the challenges faced by those cohorts who have children in the home, are in receipt of social welfare or a pension, and/or housing support. The findings presented clearly demonstrate the vulnerability of these cohorts with regard to tenancy termination, by the fact that they are more likely to face a landlord-led termination, invalid notices of termination, and the threat of homelessness in 2020.

Security of tenure remains a prominent concern for the majority of renters contacting Threshold and CISs. For vulnerable cohorts, in particular, the exposure to a landlord's decision to sell, or use the property for personal use can result in significant stress and concern. Policy reform in recent years appears not to have gone far enough in terms of strengthening tenants security, with evidence of tenants worried to question landlords with respect to standards, rent increases etc., for fear of eviction.<sup>141</sup>

<sup>140</sup> Defined in this research project as having no dependents, earning a salary/wage, and not in receipt of housing supports

<sup>141</sup> Byrne, M. and R. McArdle (2020), Security and Agency in the Irish Private Rental Sector, Threshold

## 5.3 Rent Review/Increase

Rising rental prices have created a challenging situation for renters in private rented accommodation. Average rents have increased nationally by close to 80% over the past 10 years which has had a direct knock-on effect on affordability for renters.<sup>142</sup> This is reflected in Section 4 of the report with issues pertaining to rent review/increase amongst the most commonly received by Threshold and CIB. The impact of a rent review/increase can be multifold and this Section analyses this in the context of vulnerable client cohorts.

### 5.3.1 The Profile of Vulnerable Cohorts Impacted by Rent Review/Increase

The prevalence of queries relating to rent review/increase is broadly similar amongst cohorts. Focusing on 2019 (as the baseline), clients aged 66+ years were most likely to contact Threshold for assistance. The reason for this is evident when the profile of this cohort is considered -

- More than two-thirds of the cohort are not in receipt of any housing support,
- A pension payment is the main source of income for close to three-quarters of the cohort, and
- Close to 90% are single i.e., a single income household.

All of this goes to show that, in the current rental market, this cohort will find any rent review/increase challenging. As outlined in Section 5.1, pensions, in their current form, do not account for 'living costs' and, as a result, half of all renters aged 65+ years are now spending over 35% of their disposable income on rent.

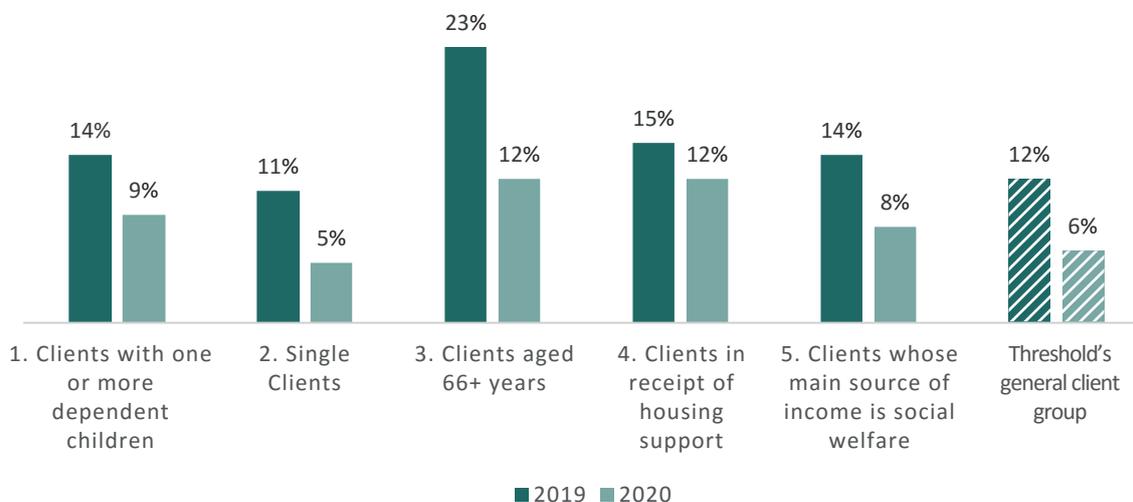
By comparison the low prevalence of queries relating to rent review/increase for single clients is likely linked to the fact that they, by definition for the purposes of this study, have no dependent children and earn a salary/wage, and thus may be in a stronger position to carry the burden of a valid increase in rent. The theory posited in Section 5.2.1 also holds here, in that the single cohort appears to face a broader range of issues, thus diluting the prevalence of all queries received by Threshold.

Cohorts one, four and five all record a similar prevalence in 2019 and 2020. What distinguishes these groups from single or older cohorts is that they are more likely to be lone parents (c. four in every 10 clients in each of the three cohorts); to be in receipt of social welfare as their main source of income; and to be in receipt of a housing support. Increased outgoings associated with dependent children; relatively low levels of income, or reliance on a fixed income; and the implications of inadequate HAP rent limits, are all important factors in determining how a client adapts to a rent increase.

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<sup>142</sup> RTB, Rent Index Q2 2021

### Queries Relating to Rent Review/Increase, by Vulnerable Client Type, 2019 and 2020



Source: Threshold. Morley Economic Consulting calculations.

Clients aged 66+ and those in receipt of housing support were the only two cohorts for which this issue remained the second most prevalent in 2020. For the older aged cohort this is likely linked to their profile, outlined above, though prevalence almost halved in the year.

For housing support recipients however, the rate of decline was minimal and this points to the inherent exposure of these clients to rent increases in the context of HAP rent limits and 'top-ups'. In 2018, just over half of those starting in HAP were earning less than €15,000 annually.<sup>143</sup> This compares to 71% earning up to €15,000 in 2015. This means that those households in receipt of HAP are particularly vulnerable, with over one-third of HAP entrants in 2018 considered to be at risk of poverty.<sup>144</sup> The combination of low income and low HAP rent limits means that certain tenants may find any rent increase/review extremely challenging.



#### Case Study 2: HAP Rent Limits

Jean, a single mother of two young children was renting her home on HAP for two years. HAP were paying the additional 20% on the regular HAP payment and Jean was paying an additional "top-up" of €190 a month to the landlord. The landlord sent her a letter stating he was increasing the rent. Jean could not afford this increase and HAP were unwilling to pay more. Jean spoke of being stressed and overwhelmed, feeling panicked and unable to concentrate. She was terrified she and the children would end up in homeless services. A Threshold advisor advocated with Jean's landlord on her behalf, and he agreed to postpone the rent increase for at least a year.

Source: Threshold.

<sup>143</sup> CSO, Social Housing in Ireland 2019 - Analysis of Housing Assistance Payment (HAP) Scheme

<sup>144</sup> Lima, V. (2021), Trends on Social Housing Supports: Housing Assistance Payment (HAP), PublicPolicy.ie

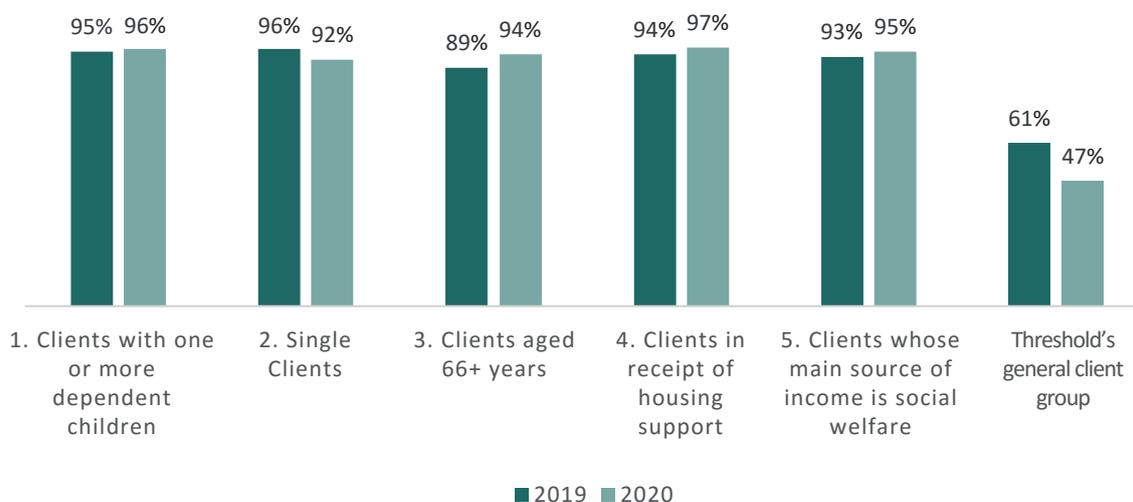
One CIS SPR case highlights the inflexibility of the HAP rent limits, with a family of four dependent children restricted by the maximum rent limit permitted for a family with three dependent children.<sup>145</sup> In this case the client was renting the property for €1,300 and

*"has received a rent review... to €1,404. He notified the [local authority] but they told him that they will not increase his HAP payments as €1,300 is the maximum. The client is on a very low income and having to pay an extra €104 per month will be very difficult for him."*

Another client, in receipt of social welfare and HAP, was paying €2,400 rent. The maximum HAP rent limit available to them was €1,950 meaning they were paying €450 monthly in 'top-up' rent to the landlord. With rent increasing by 4% (in accordance with RPZ), the client was facing a 'top-up' rent of €536. The client was

*"unable to fund rent increase and [was] at risk of homelessness, yet [local authority] have explained that client will not receive any other housing payment as they are already at HAP maximum."*

#### Risk of Homelessness for Clients Seeking Advice on Rent Review/Increase, by Vulnerable Client Type, 2019 and 2020



Source: Threshold. Morley Economic Consulting calculations.

<sup>145</sup> In its current form, HAP rent limits are based on household type (i.e., single, couple, with or without children) rather than the required housing size. In practice this poses difficulties for tenants, especially for those with larger families requiring larger properties, or those who experience an unexpected change in household circumstances.

The indicator which captures the risk of homelessness is very telling in terms of the vulnerability of cohorts to a rent review/increase. Across 2019 and 2020, Threshold successfully prevented homelessness in close to 90% of all rent review/increase queries made by vulnerable clients.

For approximately eight in every 10 vulnerable clients, homelessness was prevented by protecting the client's current tenancy. Single clients, when faced with the threat of homelessness as a result of a rent increase, were most likely to move to new accommodation, and least likely to secure housing supports, compared to the other four cohorts of renters.

Approximately 2% of the vulnerable cohorts (one, three, four and five), who were at risk of homelessness as a result of a rent review/increase, avoided this outcome by securing HAP. This compares to less than 0.5% of single clients and may reflect the fact that this cohort earn in excess of the HAP income limit.<sup>146</sup>

### 5.3.2 The Impact of Rent Reviews/Increases on Rent Arrears

There are many factors that can impact a person's ability to pay their rent on time – from a change in personal circumstances, or an unforeseen financial commitment; to a loss of employment or reduction in earnings. However, according to Threshold's client data, an important factor for rent arrears is an increase in rent. In 2019, approximately one-in-seven of the vulnerable clients<sup>147</sup> seeking advice on rent arrears attributed it to a rent increase. This was typically the most common reason given by clients.

For cohorts one, four, and five, the prevalence of clients with rent arrears of one month, as a result of a rental increase, rose considerably in 2020. The Threshold sample is small but, in essence, the data indicates that the likelihood of clients in these cohorts reporting rent arrears of one month increased from approximately four-in-ten to close to seven-in-ten during the pandemic. For these particular cohorts, who are more likely to have increased financial outgoings associated with caring for children, and a fixed income in the form of social welfare or pension, rent arrears of just one month, when average rents nationally are in excess of €1,500<sup>148</sup>, can result in significant financial pressure.



#### Case Study 3: The Impact of a Rent Increase on Rent Arrears

Natalya is a single mother living in her rental home for three years and working part-time. She was managing to pay her rent from her wages, but when the landlord increased the rent by €350, she found herself in immediate financial difficulty. She contacted Threshold for help as she could not afford the rent. The Threshold advisors assisted her to apply for social housing and HAP. They also advocated to the local authority to fast track the application to make sure Natalya did not fall into rent arrears which would put her at risk of losing her home. The local authority granted this request and fast tracked the application.

Source: Threshold.

<sup>146</sup> HAP income limits are organised under three bands by County/Local Authority and range from €25,000 to €36,000 net for a single person.

<sup>147</sup> Excludes the cohort of clients aged 66+ years due to insufficient data.

<sup>148</sup> Daft.ie Rent Report Q3 2021

Rent increase was also amongst the most common reason given by CISs clients for rent arrears incurred in 2019 and 2020. This reason appeared in close to 40% of all SPR cases relating to rent arrears (or rent problems) over the two years. One client contacted CISs concerned that

*"high rent increase will make it difficult to live – income too high for rent assistance but new proposed rent will put family under high financial pressure."*

Another client, distressed because of rent increases was worried it

*"could push them into homelessness."*

It is worth noting that for all but the cohort in receipt of housing support<sup>149</sup>, the main reason for rent arrears changed in 2020, from rent increases to a loss of employment or reduction in earnings. Cohorts with children, those on social welfare<sup>150</sup>, and single clients who sought advice from Threshold for rent arrears were more likely to have experienced a reduction in income due to Covid-19 (38%, 43%, and 53% respectively), compared to the cohort in receipt of a housing support (25%). These same cohorts were also more likely to attribute their rent arrears to a loss or reduction in employment/income in 2020. These issues are intrinsically linked – with any change in employment or income very likely to impact a client's ability to pay their rent, especially on foot of an increase/review.

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<sup>149</sup> Note that the 66+ years cohort is not included here due to insufficient data.

<sup>150</sup> An apparent anomaly arises for clients whose main source of income is social welfare, with 8.8% of clients claiming to have experienced income loss as a result of the Covid-19 pandemic. There are two possible reasons for this. (1) A client, who may have been in receipt of one of the emergency Covid-19 income supports at the time of their query to Threshold, would simultaneously be considered to have experienced income loss (due to loss of employment) while also being on social welfare. (2) It is also possible that, where applicable, child maintenance payments stopped because the other parent lost their job.

## Box 2: Rent Reviews/Increases in Rent Pressure Zones

As demonstrated in Sub-Section 3.2, a significant number of renters living in RPZs have limited knowledge of their rights with regard to rent increases. Even when tenants do understand their rights, there can be a reluctance to challenge the landlord for fear of conflict and retaliatory penalisation.<sup>1</sup>

This is reflected in the CIS data. In 2019, 20% of the SPRs recorded by CIS Housing (Private Rented Accommodation) related to rent reviews specifically, second only to the issue of notice/evictions/disputes (31%).

In one instance a client reported

*"The rent was to be increased by €300 per month. The area is now in a Rent Pressure Zone... the rent should only increase by 4% of current rent."*

In another instance detail was captured of a client who had been living in the same accommodation for the past seven years and was now facing an invalid rent increase from €1,000 to €1,300, far in excess of the permitted 4% allowed within their RPZ. The same client was

*"afraid not to accept the increase as she [was] fearful of receiving notice to quit. She fears homelessness as the availability of accommodation is so limited."*

Similar concerns were highlighted for another client facing a rent increase in excess of the 4% RPZ increase but fears that

*"The landlord knows that they will not find accommodation cheaper, and may not find any at all if they choose to complain or move."*

Clients residing in rented accommodation outside of RPZs face even greater challenges as there is no cap on the level of increase landlords can impose. For example, one CIS client in 2019 was "facing increase in rent from €90 to €150 per week" in an area not designated as a RPZ. For other clients not residing in RPZs, landlords were failing to provide comparable rent for three similar properties as per legislation. In one case where a client received an invalid notice of a rent increase the SPR noted a fear that

*"landlords [were] taking advantage of the high demand for housing and leaving tenants in unsustainable situations."*

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<sup>1</sup> Byrne, M. and R. McArdle (2020), Security and Agency in the Irish Private Rental Sector, Threshold

### 5.3.3 Concluding Remarks

The negative impact of *rent reviews/increases* on vulnerable tenants in private rented accommodation is clearly evidenced in this analysis. The vulnerability of older clients is clear and despite a reduction of close to 50% in the prevalence of cases in 2020, the threat of homelessness rose the most. The fact that these clients are financially restricted in terms of their income, and that they tend to be one-income households means this finding is not wholly surprising.

In respect of clients in receipt of a housing support, the analysis re-emphasises the enduring challenges in terms of the inflexibility of HAP rent limits, and the lack of formal recognition of 'top-ups'. The various case studies and CISs SPRs clearly illustrate the very real worry and concern these clients face in respect of rent reviews/increases. This is not a new finding as the issue of rent limits is a persistent one, and one that has been raised time and again by Threshold and CIB.<sup>151</sup> The analysis also reaffirms the findings of existing research regarding the asymmetric nature of the landlord-tenant relationship,<sup>152</sup> particularly for those clients living in RPZs.

Importantly, the analysis shows the impact that a rent/review increase can have on a client's ability to pay their rent. This is particularly true for those that have one or more children, are in receipt of a housing support, and those whose main source of income is social welfare. In a market where the average monthly rent is now in excess of €1,500 even just one month's rent arrears can result in a significant financial burden, and the loss of the tenancy, and this is exposed in the analysis.

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<sup>151</sup> See Sub-Section 3.2.

<sup>152</sup> Byrne, M. and R. McArdle (2020), Security and Agency in the Irish Private Rental Sector, Threshold

## 5.4 Other Vulnerable Cohorts

This Sub-Section begins by reviewing the issues most prevalent for those renters in a licence agreement. These renters have very limited rights in the private rented sector and so are considered particularly exposed to the disruptions and high costs that are inherent in the sector, compared to the average renter. The analysis is primarily informed by Threshold's client data.

The issues facing clients with disabilities, and non-Irish clients are then reviewed. CISs data is unique in that it captures nationality and county of origin of its clients.<sup>153</sup> CISs client dataset is primarily used to inform the analysis.

### 5.4.1 Clients with Licence Agreements

A licence, as distinct from a lease, grants the licensee permission to occupy a premises or part thereof, falling short of granting exclusive occupation or possession of the premises to the licensee. Some common examples of where licences arise include where an individual is residing in the same dwelling as their landlord or where an individual resides in a dwelling with the permission of an existing tenant. There is no statutory definition of a licence under Irish law, and it is therefore difficult to clearly distinguish between a lease and a licence. However, a key characteristic which differentiates a licence from a lease is whether the individual is in exclusive occupation of the premises and where such exclusive possession is present it is indicative of a lease.<sup>154</sup>

Licence agreements fall outside the scope of the Residential Tenancies Acts (RTA) 2004 to 2021 and as such licensees miss out on the enhanced security of tenure and protections afforded to tenants under such lease agreements.

- Licence agreements are not required to be registered with the RTB and the parties cannot lodge disputes with the RTB for resolution.
- The requirements prescribed under the RTA relating to notices of terminations and notice periods do not apply to licences.
- In relation to revocation of a licence and the appropriate notice periods that must be given, regard must first be had to the terms of the licence agreement itself and if this is silent then a licence can be revoked provided reasonable notice is given, which is likely to vary significantly depending on the circumstances giving rise to the revocation.
- Licence agreements are not explicitly excluded from Minimum Standards Regulations; however, the regulations are not applicable to all types of licence arrangements. Similarly, licence agreements are not explicitly excluded from the Rent Book Regulations, however some types of licence arrangements do not fall within the applicability criteria of the regulations and are not protected by rent regulations.

Threshold's licensee clients tend to be single (c. 82%); younger (c. 73% aged 18-34); and earn a wage/salary as their main source of income (c. 60%).

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<sup>153</sup> Country of Origin is not a mandatory data field but is collected for almost 60% of clients nationally.

<sup>154</sup> Other relevant considerations include the labels used by the parties in the agreement and the intentions of the parties.

The lack of security and protection provided for this cohort of renters makes them particularly vulnerable to any change in circumstances. In 2019 and 2020, approximately four-in-ten queries received by Threshold related to general queries (i.e., no other information was collected, other than the call related to 'Licensee'). When these are excluded, deposit retention and tenancy termination are the two most common issues impacting licensee clients.

### Main Issues Facing Threshold's Licensee Clients, 2019 and 2020

	2019	2020
1. Deposit Retention	26%	27%
2. Tenancy Termination	23%	26%
3. Seeking Accommodation	12%	9%

Source: Threshold. Morley Economic Consulting calculations.

Note: May not sum due to rounding.

Compared to other vulnerable cohorts, licensee clients are more likely to encounter problems with deposit retention, accounting for approximately one-quarter of the queries. CISs SPR data provides context to this and highlights the confusion and worry that can arise from such an issue. One client who was sharing accommodation with their landlord wanted to move out

*"But getting his deposit and the rent he paid in advance back will not be easy and he may need to go to the small claims court."*

While another client

*"Was asked to leave, and deposit withheld. He is sharing accommodation with the landlord and was not aware that he has a licensee agreement with the landlord. He was visibly upset that as a result he can not avail of the type of protections that tenants are entitled to under the residential tenancies legislation."*

The issue of deposit retention is intrinsically linked to tenancy termination for this cohort of clients. Unlike other tenants in private rented accommodation, for licensee clients, the prevalence of tenancy terminations did not decline in 2020 as they were not protected by the moratorium on evictions. In fact, it increased, further demonstrating the vulnerability of licensee tenants who cannot avail of the same protections as others in the private rented sector. The issue faced by licensee clients is demonstrated through a CISs SPR stating –

*"Tenant in rent-a-room scheme in landlord's private property...at risk of eviction without the right to proper notice as they are not covered by the Residential Tenancies Act. During the Covid-19 lockdown and with travel restrictions in place the tenant/licensee is unable to find a suitable accommodation at short notice and has no right to appropriate notice or protection."*

Of the licensee tenants who contacted Threshold in 2019 for advice on tenancy termination, 98% were considered to be at risk of homelessness. This dropped to 90% in 2020, with Threshold successfully preventing just under two-thirds of these clients from entering homelessness. This was mainly achieved by securing alternative housing. For those who Threshold could not prevent the loss of tenancy, 8% entered homelessness.

Aside from the increased risk of homelessness posed for those seeking advice on tenancy terminations, the risk of homelessness, in general, across all issue types, is relatively low for this cohort. This may be linked to the profile of licensee clients contacting Threshold having more options and greater flexibility i.e., the majority are single, young, and earning a wage/salary. In 2019, across the entire cohort, and for all issues, 37% of Threshold's licensee clients were considered at risk of homelessness. This rose to 45% in 2020 but is still considerably lower than the homelessness risk of the average client contacting Threshold over the study period, at 60%.

In 2019, the Residential Tenancies Act (Amendment) 2019 brought Student Specific Accommodation under the remit of the RTB.<sup>155</sup> This means that third-level students living in university or college Purpose-Built Student Accommodation, or renting under a licence agreement, can now apply for dispute resolution with the RTB for issues such as rent reviews, deposits, standards, etc. It is on this basis that Threshold have called for the abolition of the category of licensee tenants, to be replaced with a set of circumscribed tenancy rights, similar to those for third level students.<sup>156</sup>

#### 5.4.2 Tenants with Disabilities

While Threshold and CISs do not explicitly capture data on a client's health/disability status, CISs SPRs do take note, where relevant, of a client's situation regarding a disability or illness (for either themselves or a family member). Threshold also captures data on the type of social welfare payment received by clients. In 2019, 32% of those who provided this information stated they were in receipt of a disability payment or carer's allowance.

In general, the main issues facing Threshold's clients with disabilities in 2019 and 2020 were

- Tenancy termination – 41% and 54% respectively. This compares to 38% and 26% respectively for Threshold's total client group.
- Rent review/increase – 18% and 4% respectively. This compares to 13% and 7% respectively for Threshold's total client group.
- HAP – 7% and 12% respectively. This compares to 5% in both 2019 and 2020 for Threshold's total client group.

Because the sample of clients in receipt of a disability or carers allowance is small, it is not possible to delve deeper into the underlying causes and implications of these issues for this cohort. It is understood, however, that tenants with disabilities are more likely to (i) have difficulty sourcing suitable/adaptable accommodation; and (ii) face affordability issues due to lower fixed income levels<sup>157</sup> and this is reflected in the data.

Threshold's data also shows the extent to which this cohort relied on HAP in 2020 (compared to the total client group) and analysis of CISs data shows that clients with disabilities appear to find it very difficult to source suitable accommodation for their needs, within the designated HAP rent limits. In one CISs SPR case a

*"Single client is solely dependent on disability allowance, has been awarded HAP of €700 per month but the cheapest apartment she can find is €1,200 per month."*

<sup>155</sup> See RTB for more detail.

<sup>156</sup> Threshold (2020), A Platform for Action on Housing - General Election 2020

<sup>157</sup> The Housing Agency (2010), The Potential Role of the Private Rented Sector in the Provision of Accommodation for People with Disabilities, Housing Policy Discussion Series

While another case records that a

*“Client who has a disability has been trying to source accommodation to suit his needs. Due to the threshold in the area, he cannot source accommodation.”*

In general, stakeholders raised concerns of tenants’ understanding of their eligibility and rights about housing supports, and particularly the discretionary 20% increase to the rent limit. The case of a lone parent who needed to leave her part-time employment to care for her child with a disability also illustrates the financial burden and uncertainty arising from inadequate rent limits for tenants in this cohort. In this client’s case

*“The HAP scheme only provided for the minimum rent cap of €900, for a person in her situation. Her rent is €1,500. She pays €700 in rent in total. She was not offered, or told about, the 20% increase that could have been assessed in order to allow her more support.”*

The client was thus left to decide if she should stay in employment, to be able to afford the ‘top-up’, or leave her employment to care for her child but face homelessness as a result.

Other queries in relation to housing supports brought to CISs by this cohort show that they also face the same issues as other clients in terms of discrimination,

*“The client was unable to find a landlord that will accept HAP – after looking at many properties over a four-month period. Due to an acquired physical disability, the client cannot remain in her current two-storey premises.”*

and

*“Due to illness the clients are struggling with their rent. The landlord has refused the option [of] engaging with the HAP payment. The client [is] very distressed as they fear they will run into arrears of rent and face eviction. They can apply for HAP and look for other accommodation but fear losing their deposit. The refusal of the landlord to accept an arrangement where the clients can receive some assistance is undermining the sustainability of their tenancy.”*

While efforts are being made to establish the private rented sector as a viable and suitable option of tenants with disabilities<sup>158</sup>, the sample in this study, though small, demonstrates that much more needs to be done both in terms of the provision of suitable rented accommodation and adequate supports.

CIB supports the National Advocacy Service for People with Disabilities (NAS), and it is through this service that housing difficulties faced by people with disabilities are regularly highlighted. The issues identified by CIB<sup>159</sup> and NAS in relation to people with disabilities are broadly reflected in this analysis i.e., the impact of shortages in suitable/accessible accommodation; the increased likelihood of facing discrimination when looking for a house; the issue of affordability and being ‘priced out’ of the private rental sector; and the level of homelessness amongst a cohort who account for 1.4% of the total population but more than 3% of those experiencing homelessness.<sup>160</sup>

<sup>158</sup> National Housing Strategy for People with Disability 2011-2016

<sup>159</sup> CIB (2021), National Housing Strategy for People with a Disability - Submission to Housing Agency

<sup>160</sup> Inclusion Ireland (2019), Housing for People with Intellectual Disabilities - The Lack of Supports for Independent Living



## Case Study 4: Suitable Private Rented Accommodation for People with Disabilities

Michael was a local authority housing client when his private accommodation was jointly purchased by the Housing Association and local authority. His tenancy was transferred to the Housing Association, and he was removed from the local authority housing list. Michael is a full-time carer for a family member with medical needs, and he had previously submitted medical evidence to the local authority regarding his current accommodation which, while adequate, was not suitable for the family's needs. Michael, who has poor English language skills, believed that without CISs help his voice would not be heard regarding the medical needs of his family member, and that they would be left in unsuitable accommodation.

CISs provided Michael with a letter for the Housing Association outlining the family's needs regarding suitable alternative accommodation. Michael reported back to CISs that following their support and assistance, the Housing Association contacted him to say that they would give greater consideration to his family's needs when identifying possible alternative accommodation.

Source: CISs Housing Advocacy, 2020.

### 5.4.3 Non-Irish Tenants

As illustrated in Sub-Section 5.1, non-Irish renters, compared to their Irish counterparts, face several obstacles in sourcing accommodation. From their over-reliance on the private rented accommodation to their increased risk of homelessness, the cohort warrants a closer look in terms of their vulnerability to issues in the rented sector.

In 2019 and 2020, approximately four-in-ten CISs clients, where country of origin was recorded, were non-Irish. Broadly, the main issues facing CISs non-Irish clients are not significantly dissimilar to those faced by CISs total client group in 2019 and 2020 –

- HAP Eligibility/Administration<sup>161</sup> – 82% and 86% respectively. This compares to 83% and 86% respectively for CISs total client group.
- Rent Supplement Eligibility/Administration – 77% and 91% respectively. This compares to 76% and 90% respectively for CISs total client group.
- Notice, Eviction, Disputes – 23% and 21% respectively. This compares to 21% and 20% respectively for CISs total client group.

<sup>161</sup> Note: 'HAP Administration and 'Rent Supplement Administration' capture queries relating to information, entitlement, qualification, eligibility, and application forms. Queries relating to HAP and Rent Supplement are based on representative samples.

One area that does suggest an increased level of vulnerability compared to the overall client group is the prevalence of queries relating to tenancy termination and agreements. This shows the increased vulnerability non-Irish clients face in terms of security of tenure.

- In 2019, c. 25% of private rented accommodation queries made by non-Irish clients<sup>162</sup> related to tenancy termination.
  - This compares to c. 20% of the general client group.
- In 2020, in the context of a tenants' rights and obligations, a third of the queries related to tenancy agreement
  - This compares to a quarter of queries for the general client group.
- In the context of a landlords' rights and obligations, queries related to tenancy agreements made up one-third of queries.
  - This compares to one-fifth of queries for the general client cohort.



#### Case Study 4: HAP discrimination faced by EU National

Maria is a lone parent and was advised to apply for HAP after receiving a letter telling her that her Rent Supplement payment was being phased out. She contacted the letting agent and was told it would take several weeks to gather the requested information and return the relevant forms. The delay caused by the agent's unwillingness to provide documentation within a reasonable timeframe created unnecessary fear and anxiety for Maria and her child.

CISs advisors assisted Maria in writing several letters to her landlord and agent on the grounds of housing discrimination. Following intimation that the case would be referred to the WRC, the agent finally returned all requested documentation to Maria, eight weeks after the initial request.

Source: CISs Housing Advocacy, 2020.

<sup>162</sup> Under the heading of 'tenants' rights and obligations'.

#### 5.4.4 Concluding Remarks

This analysis has highlighted the extent to which *licensee clients* are exposed to changes in their private rented accommodation. Like other cohorts, the issue of tenancy termination is an important one. However, unlike other cohorts, licensee clients are more likely to report issues with deposit retention. This is an important finding as it highlights the need for greater protections for these renters. As licence agreements are not covered under the Residential Tenancies Act, these clients are particularly exposed to disruptions which are inherent in the sector. This is illustrated by the fact that the prevalence of tenancy termination queries brought to Threshold did not decline in 2020, as it did for all other cohorts, in fact it increased.

The challenges facing *clients with disabilities*, and *non-Irish clients* are broadly similar to those already discussed for other cohorts. For clients with disabilities, the issues of tenancy termination and rent review/increase rank highest. However, compared to other vulnerable cohorts, the impact of these issues is compounded by a shortage of suitable/accessible accommodation, and the issue of affordability and being 'priced out' of the sector. The analysis also suggests that non-Irish clients are more likely to seek advice in relation to tenancy terminations and tenancy agreements, though they face broadly the same challenges as other vulnerable cohorts.

# 6. Conclusion, Policy Implications and Recommendations

## 6.1 Conclusion

The Irish housing market is currently experiencing a prolonged period of disequilibrium with the level of demand for homes to rent, and purchase, far in excess of the existing supply and future pipeline. The level of dysfunction in the market over the past 10-15 years has impacted all tenure types and resulted in issues that have had far reaching consequences for the State.

Ireland is currently experiencing a significant shift in tenure choice, either by choice or necessity. The rental sector currently houses one-in-five<sup>163</sup> households, a considerable increase on the one-in-ten households residing in rented accommodation in the 1990's. The age profile of those living in private rented accommodation is also changing, with people now living in the sector for longer. As such, there is a growing importance to create a private rented sector in which tenants enjoy a similar level of security, and certainty, as their counterparts in owner-occupied accommodation.

Considering the challenges around security of tenure and affordability, this report focuses on identifying the main issues facing Threshold's and CISs clients. While the analysis may not directly reflect the experience of the average renter - as the renters who seek advice and support from either Threshold or CISs are already considered to be more exposed to certain challenges - the report's findings are important in terms of informing policy and regulations and allowing service providers to support tenants in an effective, and compassionate, manner.

The first stage of the analysis focused on the main issues facing clients in private rented accommodation as informed by the unique client datasets of Threshold and CISs. A summary of the key findings from this stage of the analysis is outlined here.

- **Tenancy termination** emerged as the main issue facing both Threshold's and CISs clients in 2019 and 2020. Tenancy terminations were predominantly landlord-led to either sell or for personal/family use. While the prevalence of landlord-led terminations for these reasons declined in 2020, this was most likely because of the Covid-19 pandemic, the moratorium on evictions, and a contraction in the residential sales market, rather than a reflection of any shift in a longer-term trend.

An important trend that emerged in 2020 was the increased prevalence in queries related to tenant-led terminations and tenancy agreements. Further analysis shows that these queries were predominantly led by younger, single clients, earning a salary or wage, and living in a city. It is therefore inferred that this trend was driven by a desire for clients to move home, or to alternative accommodation, during the height of the pandemic when strict restrictions and work from home mandates were in place.

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<sup>163</sup> Russell, H., I. Privalko, F. McGinnity and S. Enright, 2021, Monitoring Adequate Housing in Ireland, ESRI and Irish Human Rights and Equality Commission (IHREC)

- For both Threshold and CISs clients, the issue of **rent review/increase** ranked highly in both 2019 and 2020, appearing especially prevalent for renters in receipt of housing supports. This is compounded by the fact that recipients were found to be more likely to be in receipt of a social welfare payment, have children, and to be a lone parent. Considering therefore, the likely lower income levels, greater financial outgoings of these clients, and the long-standing issues around low HAP rent limits, HAP clients were found to be particularly exposed to rent reviews and the knock-on impact of the monthly 'top-up' rent paid to the landlord.

For all Threshold and CISs client groups, the prevalence of queries relating to rent reviews/increases declined in 2020. Rather than an inherent improvement in a client's ability to bear a rent increase during the pandemic, it is assumed that this trend was largely driven by the moratorium on rent increases for part of the year, and an increase in importance of other issues for clients, such as evictions or terminations; advice on tenancy agreement; and standards and repairs.

- In terms of **the impact of the Covid-19 pandemic** on Threshold's and CISs clients, there are several key findings. Firstly, for CISs clients, there was a significant rise in the number of queries related to Rent Supplement in 2020. While the overall number of Rent Supplement queries received by CISs is small in comparison to HAP, this trend likely reflects the increase in demand and eligibility for the support as a result of increased flexibility in criteria for the payment during the height of the pandemic.

Secondly, for Threshold's clients, queries relating to standards and repairs rose across all tenancy types in 2020. The number of on-site inspections dropped considerably during the pandemic, with an inspection rate of just 8% compared to 14% in 2019. This, combined with the strict government restrictions in place in the early stages of 2020 which reduced clients' ability to move accommodation, and landlords' ability to undertake repairs, meant that clients were probably more inclined to seek advice and support on the issue.

The second stage of the analysis involved a more thorough review of the impact of issues, as informed from stage one, on a selection of Threshold and CISs clients who were considered to be more exposed, or vulnerable, to disruptions and high costs in the private rented sector. The key findings from this stage of the analysis are summarised here.

- The analysis showed a clear distinction between the experience of single cohorts who, by definition, have no children, earn a salary/wage, and are not in receipt of housing supports, compared to other vulnerable cohorts when it comes to the prevalence of **tenancy termination** queries. The data suggests that this cohort were less likely to seek advice and support for this issue. Considering that the threat of homelessness for cohorts seeking advice on this issue was broadly similar (in 2019) it is assumed that underlying factors are at play. In the absence of further research, this finding is likely driven by the fact that single clients may have more options, and greater flexibility, available to them, and may have been contacting Threshold with a broader range of queries, effectively diluting the prevalence of this particular issue.

In contrast, the findings highlight the exposure of cohorts who have children, are in receipt of a social welfare payment, pension, or housing support to terminations by the fact that they are more likely to face landlord-led terminations, invalid notices of termination, and the threat of homelessness.

- The issue of **rent review/increase** emerges as a considerable one for vulnerable clients. While this is not a wholly surprising finding considering the cohorts included in the study, the analysis does show that those with dependent children, and those more likely to be in receipt of a social welfare payment or pension, or housing support, have a greater tendency to seek support and advice on the issue. For those aged 66+ years, in particular, the findings illustrate the vulnerability associated with living in private rented accommodation with only a pension as your primary income. For those in receipt of housing supports, the findings reassert the enduring challenges in terms of HAP rent limits and the implications of any rent review/increase on 'top-up' payments to landlords.

Importantly, the analysis sheds light on the consequence of a rent review/increase in terms of rent arrears. Pre-Covid-19, a rent increase, or rent affordability, was the main reason given for a client experiencing rent arrears. This changed in 2020, with income and employment loss taking the lead as the primary reason. This is likely to be a short-lived trend, however, which will revert back to 2019 levels as the economy recovers post-pandemic, and people return to work and secure wages. Nevertheless, the impact of increasing inflation is likely to be a disruptor and have very negative consequences on people's capacity to meet increasing housing costs.

- The analysis highlights the inherent exposure of **licensee clients** to certain aspects of the rental sector. The issue of deposit retention is a significant one and is intrinsically linked to the issue of tenancy termination – both of which accounted for over half of all queries made by the cohort. Unlike other vulnerable cohorts, the prevalence of queries relating to tenancy terminations actually increased in 2020, a reflection of the limited rights afforded to this group of renters.
- The experience for **clients with disabilities**, and those that are **non-Irish** is broadly the same as that of the other vulnerable cohorts reviewed in this report. Issues of tenancy termination are particularly important, as are queries related to rent reviews/increases. Clients with disabilities face unique challenges as these challenges are further compounded by a shortage of suitable/accessible accommodation that is also affordable.
- In terms of the additional challenges presented by the **Covid-19 pandemic**, the analysis shows that the range of issues faced by vulnerable clients increased in 2020. The moratorium on evictions and rent reviews, during the very height of the pandemic response, played an important role in reducing the overall number of queries received by both Threshold and CISs. However, queries on tenancy terminations still remained in the top spot for all vulnerable cohorts, and other queries relating to standards and repairs (cohort one), HAP (cohort five), advice on lease, and deposit retention (cohort two) also rose in prevalence.

The issue of rent review/increase remained the second most common query type brought by two cohorts – those aged 66+ years and those in receipt of housing support. This may be linked to the fact that these cohorts tend to be in receipt of a social welfare payment or pension and thus may be more impacted by any rent increase, particularly in the current market context. For those in receipt of housing supports, the impact of rent increases in the context of 'top-up' payments to landlords appears to be an important one across the study period.

The analysis also shows that for many vulnerable clients, the issue of income and employment loss, as opposed to rent review/increase, became a more important factor in **rent arrears** during 2020, compared to the previous year. This is most evident for those with children in the home, those in receipt of a social welfare payment, and those who are single. These same cohorts were also more likely to report income loss because of the pandemic. This finding also highlights the continued exposure of housing support recipients to rent increases despite economic circumstances.

## 6.2 Policy Implications & Recommendations

Policy implications and recommendations are informed by (i) the findings from the empirical analysis presented in Section 4 and Section 5 of this report and (ii) the stakeholder consultation process which included a focus group of Threshold advisors, and an online survey of CISs and MABS advisors.<sup>164</sup>

### 6.2.1 Tenancy Termination

The issue of tenancy termination is a prominent one for Irish renters in general. The analysis reinforces the already understood exposure of renters living in private rented accommodation to the threat of landlord-led, no-fault, evictions and re-emphasises the need for enhanced protections around security of tenure and the right to housing. The recommendations outlined below seek to address this issue.

1. **Accept Article 31, “The Right to Housing” of the Revised European Social Charter<sup>165</sup>, holding a referendum for constitutional change if necessary to do so.**

The analysis demonstrates the extent to which Threshold’s and CISs’ clients are exposed to the threat of homelessness. In general, six of every 10 clients supported by Threshold in 2019 and 2020 were at risk of homelessness, half of whom were seeking support for a tenancy termination. Additional protections to enhance renters’ security of tenure would greatly reduce uncertainty, risk, and fear for a considerable cohort of renters.

Access to adequate housing is a precondition for the enjoyment of other human and socio-economic rights, including the rights to work, health, privacy, and education. The desired outcomes from adopting the right to housing is improved access to suitable housing of an adequate standard; the prevention of homelessness with a view to its elimination; and to increase the affordability of housing, particularly for those with limited resources.

A right to housing in the Constitution of Ireland would place an obligation on the Government to progressively realise this right and ensure access to affordable, secure housing for all. In the Programme for Government, the Government has committed to a referendum on housing. There is no indication that this will be a referendum on the right to housing. A Commission on Housing has also been established as a first step in this regard, tasked with examining key issues in the sector around tenure, sustainability, and security, and the manner in which the ‘right to housing’ can exist alongside private property rights within the Irish Constitution.

2. **The abolition of ‘no-fault’ evictions, and legislation to improve security of tenure, is required to establish the private rented sector as a viable long-term housing option.**

There exists a considerable power imbalance between landlords and tenants when it comes to tenancy terminations<sup>166</sup> and this is clearly demonstrated in the analysis. Tenancy termination queries were the most common for Threshold and CISs clients in 2019 and 2020 but the data shows the extent to which no-fault evictions impact various cohorts. Across the study period,

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<sup>164</sup> See Appendix 3 for a thematic review of the stakeholder consultations.

<sup>165</sup> The Revised European Social Charter (1996), The Council of Europe

<sup>166</sup> Byrne, M. and R. McArdle (2020), Security and Agency in the Irish Private Rental Sector, Threshold

nine-in-ten tenancy terminations queried with Threshold were landlord-led. Of these, almost seven-in-ten were terminations for what are considered 'no-fault' reasons i.e., selling, landlord/family moving in, or renovation. These account for just under 4,000 of the queries received by Threshold in 2019 and 2020 – 14% of the total sample.

Clients with children in the home, in receipt of a housing support and/or a social welfare payment are found to be more exposed to landlord-led terminations and for all, the risk of homelessness increases with the prospect of a landlord-led termination.

Security of tenure is crucial in making the private rented sector a viable tenure option, particularly for those who will never own their own home or secure social housing.

The impact the moratoriums on evictions, during the Covid-19 pandemic, had on reducing the numbers of families and children in homelessness is evidence that the insecurity of the private rented sector is a particular driver of family homelessness. It indicates that introducing increased security of tenure in the private rented sector is a key measure in moving Ireland out of this enduring housing and homeless crisis.

Changes were made to the Residential Tenancies Act in 2021 to remove Section 34b (enabling a landlord to give notice with no reason where the tenant is coming to the end of a 'Part 4 Tenancy' or 'Further Part 4 Tenancy') from the Act for all tenancies created from June 2022. This provides tenants with tenancies of indefinite duration. However, a landlord is still permitted to end the tenancy if they intend to sell the property; if they require it for their own use or that of a family member; if they intend to refurbish the property; if the property no longer meets the needs of the tenants; or the landlord decides to change the use of the property. As demonstrated in this analysis, the majority of landlords evict for the purpose of sale. It is therefore critical to further review the security of tenure offered by the Residential Tenancies Act. A rebalancing of the taxation system may assist with retaining individual small-scale landlords in the rental sector.

### **3. Consideration should be given to abolishing the category of licensee tenants and replacing it with a set of circumscribed tenancy rights.**

In the context of security of tenure and tenancy terminations, the analysis shows the extent to which tenants in licence agreements are exposed to the disruptions and high costs inherent in the private rented sector. Unlike other Threshold and CISs clients, licensees were the only ones for whom an increase in tenancy termination queries was recorded during the Covid-19 pandemic in 2020. This is a reflection of the lack of basic rights afforded to the cohort.

Threshold and CIB are calling for a review of the category of licensee with the view to abolishing the category of licences in domestic and non-domestic contexts and whether they should be replaced with circumscribed tenancy rights such as recourse to the RTB.

Precedence for circumscribed tenancy rights has been set in terms of protections introduced in 2019 for students renting in Purpose-Built Student Accommodation. The Residential Tenancies Act (Amendment) 2019 brought Student Specific Accommodation under the remit of the RTB in the first instance, and the Residential Tenancies (Student Rents and Other Protections)(Covid-19) Bill 2021 brought in additional protections for students in relation to limits on rent payments and tenant-led terminations with a 28 day notice period. Amending the Residential Tenancies Act in a similar manner for licensee tenants, to bring them under the remit of the RTB, would greatly enhance licensee tenant's rights and security of tenure.

## 6.2.2 Rent Review/Increase

Pre-Covid-19, the issue of rent review/increase was amongst the most prevalent for Threshold and CISs clients. This is not surprising considering the rate of inflation in rental prices over the past 10 years and the impact this is having on general affordability in the market. The analysis has shown the relationship between rent increases and rent arrears, and the implications of rent increases for those in receipt of housing support, namely HAP. The recommendations put forward here focus on improving the overall situation for these three groupings.

### 4. Provide a greater level of protection and support to tenants who accrue rent arrears and introduce an arrears management strategy, similar to the mortgage arrears provisions.

There is a clear link between rent reviews and rent arrears amongst the renters in the analysis. Pre-Covid-19, this was particularly true for Threshold's clients with one or more children in the home, who are in receipt of housing support, and those whose main source of income is social welfare – a not wholly surprising finding considering the additional financial outgoings associated with dependent children and the typically low income associated with social welfare.

While employment/income loss became a more important factor for rent arrears in 2020, the prevalence of rent increases as a cause remained relatively unchanged for the various cohorts. In a market where the average monthly rent is now in excess of €1,500 even just one month's rent arrears can result in a significant financial burden for renters, and this is exposed in the analysis.

Currently, where a tenant accrues any amount of rent arrears, the landlord can issue them with a 28-day notice to pay these arrears, followed by a 28-day notice to quit if the arrears are not paid. There are a number of issues with this approach. Providing a tenant with 28-days to pay rent arrears is an insufficient period. Private renters are the only group who face losing their home in such a swift manner, often with limited support or guidance. The Mortgage Arrears Resolution Process (MARP) is in place for owner-occupiers in arrears, or pre-arrears, as is the Mortgage-to-Rent scheme. Tenants of local authorities have the option of engaging in repayment plans over extended periods.

A national strategy on accommodation arrears management<sup>167</sup> across all tenure types is recommended. Such a strategy would aim to

- Identify and resolve arrears on all accommodation types early, as well as providing visibility on national levels of accommodation arrears;
- Recognise that life-events (illness, bereavement, separation, unemployment, etc.) can cause any household to fall into arrears on a 'no-fault' basis; and
- Be focused, as the key priority, on avoiding the risk of homelessness and the attendant costs to the individual, society, and the State.

Amendments to legislation accompanied by a Rent Arrears Fund are required to support such a national rent arrears strategy. It is recommended to provide

- Access to long-term low interest State supported loans or debt forgiveness;
- An increase in the warning notice period from 28 days to 90 days;
- A stay on eviction for rent arrears where an application to the Rent Arrears Fund is pending or approved; and/or

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<sup>167</sup> As proposed by MABS in CIB Pre Budget Submission 2022.

- A stay on evictions for rent arrears where an application to the Workplace Relations Commission, to challenge a landlord's refusal to accept HAP or Rent Supplement, is pending, or found in the tenant's favour.

There is a potential role for MABS and the Credit Unions in this process. MABS could assess the rent arrears and the person's financial situation, as was done as part of the supports offered to renters who lost their jobs on foot of the Covid-19 public health restrictions. On approving an application for assistance, MABS would be able to refer the tenant to the Credit Union to access the funds. It is recommended that the funds be provided as low interest loans, with interest charged to cover administrative charges alone. It would be possible for the RTB to refer private renters who have been issued a warning letter for rent arrears as an extension of the current protocol in place for relevant persons. However, it is important that private renters be able to self-refer to MABS to access the fund.

**5. HAP rent limits need to be revised in line with market rents to remove the need for tenants to 'top-up' their rent.**

**a) Review of the HAP rent limits to bring them in line with market rents.**

This research has shown that HAP rent limits and the need for 'top-ups' must be addressed to improve efficacy for the most vulnerable of renters. It is difficult to precisely capture the level of queries related to HAP rent limits and the 'top-up' system as both issues could potentially fall under a range of headings, from 'rent reviews', 'HAP entitlements/administration', etc. However, the fact that approximately half of all queries dealt with by CISs over the study period related to HAP, and a quarter of all clients contacting Threshold were in receipt of the support, reflects the important role the support plays in supporting thousands of individuals and families in private rented accommodation.

In a market where average national rent prices have increased by over 25% in four years, it is unsustainable to leave HAP rent limits unchanged. The analysis also highlights the need for the 'top-up' payment phenomenon to be addressed or the need for it to be removed. Between 2019 and 2020, clients in receipt of HAP were the only cohorts that recorded an increase in the proportion of rent arrears caused by a rent increase. Added to this, the majority of this cohort have a social welfare payment as their main source of income, increasing further their exposure to rent reviews/increases.

While there may be concern that increasing the HAP rent limits could potentially create an increase in the rental floor, resulting in rent increases for all tenants, the rent certainty measures, the RPZ legislation, and the new inspection and sanction regime of the RTB can prevent such unintended consequences. Continuing to keep the HAP limits low does not keep de facto rents low, it simply masks the problem, as tenants must find the additional money. It results in renters paying hundreds of euros in "top-ups" to their landlord.

**b) Greater levels of discretion in payments**

While local authorities are provided with a certain level of discretion in approving higher rates for households in certain circumstances, this discretion is not always used. There needs to be greater application of this discretion to ensure households can access suitable housing and are not forced to endure financial hardship or deprivation. This is particularly the case for more vulnerable cohorts of renters who face multiple barriers to accessing housing.

## 6. Affordability in the private rented sector needs to be addressed.

### a) Greater enforcement of Rent Pressure Zones.

Since being given increased powers, in 2019, to sanction landlords for breaching certain rules, the RTB has commenced over 400 investigations. Of these 92% related to breaches of the RPZ rules.<sup>168</sup> As of Quarter 2 2021, almost €260,000 has been refunded to current and former tenants as a direct result of breach of rent setting rules.<sup>169</sup> When renters bring rent review notices to Threshold, Threshold advisors identify approximately half as invalid. This, combined with the ongoing rent increases indicates that increased enforcement of the RPZs is necessary.

### b) Nationwide expansion of Rent Pressure Zones.

Approximately 25% of private renters live outside Rent Pressure Zones. This equates to approximately 75,000 households. It is in these areas that the most severe rent increases have occurred in the previous 12 months. Significant increases in asking monthly rents, ranging between €150 and €160, have been recorded in counties such as Leitrim, Donegal and Mayo where rents have risen by 20%-25% in the year.<sup>170</sup> Despite these significant increases, few of these areas will be designated RPZs in the near future.

Previously, rent increases were primarily recorded in the main cities and commuter towns and the RPZ designation criteria was adopted accordingly, in 2019. However, the issue of unaffordable rent increase now extends beyond these areas and changes must be made accordingly.

The rent increases recorded across Connacht, Ulster, and Munster, far exceeds the rent increases recorded in 2015 and 2016, which prompted the introduction of a two-year rent freeze and the introduction of RPZs.

### c) The most viable and long-lasting mechanism to stabilising rents in Ireland is through the increased role of, and investment by, the State in building housing.

This means increasing the stock of housing owned by the local authorities and AHBs. "Housing for All" contains a commitment to focus on direct build by the local authorities and AHBs as opposed to acquisition. This is a positive step forward and must be realised.

## 6.2.3 Other Recommendations

Beyond those relating to the two main issues of tenancy termination and rent review/increase, other important policy implications and recommendations flowing from the analysis are outlined here.

## 7. Improve and streamline the application process for housing supports and social housing.

The following are necessary to address the administrative aspects of HAP, which put tenancies at risk.

<sup>168</sup> Dáil Éireann Debate - Rental Sector, November 2021

<sup>169</sup> Dáil Éireann Debate - Rental Sector, October 2021

<sup>170</sup> Daft.ie Rental Price Report Q4 2021

- a) Rent must be paid from the date of application as opposed to the date of approving the application, and rent must be paid in advance. The way the HAP system operates, by placing tenants in arrears, undermines the legislative basis which gives a tenant security of tenure. Doing so leaves a tenant in breach of the tenancy agreement and vulnerable to eviction from the outset of the tenancy.
- b) The length of time to process applications needs to be shortened. Anecdotal evidence indicates that some applicants are waiting up to five months for their HAP application to be processed. It is unacceptable to expect landlords to wait for such periods for their rent to be paid. The reason for the delay in this process needs to be investigated.
- c) The changes to the rent supplement system introduced at the outset of the Covid-19 pandemic are very much welcomed and similar amendments should be made to the HAP system. These changes include a significantly simplified process to claim the payment resulting in the speedy payment of rent. These changes ensure the tenancy is secure and sustainable. This demonstrates that appropriate change is possible.
- d) Deposits should be paid by the relevant local authority as the rule and not the exception. Currently, a tenant's deposit is only paid by the local authority when the applicant is approved for Homeless HAP. All other HAP tenants must produce a deposit for the property from their own resources. Given that HAP tenants are deemed to be in social housing and local authority tenants do not pay deposits for their properties, HAP tenants are facing institutionalised disadvantage. In addition, the very significant cost of a deposit in today's private market, may force tenants to borrow from money lenders and/or do without basic essentials.

In some cases, a tenant may be directed to apply for a deposit from the Department of Social Protection. However, any matter pertaining to the HAP scheme should be dealt with by the relevant local authority, including the payment of a deposit. The establishment of a Deposit Protection Scheme would protect the local authorities' interest.

#### **8. Investigate landlords' resistance to HAP and make changes accordingly.**

The issue of (i) tenants being unable to secure suitable accommodation that accepts HAP, and (ii) landlords not accepting/allowing tenants to transition from Rent Supplement to HAP has been highlighted in this report. It is proposed that the reason why landlords and agents refuse to accept HAP and the circumstances in which this occurs is investigated. A robust enquiry into landlords' and agents' refusal to accept HAP is absolutely necessary. This would lead to a better understanding of the changes required to ensure HAP is a real option for people seeking accommodation.

In Threshold's experience, many landlords and agents are unaware they cannot discriminate against a HAP applicant under equality legislation. There is a need for an education and awareness-raising campaign to address this.

**9. Additional measures are required to incentivise landlords to remain in the market.**

It has been demonstrated that supply of housing, in general, has been significantly constrained over the past decade. Notwithstanding the delivery of much needed new supply to the market, the issue of undersupply in the private rental sector has been compounded by the apparent trend of landlords leaving the market. This is illustrated in the analysis with a significant proportion of landlord-led terminations for the reason of selling. Over the study period, for every 10 terminations brought to Threshold's attention, four of them were to facilitate the sale of the property.

Landlords leaving the market are typically small<sup>171</sup>, with one or two properties, and are unlikely to be replaced, like-for-like, by the supply from the BTR market. This could have implications for the market in terms of the type of accommodation on offer, the offer outside of urban areas, and affordability. Further analysis on the full range of costs and benefits associated with various rental sector schemes, for example, utilisation of the tax code to incentivise landlords to remain in the market, and the potential consequences of same, on existing stock and affordability, would help to inform the types of incentives required to keep landlords in the market.

**10. Improve the standards of private rented accommodation.**

Threshold proposes an 'NCT' style system of certification to ensure minimum standards are met in the private rented sector. The introduction of such a system would see the burden of proof for compliance with minimum standards rest with the landlord, who would be required to provide a certificate of fitness to the local authority prior to a property being rented. It is the view of Threshold and CIB that this would promote greater compliance across the board and help to 'future-proof' the stock of private rented accommodation if minimum standards were to include target energy ratings.

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<sup>171</sup> RTB Rental Sector Survey 2021

# Appendix 1: Threshold Data: Summary Statistics and Main Issues Facing Clients

Summary Statistics, Threshold Data, 2019 and 2020

	2019	2020
<b>Observations</b>	<b>16,134</b>	<b>12,654</b>
<b>Family Type</b>		
Couple	14%	16%
Family	0%	0%
Lone Parent Family	18%	13%
Not Stated	2%	1%
Sharing with Other Adults	0%	0%
Single	43%	51%
Two Parent Family	23%	18%
<b>Children</b>		
Average number of children	0.8	0.6
<b>Age</b>		
18-24	7%	10%
25-34	32%	47%
35-44	28%	29%
45-65	11%	8%
66 and over	2%	1%
Not Recorded	21%	5%
<b>Main Source of Income</b>		
Wages/Salary	55 %	60%
Student Loan/Grant	2%	4%
Social Welfare Payment	32%	26%
Pension	2%	1%
Other	1%	1%
Not Recorded	9%	8%
<b>Social Welfare Income</b>		
Disability/Illness Benefit	30%	23%
Jobs Allowance/Benefit	37%	45%
One Parent Family	32%	32%
Carers	1%	

<b>In Receipt of Housing Support</b>		
HAP	26%	27%
None	41%	47%
RAS	1%	1%
Rent Supplement	22%	15%
Unknown	11%	12%
<b>Income Loss Due to Covid-19</b>		
No		80%
Yes		15%
Not Recorded		6%
<b>Tenure Type</b>		
RAS	2%	2%
HAP	16%	15%
Rent Supplement	11%	4%
Homeless HAP	1%	1%
Private Rented	71%	71%
House Share	0%	7%
<b>Type of Termination</b>		
Landlord	92%	78%
Tenant	8%	22%
<b>Termination Issue</b>		
Security of Tenure Enquiry	1%	1%
General Termination Enquiry	15%	26%
Illegal Eviction	1%	3%
Invalid Notice	42%	35%
Receivership/Repossession	0%	0%
Threat of Eviction	2%	3%
Valid Notice	38%	33%
<b>Months in Rent Arrears</b>		
1 month	51%	62%
2 months	15%	10%
3 months	7%	11%
4 months	5%	4%
5 months	4%	4%
6+ months	19%	9%

<b>Reason for Rent Arrears</b>		
Loss of Employment	9%	25%
Other Financial Commitments	14%	7%
Reduction in Earnings	8%	12%
Rent Increase	18%	14%
Other	52%	41%
<b>Standards &amp; Repairs Required</b>		
Bath/Shower Issues	10%	9%
Cooking Facilities	3%	3%
Damp/Mould	22%	22%
Decoration	2%	3%
Electric, Gas, Oil Installations	6%	4%
Fire Safety	2%	2%
Furniture	5%	4%
Heating	13%	16%
Lighting/Ventilation	2%	1%
Other	12%	14%
Overcrowding	0%	0%
Structural Issues	21%	18%
Washing Machine/Dryer	4%	4%
<b>At Risk of Homelessness</b>		
Yes	66%	52%
No	33%	48%
Not Recorded	1%	0%
<b>Homelessness Prevented</b>		
Yes	78%	77%
No	22%	20%
Unknown	1%	3%

Source: Threshold.

Note: May not sum due to rounding

### Main Issues Facing Threshold's Clients, by Tenancy Type, 2019 and 2020

	2019	2020	Percentage point (pp) change
<b>Clients Without Housing Supports</b>	<b>71%</b>	<b>78%</b>	<b>+7pp</b>
Tenancy Termination	35%	24%	-11pp
Rent Review/Rent Increase	12%	6%	-6pp
Standards/Repairs	8%	9%	+1pp
Deposit Retention	8%	10%	+2pp
Advice on Lease	6%	14%	+8pp
Landlord/Agent Breach	6%	5%	-1pp
General Termination Enquiry	4%	3%	-1pp
HAP	4%	3%	-1pp
Seeking Accommodation	4%	4%	-
Rent Arrears	3%	5%	+2pp
Other	10%	16%	+6pp
<b>Clients in Receipt of HAP and Homeless HAP</b>	<b>17%</b>	<b>16%</b>	<b>-1pp</b>
Tenancy Termination	40%	33%	-7pp
Rent Review/Rent Increase	18%	13%	-5pp
HAP General Query	11%	13%	+2pp
Standards/Repairs	7%	11%	+4pp
Seeking Accommodation	5%	6%	+1pp
Landlord/Agent Breach	4%	5%	+1pp
Rent Arrears	3%	4%	+1pp
General Termination Enquiry	3%	2%	-1pp
Deposit Retention	2%	4%	+2pp
Advice on Lease	2%	4%	+2pp
Other	6%	7%	+1pp
<b>Clients in Receipt of Rent Supplement</b>	<b>11%</b>	<b>4%</b>	<b>-7pp</b>
Tenancy Termination	49%	31%	-19pp
Rent Review/Rent Increase	15%	12%	-3pp
Rent Supplement General Query	7%	10%	+3 pp
Rent Arrears	5%	8%	+3pp
HAP	4%	8%	+4pp
Standards/Repairs	4%	9%	+5pp
Seeking Accommodation	4%	3%	-1pp
Landlord/Agent Breach	2%	4%	+2pp
General Termination Enquiry	1%	2%	-1pp
Receivership	1%	1%	-
Other	8%	14%	+6pp

<b>Clients in Receipt of RAS</b>	<b>2 %</b>	<b>2%</b>	<b>-0pp</b>
Tenancy Termination	49%	34%	-15pp
RAS General Query	12%	10%	-2pp
Standards/Repairs	11%	16%	+5pp
Social Housing Options	6%	7%	+1pp
Landlord/Agent Breach	4%	3%	-1pp
Rent Arrears	3%	2%	-1pp
Seeking Accommodation	3%	3%	-
Deposit Retention	3%	2%	-1pp
Advice on Lease	2%	1%	-1pp
General Termination Enquiry	2%	3%	+1pp
Other	6%	20%	+14pp
<b>Total</b>	<b>100%</b>	<b>100%</b>	

Source: Threshold. Note: May not sum due to rounding.

# Appendix 2: CISs Data: Summary Statistics and Main Issues Facing Clients

## Summary Statistics, CISs Data, 2019 and 2020

	2019	2020
<b>Observations</b>	<b>35,965</b>	<b>26,591</b>
<b>Query Type</b>		
HAP	50%	45%
Private Rented Accommodation	36%	36%
RS	13%	19%
<b>Age</b>		
≤ 25	3%	3%
26-45	45%	40%
46-65	21%	21%
≥ 66	4%	3%
Not Stated	27%	34%
<b>Caller Profile</b>		
Couples	8%	3%
Female	55%	60%
Male	37%	37%
Unknown	0%	0%
<b>Country of Origin</b>		
Ireland	42%	50%
Not Stated	29%	33%
Poland	9%	6%
Nigeria	2%	1%
Romania	2%	1%
United Kingdom	2%	1%
Other	15%	8%
<b>Private Rented Accommodation Issues</b>		
Deposit Retention	6%	7%
Landlord Rights and Obligations	16%	17%
Notice, Eviction, Disputes	21%	20%
Rent Arrears/Rent problems	6%	8%
Rent Review	10%	7%

RTB	15%	12%
Standards and Repairs	6%	6%
Tenants' Rights and Obligations	21%	23%
<b>HAP Issues</b>		
Application Form	9%	7%
Administration	54%	59%
Homeless HAP	0%	1%
Income	1%	2%
Information	18%	16%
Qualifying Criteria	11%	10%
Rent Rates/Limits	4%	2%
Social Housing	2%	1%
Landlord Issue	1%	2%
<b>RS Issues</b>		
Application Form	10%	13%
Employment/Income	3%	2%
Entitlement Query	3%	2%
Information	8%	10%
Landlord Issues	1%	1%
Qualifying Criteria	7%	8%
Rent Allowance	5%	1%
Rent Issues/Rates/Limits	3%	1%
Administration	60%	60%
Covid-19		2%
<b>Call Duration</b>		
≤ 10 mins	21%	33%
11-20 mins	45%	47%
21-40 mins	28%	17%
41-90 mins	5%	3%
≥ 91 mins	1%	0%
<b>Type of Query</b>		
Complex (clarification of rules/criteria for eligibility, discussion of options, provision of assistance or support)	79%	84%
Simple (basic information, signposting)	21%	16%
<b>Action Taken</b>		
Advice/Assistance	62%	61%
Advocacy	2%	1%
Information	36%	39%

Source: Citizens Information Board.

Note: May not sum due to rounding.

### Main Issues Facing CISs Clients, by Query Type, 2019 and 2020

	2019	2020	Percentage point (pp) change
<b>Housing Assistance Payment</b>	<b>50%</b>	<b>45%</b>	<b>-5pp</b>
HAP Related Query	63%	69%	+6pp
Application Form/Process	10%	7%	-3pp
Entitlement/Qualification/Eligibility	10%	10%	-
Rent Review/Rates/Limits	7%	3%	-4pp
Employment/Education/Income	3%	2%	-1pp
Change in Circumstances	2%	3%	+1pp
Social Housing	2%	2%	-
Landlord Issue	1%	2%	+1pp
Deposit Query	1%	0%	-1pp
Homeless HAP	1%	1%	-
<b>Private Rented Accommodation</b>	<b>36%</b>	<b>36%</b>	<b>-</b>
Tenants' Rights and Obligations	21%	23%	+2pp
Notice, Eviction, Disputes	21%	20%	-1pp
Landlords' Rights and Obligations	16%	17%	+1pp
RTB	15%	12%	-3pp
Rent Review	10%	7%	-3pp
Standards and Repairs	6%	6%	-
Deposit Retention	6%	7%	+1pp
Rent arrears/Rent problems	6%	8%	+2pp
<b>Rent Supplement</b>	<b>14%</b>	<b>19%</b>	<b>+5pp</b>
Rent Supplement Related Query	56%	68%	+12pp
Entitlement/Qualification/Eligibility	10%	10%	-
Application Form	10%	12%	+2pp
Rent Allowance	5%	1%	-4pp
Rent Review/Rates/Limits	5%	2%	-3pp
Employment/Education/Income	5%	3%	-2pp
Rent Unit	4%	0%	-4pp
Information on HAP	2%	0%	-2pp
Suspension of Rent Supplement	2%	0%	-2pp
Landlord Issue	2%	1%	-1pp
<b>Total</b>	<b>100%</b>	<b>100%</b>	

Source: Citizens Information Board.

Note: Queries relating to the subcategories of HAP and Private Rented Accommodation are collected under CISs Housing queries. Queries relating to the subcategory of Rent Supplement are collected under CISs Social Welfare queries.

Note 'HAP Related Query' and 'Rent Supplement Related Query' capture queries relating to information, entitlement, qualification, eligibility, and application forms. Queries relating to HAP and Rent Supplement are based on representative samples.

# Appendix 3: Thematic Review of the Threshold Focus Group and CISs/MABS Survey

The stakeholder consultation process included

- A focus group of eight Threshold advisors. This focus group was held on 9 July 2021 via Microsoft Teams.
- An online survey of CISs and MABS advisors via Microsoft Forms. A three-week survey period was set, from 25 June 2021 to 15 July 2021. There were 82 responses.

A summary of the key findings is presented here.

## Theme 1: Tenant Entitlements

CISs/MABS survey respondents were asked if they believe tenants are aware of, or understand, the full range of supports/entitlements available to them -

- Yes: 10%
- No: 90%

Both the Threshold Focus Group and CISs/MABS survey respondents were asked what they consider to be the main areas of concern regarding tenants' awareness of supports/entitlements -

- Tenants are not aware of how HAP (and other housing supports) operates, eligibility, rights – employment and income limits, top-up payments, etc.,
- Tenants are not informed of the discretionary 20% extension to the rent limit,
- Tenants are confused between Rent Supplement and HAP,
- Tenants are afraid that landlord will not accept HAP/RS,
- Tenants are unaware of revised rules for Rent Supplement and other financial supports made available during the pandemic,
- Tenants have a lack of knowledge of tenants' and landlords' rights and obligations e.g., deposits, rent increases, notice periods, etc.,
- Tenants have a lack of knowledge around RPZs.

Both the Threshold Focus Group and CISs/MABS survey respondents were asked to state one policy change that may help to improve the situation in relation to information gaps and understanding -

- Public awareness/information campaigns,
- Greater advertising of supports by local authorities,
- Greater co-operation between departments e.g., people on social welfare should be informed if they are eligible for housing support,
- Flag changes to housing supports well in advance,
- More information should be included in the tenancy agreement e.g., a summary booklet of rights and obligations, and contact details for key organisations,
- Standardise all private lease agreements,
- Information available in more languages,
- Streamlining and simplification of housing support application process.

## Theme 2: Housing Assistance Payment

CISs/MABS survey respondents were asked if HAP is sufficient in meeting the needs of recipients -

- Yes: 11%
- No: 89%

Both the Threshold Focus Group and CISs/MABS survey respondents were asked what one policy change could improve the HAP scheme for tenants -

- Review HAP rent limits,
- Remove 'top-up' payments to landlords,
- Application process needs to be streamlined and shortened i.e., applicants need to first make an application for social housing before they can apply for HAP,
- Review income thresholds,
- Provide greater clarity on a tenant's right to social housing if they apply for HAP, and
- Provide greater clarity to tenants that HAP payments are not paid in arrears, and they are liable for any rent due while the application is being processed.

### Theme 3: Tenancy Termination

The Threshold Focus Group was asked what the main concerns for tenants are facing termination -

- Difficulty finding alternative accommodation,
- Dependent on their deposit being repaid to secure new accommodation, and
- Difficulty securing a reference from their previous landlord.

The Threshold Focus Group was asked what safeguards should be put in place to protect tenants -

- A deposit retention scheme should be established,
- Landlords should be obligated to provide a reference,
- Infrastructure should be improved to allow people move to other areas without losing connection with their community.

### Theme 4: Private Rented Sector in General

Both the Threshold Focus Group and CISs/MABS survey respondents were asked what they considered to be the most prevalent issue facing tenants in the Private Rented Sector -



Source: CISs/MABS Survey.

- The Threshold Focus Group identified the following:
  - Security of tenure,
  - Lack of affordable housing,
  - Rent levels,
  - Lack of regulation and enforcement regarding minimum standards, and
  - Securing deposit and reference.

Both the Threshold Focus Group and CISs/MABS survey respondents were asked what one policy change would help to improve the situation -

- Abolish 'no fault evictions',
- Legally establish a 'right to housing' in the Constitution,
- Introduce long-term lease agreements,
- Introduction of a rent freeze or cap,
- Increase HAP rent limits,
- Greater incentives to renovate vacant or derelict properties,
- Rapid expansion of Cost Rental accommodation,
- Greater supply of social housing on public land, and
- A long-term plan with consideration for climate change and mass migration.

### Theme 5: The Covid-19 Pandemic

CISs/MABS survey respondents were asked what they considered to be the greatest impact of Covid-19 on tenants in the Private Rented Sector -

- Negative Impacts
  - Lack of awareness of housing/financial supports,
  - Lack of awareness of rights regarding rent increases and evictions,
  - Significant reduction in income leading to difficulty paying rent and arrears,
  - Working from home compounding supply issues especially in rural areas,
  - Reduction in standards as landlords could not inspect properties.
- Positive Impacts
  - Rent freezes and ban on evictions,
  - Tenants being made aware that they may be eligible for longer-term housing support.

# Appendix 4: Housing for All – Private Rented Sector

## Overview:

- An average of 2,000 new Cost Rental homes every year with rents targeted at least 25% below market level.
- Extended Rent Pressure Zones to 2024 and rents linked to the Harmonised Index of Consumer Prices.
- New short-term lettings regulation through a Fáilte Ireland registration system.
- Indefinite tenancies to strengthen security for renters.
- Minimum Building Energy Rating standards for private rental dwellings.
- Upfront deposit and rent payments capped at two months value.

## Increased Protections for Tenants in Private Rented Accommodation

- Bring forward legislation with provisions to address long-term security of tenure.
- Increase enforcement of registration of tenancies by the Residential Tenancies Board (RTB).
- Extend changes in the Rent Supplement income threshold in line with the adjustment of PUP rates under the National Economic Recovery Plan.
- Retain the rent limit flexibilities in the Rent Supplement Scheme.
- Expand data-sharing arrangements between RTB and Revenue.
- Provide additional resources to the RTB in order to make available trained RTB facilitators in intervene at an early stage to prevent disputes escalating between parties.
- Extend Rent Pressure Zone (RPZ) protections to the end of 2024 and link rent increases to Harmonised Index of Consumer Prices.
- Review the recommendations of the Working Group on the Tax and Fiscal Treatment of landlords.
- Retain market-based settings for first rent of new properties to the market for the duration of RPZ protections or any successor restrictions.
- Examine the potential extension of the role of estate agents to include an initial inspection of rental property to the extent possible.
- Support diversification of housing stock and increase availability of rental stock by supporting the development of Purpose-Built Student Accommodation by Technological Universities.
- Examine the creation of a system of holding rental deposits, informed by international experience.
- Legislate through the Residential Tenancies Acts for default conciliation as part of the dispute resolution process within the RTB.
- Implement Minimum BER standards, where feasible, for private rental properties, commencing in 2025.

## Housing Supports and the Private Rented Sector

- Continue to support households through HAP and RAS schemes while levels of social housing stock are increased.
- Undertake an analytical exercise to examine whether an increase in the level of discretion available to Local Authorities under HAP is required, in order to maintain adequate levels of HAP support.
- Carry out a review of the RAS to consider the role of the scheme in the private rental market, taking account of the impact of HAP and AHB participation by the end of 2022.

## Efficient Use of Existing Stock

- Develop new regulatory controls for requiring short-term and holiday lets to register with Fáilte Ireland with a view to ensuring that homes are used to best effect in areas of housing need.
- The RTB will be tasked with an enforcement role as part of this process.

Source: Housing for All.

# Appendix 5: Social Housing Supports in the Private Rented Sector

## Housing Assistance Payment (HAP)

- Introduced in 2014 as a social housing support for people with long-term housing needs. The scheme is available through the local authorities, who pay the landlords directly.
- Tenants must first be approved on the social housing list before applying for HAP. Once a tenant secures a property with HAP, the applicant's housing needs are deemed to be met and they are removed from the local authority social housing list, or added to the transfer list.
- HAP rent limits apply and vary by local authority. Tenants pay a weekly HAP rent contribution to the local authority, based on income/ability to pay.
- Flexibility of up to 20% on the HAP limit may be approved on a case-by-case basis if suitable accommodation cannot be found within the permitted rent limits.
- Tenants can retain the support and start full-time employment.
- The local authority will inspect the private rented accommodation within eight months of the first HAP payment to ensure the property meets minimum standards.

## Homeless HAP

- Operated by the Dublin Regional Homeless Executive on behalf of the four Dublin local authorities. A similar scheme is operated by Cork City Council.
- A Homeless HAP Place Finder Service is available in all local authority areas and assists homeless households, or households in immediate risk of homelessness.
- To avail of the scheme a person/family must meet the definition of being homeless, as defined in Section 2 of the Housing Act, 1988.
- The scheme provides discretion to exceed the HAP rent limits by up to 50%, if necessary, to secure suitable accommodation.

## Rent Supplement (RS)

- This is a short-term income support administered through the Department of Social Protections (DSP) as part of the Social Welfare or Supplementary Welfare Allowance payment (i.e., paid directly to the tenant).
- It is a means-tested payment for people living in private rented accommodation who cannot cover the cost of rent from their own resources.
- To qualify, one of the following must apply - (i) the tenant was previously in receipt of a Rent Supplement payment within 12 months of application date, or (ii) the applicant resided in private rented accommodation for 183 days of the preceding 12 months.
- Those in full-time employment (i.e., 30 hours or more a week) do not qualify for Rent Supplement.
- Single tenants must pay a rent contribution of at least €30 a week, while couples must pay a minimum of €40 a week.
- Those in long-term receipt of Rent Supplement will eventually transfer to the HAP scheme.

## Rental Accommodation Scheme (RAS)

- This social housing support was introduced in 2004 and caters for the accommodation needs of tenants in receipt of long-term Rent Supplement.
- To qualify, a tenant must be in receipt of Rent Supplement for a minimum period of 18 months and be assessed as having a long-term housing need.
- The local authority enters a contract with the landlord and pays the full rent on behalf of the tenant. A deposit is not required.
- Once approved for the RAS, the tenant's housing needs are deemed to be met and is be removed from the social housing list.
- As opposed to Rent Supplement, but like HAP, tenants who take up full-time employment can stay on the RAS scheme, with a recalculated rent.
- The RAS will be replaced by the HAP scheme.

Source: Housing for All.

# Appendix 6: Profile of Vulnerable Cohorts

## Vulnerable Cohort One: Clients with one or more dependent children

	2019	2020
<b>Tenure Type</b>		
Private Rented + House Share	49%	59%
Housing Support	51%	41%
<b>Top Five Issues in 2019</b>		
Tenancy Termination	45%	33%
Rent Review/Rent Increase	14%	9%
HAP	7%	8%
Standards/Repairs	7%	11%
Seeking Accommodation	4%	5%
<b>Family Type</b>		
Two Parent Family	52%	54%
Lone Parent Family	42%	42%
Couple	4%	2%
Other	2%	1%
<b>Main Source of Income</b>		
Wages/Salary	47%	51%
Social Welfare Payment	45%	41%
Not Recorded	6%	6%
Other	1%	1%
<b>Covid-19 Income Loss</b>		
Yes		13%
No		81%
<b>Type of Termination</b>		
Landlord	97%	95%
Tenant	3%	5%
<b>Landlord Reason for Termination</b>		
Selling	48%	47%
Landlord/Family Move In	18%	18%
Renovation	8%	7%
Arrears	7%	8%
Noise/Anti-Social Behaviour	3%	3%
Other	15%	17%

<b>Termination Issue</b>		
Valid Notice	44%	42%
Invalid Notice	42%	36%
General Termination Enquiry	10%	16%
<b>Time in Arrears</b>		
1 month	42%	74%
2 months	21%	11%
3 months		5%
4+ months	37%	10%
<b>Reason for Arrears</b>		
Loss of Employment	8%	21%
Other Financial Commitments	14%	9%
Reduction in Earnings	8%	14%
Rent Increase	15%	17%
Separation	9%	5%
Covid-19		2%
Other	47%	30%
<b>Risk of Homelessness</b>		
Yes	77%	66%
No	22%	34%
Not Recorded	1%	0%

Source: Threshold. Note: May not sum due to rounding.

**Vulnerable Cohort Two: Clients who are single, with no dependents, earn a wage/salary, and not in receipt of housing support**

	2019	2020
<b>Top Five Issues</b>		
Tenancy Termination	30%	22%
Rent review/Rent increase	11%	5%
Deposit Retention	10%	12%
Advice on lease	9%	17%
Standards/Repairs	9%	8%
<b>Age</b>		
18-24	10%	13%
25-34	41%	60%
35-44	17%	19%
45-65	5%	4%
66 and over	0%	0%
<b>Covid-19 Income Loss</b>		
Yes		82%
No		5%
Not Recorded		13%
<b>Type of Termination</b>		
Landlord	83%	64%
Tenant	17%	36%
<b>Landlord Reason for Termination</b>		
Selling	32%	25%
Landlord/Family Move In	17%	13%
Renovation	13%	7%
Arrears	8%	9%
Other	30%	46%
<b>Termination Issue</b>		
Valid Notice	30%	24%
Invalid Notice	42%	31%
General Termination Enquiry	22%	36%
<b>Time in Arrears</b>		
1 month	69%	75%
2 months	13%	11%
3 months	4%	6%
4+ months	13%	9%

<b>Reason for Arrears</b>		
Rent Increase	18%	12%
Other Financial Commitments	11%	4%
Reduction in Earnings	7%	11%
Loss of Employment	5%	18%
Separation	2%	-
Covid-19		2%
Other	57%	54%
<b>Risk of Homelessness</b>		
Yes	52%	38%
No	48%	62%
Not Recorded	0%	0%

Source: Threshold.

Note: May not sum due to rounding.

### Vulnerable Cohort Three: Clients aged 66+ years

	2019	2020
<b>Tenure Type</b>		
Private Rented + House Share	64%	66%
Housing Support	36%	34%
<b>Top Five Issues in 2019</b>		
Tenancy Termination	42%	28%
Rent Review/Rent Increase	23%	12%
Standards/Repairs	5%	9%
HAP	5%	11%
General Termination Enquiry	4%	4%
<b>Family Type</b>		
Single	79%	81%
Couple	16%	17%
Other	5%	2%
<b>Main Source of Income</b>		
Pension	66%	72%
Social Welfare Payment	24%	18%
Wages/Salary	7%	7%
Not Recorded	3%	2%
Other		1%
<b>Covid-19 Income Loss</b>		
Yes		5%
No		82%
Not Stated		12%
<b>Type of Termination</b>		
Landlord	97%	91%
Tenant	3%	9%
<b>Landlord Reason for Termination</b>		
Selling	46%	48%
Landlord/Family Move In	22%	15%
Renovation	14%	4%
No Reason - Just General Enquiry	3%	4%
Arrears	3%	7%
Other	13%	22%
<b>Termination Issue</b>		
Invalid Notice	52%	37%
Valid Notice	35%	44%
General Termination Enquiry	7%	17%

<b>Time in Arrears</b>		
1 month	50%	50%
2 months	13%	25%
3 months	-	
4+ months	38%	25%
<b>Reason for Arrears</b>		
Other Financial Commitments	13%	-
Rent Increase	25%	50%
Separation	13%	-
Reduction in Earnings	-	25%
Other	50%	25%
<b>Risk of Homelessness</b>		
Yes	77%	64%
No	22%	36%
Not Recorded	1%	1%

Source: Threshold.

Note: May not sum due to rounding.

### Vulnerable Cohort Four: Clients in receipt of housing support

	2019	2020
<b>Tenure Type</b>		
HAP	53%	69%
Homeless HAP	3%	5%
RAS	8%	7%
Rent Supplement	36%	20%
<b>Top Five Issues</b>		
Tenancy Termination	44%	33%
Rent Review/Rent Increase	15%	12%
HAP	8%	11%
Standards/Repairs	6%	11%
Seeking Accommodation	4%	5%
<b>Family Type</b>		
Lone Parent Family	35%	35%
Two Parent Family	28%	24%
Single	28%	32%
Couple	8%	8%
Not Recorded	2%	1%
<b>Main Source of Income</b>		
Social Welfare Payment	71%	65%
Wages/Salary	19%	27%
Not Recorded	7%	5%
Other	3%	3%
<b>Covid-19 Income Loss</b>		
Yes		7%
No		84%
Not Stated		9%
<b>Type of Termination</b>		
Landlord	98%	92%
Tenant	2%	8%
<b>Landlord Reason for Termination</b>		
Selling	49%	47%
Landlord/Family Move In	16%	16%
Renovation	10%	4%
Arrears	7%	7%
Other	18%	26%

<b>Termination Issue</b>		
Valid Notice	46%	44%
Invalid Notice	41%	38%
General Termination Enquiry	10%	15%
<b>Time in Arrears</b>		
1 month	44%	51%
2 months	17%	6%
3 months	4%	12%
4+ months	35%	31%
<b>Reason for Arrears</b>		
Other Financial Commitments	17%	14%
Rent Increase	13%	17%
Separation	6%	-
Reduction in Earnings	6%	10%
Loss of Employment	4%	16%
Covid-19		3%
Other	54%	41%
<b>Risk of Homelessness</b>		
Yes	78%	69%
No	20%	31%
Not Recorded	2%	0%

Source: Threshold.

Note: May not sum due to rounding.

### Vulnerable Cohort Five: Clients whose main source of income is social welfare

	2019	2020
<b>Tenure Type</b>		
Private Rented + House Share	36%	45.8%
Housing Support	64%	54.2%
<b>Top Five Issues in 2019</b>		
Tenancy Termination	44%	30.4%
Rent Review/Rent Increase	14%	7.8%
HAP	8%	9.2%
Standards/Repairs	6%	8.7%
Rent Arrears	5%	7.7%
<b>Family Type</b>		
Lone Parent Family	36%	30%
Single	33%	39%
Two Parent Family	23%	20%
Couple	8%	10%
Other	0%	1%
<b>Covid-19 Income Loss</b>		
Yes		20%
No		74%
Not Recorded		6%
<b>Type of Termination</b>		
Landlord	98%	93%
Tenant	2%	7%
<b>Landlord Reason for Termination</b>		
Selling	45%	39%
Landlord/Family Move In	14%	17%
Renovation	11%	4%
Arrears	9%	11%
Noise/Anti-Social Behaviour	5%	9%
Other	15%	21%
<b>Termination Issue</b>		
Valid Notice	44%	40%
Invalid Notice	42%	38%
General Termination Enquiry	9%	16%
<b>Time in Arrears</b>		
1 month	46%	50%
2 months	18%	11%
3 months	7%	14%
4+ months	29%	25%

<b>Reason for Arrears</b>		
Rent Increase	15%	13%
Other Financial Commitments	14%	9%
Loss of employment	11%	27%
Separation	7%	2%
Reduction in Earnings	7%	14%
Covid-19	-	1%
Other	47.4%	32%
<b>Risk of Homelessness</b>		
Yes	79%	71%
No	19%	28%
Not Recorded	2%	1%

Source: Threshold.

Note: May not sum due to rounding.

### Vulnerable Cohort Six: Clients in a licence agreement

	2019	2020
<b>Top Five Issues</b>		
Deposit Retention	26%	27%
Tenancy Termination	23%	26%
Seeking Accommodation	11%	9%
Utilities	6%	3%
Advice on Lease	6%	8%
<b>Family Type</b>		
Lone Parent Family	4%	4%
Single	82%	84%
Two Parent Family	3%	2%
Couple	10%	10%
Other	0%	0%
<b>Main Source of Income</b>		
Social Welfare Payment	15%	17%
Wages/Salary	60%	62%
Not Recorded	12%	11%
Other	13%	10%
<b>Covid-19 Income Loss</b>		
Yes	-	3%
No	-	97%
Not Recorded	-	0%
<b>Type of Termination</b>		
Landlord	82%	85%
Tenant	18%	15%
<b>Landlord Reason for Termination</b>		
Selling	14%	10%
No Longer Meeting Tenant's Needs	11%	3%
Renovation	7%	1%
Arrears	7%	8%
Noise/Anti-Social Behaviour	7%	6%
Other	54%	71%
<b>Termination Issue</b>		
Valid Notice	45%	40%
Invalid Notice	22%	14%
General Termination Enquiry	22%	20%
<b>Risk of Homelessness</b>		
Yes	37%	45%
No	63%	55%
Not Recorded	-	-

Source: Threshold.

Note: May not sum due to rounding.

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