

THE RENT CAPS - THE KEY POINTS

On December 24th 2016, there was a substantial amendment to the Residential Tenancies Act. The amendment covered a variety of issues but the most relevant one relates to rent restrictions within Rent Pressure Zones (RPZ). All four county councils in Dublin are considered Rent pressure Zones. There was further amendment on July 16th 2021, which capped rent increases in line with general inflation.



APPLYING THE NEW RENT CONTROL RULES

- From July 16th 2021, rents cannot be increased by more than the rate of inflation every 12 months (24 months for a new tenancy)
- 90 days' notice must be given at the expiration of the first 24 month period, 12 months thereafter assuming it is the same tenancy
- There is an RPZ calculator on the RTB website, which calculates the new rent by applying the rate of inflation since the last increase
- The Harmonised Index of Consumer Prices (HICP) is used to calculate the rate of inflation
- The tenants must be issued formal written notice which must show the calculation and be accompanied with evidence of three comparable rental properties



FURTHER CONSIDERATIONS

- The rent caps still apply to a new tenancy, when an incumbent tenant vacates
- When a property that has been recently rented is sold, the rent caps still apply to a purchaser who intends on renting it out



EXEMPTIONS TO THE NEW RULES

- If a property has not been rented within the last 24 months
- If the property is a new build
- If a 'substantial change' in the nature of the accommodation has taken place

A 'substantial change' is defined by the below strict criteria:

- The building of a permanent extension that increases the size of the dwelling by at least 25%
- Works carried out that would improve the Building Energy Rating (BER) of the property by at least 7 ratings
- Alternatively, 3 or more of the below works must be carried out
 - The internal layout of the property being permanently altered
 - A property being adapted to provide disability access as defined by the 2005 Disability Act
 - A permanent increase in the number of rooms
 - If a property has a BER of a D1 or lower; an improvement of at least 3 rating will be required
 - If a property has a BER of a C3 or higher; an improvement of at least 2 rating will be required

Please note, to qualify for an exemption based on 'substantial change', the RTB will need to be furnished with a letter of certification from a construction professional and / or a new BER Certificate.