



An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta
National Economic & Social Council

Noel Cahill, National Economic and Social Council (NESC)

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Evolution of Tenures

- ▶ Rise in private rental from 8% of households in 1991 to 18% in 2022; offsetting fall in ownership share
- ▶ Particularly large fall in ownership among younger age cohorts: from 69% among 25-34 year olds in 1991 to 31% in 2022
- ▶ From 2016 to 2021, number of registered tenancies fell by 13.6% but the Census shows an increase of 6.7% in private rental households from 309,728 in 2016 to 330,632 in 2022. CSO study to investigate reasons for difference.



Does the fall in home ownership matter?

- ▶ To some degree inevitable given rise in migration from the 1990s
- ▶ A large rental sector facilitates labour mobility, new household formation, a stable housing system
- ▶ Continuation of trends imply large fall in ownership among retired cohorts in future; issue of how to pay rent in retirement
- ▶ Other alternatives: cost rental; owner-occupation on leased land.
- ▶ Acute shortage of rental now posing difficulties.



Responses

- ▶ Increase in supply across all tenures required to ease pressure in private rental; many in private rental could be in other tenures: home ownership, social housing, cost rental
- ▶ Report outlines possible responses in three areas:
 - ▶ Taxation
 - ▶ Vacancy and Dereliction
 - ▶ Regulation.



Taxation

- ▶ NESC recommended consideration of further action to improve the tax treatment of landlords, which should be linked to improved security of tenure for tenants
- ▶ A targeted measure would be relief from capital gains tax (CGT) when a landlord sells a property with tenants in situ to a local authority or approved housing body (AHB)



Vacancy and Dereliction

- ▶ Review the scope for regulatory changes to facilitate renovation of older properties
- ▶ Consider the introduction of requirements on the owners of vacant residential properties to make them available for rent, as is done in Denmark
- ▶ Expand the Repair and Leasing Scheme
- ▶ Provide more professional staff in the public system to advise and support property owners on restoring and bringing vacant properties into use;
- ▶ Promote awareness of changes made to Fair Deal and Rent-a-Room reliefs



Regulation

- ▶ Further research on the effects of Rent Pressure Zones (RPZs) in Ireland, including consideration as to whether there is sufficient market sensitivity in Ireland's model of rent control in situations where rents have fallen substantially below the market level;
- ▶ Effective action to address standards in rental properties, including considering the introduction of a National Car Test (NCT)-type system
- ▶ Conduct a formal assessment of the effectiveness of the current system of building control regulation, including the Construction Industry Register Ireland (CIRI);
- ▶ Upgrade the Building Energy Rating (BER) for private rental, in a way that avoids a loss of supply



NESC Reports on Housing

Private Rental in Ireland, NESC report no. 159, February 2023.

Other NESC housing reports:

Housing Policy Actions to Deliver Change, 2020.

Transport-Orientated Development: Assessing the Opportunity in Ireland, 2019.

Urban Development Land, Housing and Infrastructure: Fixing Ireland's Broken System, 2018.

Housing Supply and Land: Driving Public Action for the Common Good, 2018.

Social Housing at the Crossroads: Possibilities for Investment, Provision and Cost Rental, 2014.

All NESC reports available at:

<https://www.nesc.ie/publications/>