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Deposit Scheme is Welcome – but We’re Still Playing Catch-up

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Renters are here to stay, help them feel at home

LINDA DALY
MARKET WATCH



The recent eviction notices served to Tyrrelstown residents highlighted why we're a nation obsessed with buying our own patch of land. Never mind the theory that it's down to the Brits taking it — they, too, are avid homebuyers. Ignore the claims that rent is dead money: that argument deftly ignores the €140,000 interest payable on a €250,000 mortgage over 30 years. We buy homes because we don't want someone coming along and turfing us out.

Yet, this is generation rent. More than three in 10 of the population now live in rented accommodation, and despite the previous administration's attempts to improve security of tenure, we fall far short of standards in the rest of Europe.

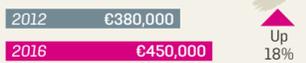
Take Germany, for example, where about half the population rent. Even if a landlord has legitimate reasons for terminating a lease — such as needing the premises for himself or his family — a tenant can object. Plus, tenants can call for a continuation of their contract if the termination will give rise to hardship.

In Switzerland, where home ownership costs are prohibitively high, 56% of the population rents. Tenants can challenge the landlord if they feel the rent is unfair and are often successful in overturning eviction notices. In France, if you rent an unfurnished property, your contract is for a minimum of three years. It's six if you're renting from a company. If the landlord wants to sell, the tenant has the first right of refusal to buy. And for those aged 65 or over, the landlord must provide suitable alternative accommodation.

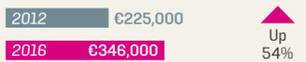
Longer notices and longer leases are the way forward for a fair and successful rental market. If our European counterparts can do it, why can't we?

Price watch: Dublin 6W

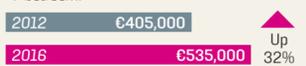
Harold's Cross Road Harold's Cross
4-bed terraced



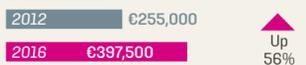
Mount Argus Court Harold's Cross
3-bed terraced



Cypress Grove Road Templeogue
4-bed semi



Cedar Court Terenure
3-bed terraced



Source: propertypriceregister.ie



Leaders of the pack

Relocation specialists tick all the boxes for foreign workers and returning expats who want to settle in Ireland. By Cian Molloy

When a multinational company moves a high-ranking executive from one country to another, it wants that person to concentrate on their high-powered job and not get bogged down in domestic issues and worries.

With the rental market in Ireland being squeezed ever tighter, that's becoming an increasingly difficult task. So much so that you have companies such as PayPal asking staff to open their homes to new colleagues by allowing them to sleep in a spare room, or unnamed tech firms leasing out large blocks of apartments in Dundrum.

Other firms do not take such extreme measures, but many global companies enlist the services of destination service providers or relocation specialists. Not only do they find accommodation, they negotiate the immigration process, sort out school places, register with a GP and take care of myriad requirements of living in Ireland.

And as the Irish property and business sectors get back on their feet, some relocation specialists are identifying potential in the market here. Inhouse is the latest entrant. It recently opened a Dublin office after many years of operation in London where its bosses are

all Irish expats. Destination services is a growing market, says Barbara Carty of Inhouse. "It's not just the growing number of people coming into the country because IDA [Industrial Development Agency Ireland] companies are setting up here. There are lots of Irish people abroad looking to come back here now that the economy is picking up."

Carty points to a recent survey by CPL in Australia, which found that 58% of Irish expats there are thinking about returning to the Republic. "In England there are quite a few Irish who are in their forties and now have children, and they want to come back so that the kids can go to Irish schools. Another market is the senior executive who is winding down in their main job, but who might have directorships at a number of Irish companies and who is looking forward to retiring in this country," she says.

The general advice given by Francine O'Byrne, managing director of the Relocation Bureau in Dublin, is that it is best to rent a property for at least a year before setting off to buy a home. "People need a year to see if their new job in Ireland is going to work out and to find out what locations they might like to live in permanently," says O'Byrne.

However, it is becoming increasingly difficult to find suitable accommodation in Dublin's overheated rental market,

and across the rest of the country. In some cases would-be renters have to put a lot of trust in a destination services provider. "I would take clients around to properties I have selected for them to look at," says Carty. "But what works best is when we have built up some trust and they are confident enough to let me choose a place for them, because you don't want to be flying back and forth."

"The way the market is, if a letting comes up in Blackrock, it will be gone within the week — you have to be on the ball to get the type of good-quality property that is required by these people."

Ben O'Leary of Celtic Relocations in Cork agrees that people need to make decisions quickly. "We have a large inventory of properties and we would know when a person was moving on and when their property was becoming vacant," he says. "Often we would fill those properties without them ever going on the market. But with more people coming into the country it's getting more and more difficult."

"We have situations now where a client company will make multiple hires and we'll have two consultants assisting two employees from the same firm who are bidding against one another."

O'Leary says it is not just PayPal that is asking staff to accommodate new hires. "Companies are using a 'buddy system'

where new hires from overseas are staying in the homes of existing employees until the new hire can find a place for themselves."

Getting children into the school of your choice is another reason why foreign nationals and returning expats should wait a year before buying a permanent home, says Carty. "A lot of expats are clueless about the situation in Irish schools. We will advise them on selecting a good national school and organise application forms."

In Cork there is an increasing demand for places at private schools among foreign nationals, particularly those offering an American curriculum, says O'Leary. "Many of these families may be moving on in a few years and the kids will be at an American school in their new location, so for reasons of continuity parents want to get them into an American school while they are here."

Part of the job of a destination services provider is to manage expectations. "We get clients who have three children and a budget of €1,000 a week for renting accommodation and they think they might be able to find a suitable place in Killiney, and we have to help them to be a bit more realistic," says O'Byrne.

Once they have placed their client in a rented home, the provider can make services available such as cleaners, gardeners, babysitters and pet minders.

After accommodation, the biggest part of a relocation specialist's job is helping clients with the paperwork involved in moving to a new country. O'Leary is critical of our immigration process. "The Garda National Immigra-

'It was as smooth as silk, except for the washer-dryer'

When one of your biggest worries is arrangements for washing and drying clothes in a new country, your move has gone smoothly.

Pamela Allen and her husband relocated to Ireland from America in January. It was the first time they had moved abroad as a couple to work, and they are likely to be in Dublin for two to three years.

Allen's husband has a senior post in the Irish offices of an American multinational, which used the Relocation Bureau to help with the move. The bureau brought the Allens to Dublin for two four-day visits: the first, in October, to see whether they would like living in Ireland, and the second, two months later, to find a home to rent.

The couple now live in a duplex apartment in Donnybrook.

"Any company should consider using a relocation specialist to help get their people relocated and organised," Allen said.

"The apartment is fully furnished and well appointed, so we didn't have to bring a huge amount of stuff over with us — just a container of our clothes and personal belongings. Finding our home is the single biggest thing the Relocation Bureau did for us."

Allen has also used the advice on the bureau's website. "That has all the practical information you need to know, about things like the rules of the road and how to register with a doctor."

The biggest challenge was coming to terms with Irish washer-dryers.

"We were a bit taken aback by them. In the States we have one machine for washing clothes and another for drying them. Other than that it has all gone very well."

Relocation specialists can be a helpful point of contact when settling in the new country



tion Bureau [GNIB] is a disgrace," he says. "If you are in Dublin you have to go to the offices in person, and you have people queuing up there from 6am to apply for a GNIB card, which costs €300. The process takes the best part of a day and everyone from outside the EU has to do it, even if they are the boss of a company employing hundreds of people."

"Then, depending on where you come from, once you have your GNIB card or residence permit, if you are going to be coming in and out of the country you'll need a multi-entry visa, and that's another process you have to go through."

For the destination service provider it's a hand-holding service where you are giving people reassurance as they negotiate myriad difficulties. "How do they get a PPS number? How do they register with a GP?" says O'Byrne.

In reality, there is no end to the help a relocation specialist can provide. Orla Hurley of Celtic Relocations says: "The most unusual request I had was from a client who wanted to find a birthing pool for a home birth two weeks after they moved into the accommodation I found for them. Other strange requests have included help getting pet tortoises, snakes and horses into the country."

Deposit scheme is welcome — but we're still playing catch-up

As an increasing number of people find permanent homes in the private rental sector, issues of contention between landlords and tenants will be more frequent.

Right now about 3% of the population has the legal right to evict more than 20% of households, and so security of tenure will become a key area of debate and discussion.

The issue must be addressed, unless government is happy for a significant proportion of its population to exist at the whim of a much smaller percentage, and is willing to deal with the social, health and economic fallout from that.

The new influx of "professional" landlords are far less inclined to evict a tenant using the catch-all right of a landlord to reclaim a property because they need it for themselves or a family member. They are also far less likely to be flexible in rent negotiations, which can be the case with

smaller, traditional landlords. This imbalance of power between landlords and tenants means disputes between the two are common. Rent arrears, standards of accommodation and excessive rents — above the market rate — are typical areas of dispute.

The biggest cause of disputes for landlords is tenants overholding: staying beyond the point at which they were

supposed to have left. Overholding accounted for 541 cases at the Private Residential Tenancies Board (PRTB) last year. It is difficult to have an overholding tenant removed from a property.

From the tenant perspective the largest bone of contention was the serving of invalid notices of termination by landlords. These notices have to be served in a prescribed format: in writing rather than by text or email, with

the appropriate time period and now accompanied by market evidence. Last year tenants were increasingly able to find deficiencies in the notices served, and this accounted for more than 900 cases at the PRTB.

In every year before 2015 one issue dominated disputes between landlords and tenants: deposit retention. This is where a landlord returns none or only a portion of the tenant's deposit because of matters such as alleged damage to a property or unpaid bills or rent.

In many countries with a longer tradition of renting, the deposit retention problem is mitigated by a deposit protection scheme. This is where landlords place tenants' deposits in an account run by the state or an independent company on behalf of the state.

The UK has multiple schemes of this type, run by private and state agencies, and in some tenants can submit valuables such as watches or jewellery as a deposit. The schemes fund themselves through



the interest earned on the monies deposited.

Being Ireland, we've never had such a system, and tenants' deposits have always been held by landlords, perpetuating the relationship imbalance between the two parties to the lease. In nearly three-quarters of deposit retention cases before the PRTB,

the deposit is returned in full or part to the tenant.

Late to the party, Ireland will have a deposit protection scheme next year, run by the PRTB. In the proposed Irish scheme the landlord and tenant will sign a mutual consent form to release the deposit back to the tenant at the end of the lease period. No

signatures means no deposit release, and into mediation — now free in the PRTB — and a possible dispute. Deposits in the UK schemes are typically repaid to tenants within 10 days; hopefully it will be similar here.

Landlords will submit deposits for all new tenancies immediately into the scheme, and have six months to submit deposits for existing tenancies. I have already heard landlords complain about the unfairness of having to find thousands of euros of existing tenancy deposits within six months to lodge into the scheme.

In other words, it would seem there are landlords who do not have their tenants' deposit money to hand to submit to the scheme. Surely they haven't spent it, the money not being theirs in the first instance, but belonging to their tenants' deposits, this is arguably theft.

Time will tell how well the scheme works, but it is a welcome addition to the slowly evolving — indeed, maturing — world of renting in Ireland.

LORCAN SIRR
ON THE
HOME FRONT

