

Managing the transition: What you need to know

Aoife Smyth

Welcome back to our podcast series on the new residential rent regime. I'm Aoife Smyth, a practice development consultant at the firm, and I'm joined by my colleague, Gerard Carrigg, senior associate with our real estate group.

Gerard Carrigg

Hi Aoife.

Aoife Smyth

So if you caught our first episode you'll know that we covered the new rent control framework that is coming into effect in Ireland. Today we're going to be looking at what these and other reforms under the new legislation mean in practice, particularly if you're an institutional investor managing residential portfolios whether existing or new.

Gerard Carrigg

Exactly. So we're going to cover four main themes.

First, the different classifications of landlords and widest matters. Second, security of tenure and the new termination restrictions. Third, the new publicly available rent register and the requirement for comparables for rent setting and reviews. And finally, the expanded information sharing powers between the RTB, revenue and the SEAI.

Aoife Smyth

Great! We'll then wrap up by pulling all of that together and looking at what it means for portfolio strategy.

So let's dive in. Before we get into the detail it's really important to understand how the legislation distinguishes between large and small landlords because different rules apply. Our focus throughout this series is on so-called large landlords. A landlord is classified as large if it holds four or more tenancies or if it's a company.

Gerard Carrigg

And that company point is quite significant, isn't it?

Aoife Smyth

Yeah it is. Any company, and by that I mean the narrow definition of a company incorporated under the Companies Act, is automatically treated as a large landlord, even if it holds three or fewer tenancies.

So a special purpose vehicle for example with just one or two units is still caught.

Gerard Carrigg

And I think there's a second important nuance here. The test looks at the number of tenancies, not the number of properties. So in theory, you could own a single building, for example, an old Georgian terrace, which could contain four or more separate tenancies. In that circumstance, the landlord would still be classified as a large landlord.

Aoife Smyth

Precisely, and that classification has real consequences because it brings with it significantly more restrictive rules on termination.

Gerard Carrigg

Let's turn to the topic of security of tenure, because this is an area which has important implications for investors.

Aoife Smyth

Yeah it certainly does. Listeners may have seen reference in recently published government materials to tendencies of minimum duration, with six years being the relevant time period. That concept really only matters for small landlords who can end a tenancy on limited grounds at the end of each six year cycle. Large landlords who are our focus here don't have that option.

For large landlords once a tenant has been in occupation for six months they benefit from a tenancy of indefinite duration. Thank you.

Gerard Carrigg

And just to be clear on the tenant's position, because I think that there is a potential for this to be misunderstood. Tenants can end their tenancy at any time by giving written notice within the required notice period. They're not locked in for a six-year or indefinite contract. These time periods we're talking about operate as a minimum term from the landlord side only.

Aoife Smyth

And that brings us to what I think is a critical change coming in from the first of March. For large landlords, where a tenant's security of tenure protections kick in after that date, the grounds for termination are reduced to just three.

Rent arrears, other tenant breach or unsuitability of the premises for the needs of the tenant.

Gerard Carrigg

And what's been removed is arguably just as important as what stays.

Aoife Smyth

Absolutely. Large landlords can no longer terminate for sale with vacant possession, redevelopment or change of use. Those grounds are now gone.

Gerard Carrigg

And this actually applies to tenancies of both existing and new PRS created after 1 March '26, and the implications here are significant. If a tenant leaves voluntarily, the landlord is free to do whatever it likes to the property, but there's no legal mechanism to oblige a tenant to vacate for redevelopment purposes.

So this fundamentally removes flexibility for a large landlord and affects forward planning for older assets, particularly assumptions around refurbishment cycles.

Aoife Smyth

Yeah, exactly. For schemes with ageing stock or assets where redevelopment potential forms part of the investment case, one has to assume that this limitation is going to influence valuation and underwriting in a material way.

Gerard Carrigg

Now a further complexity for asset managers is how all of this operates during the transitional phase for existing schemes. The amendments make things a bit complicated, creating two different types of security of tenure depending on when the tenancy began and when the tenant's protections kick in.

Aoife Smyth

Yes, and in practice, a single scheme could end up with two concurrent tiers of tenancy running at the same time. The first tier covers tenancies entered into before the 1st of March, 2026, where the tenant security of tenure protections have already kicked in before that date. So effectively here, we're talking about all tenancies entered into before the 1st of September, 2025. Those tenants have unlimited duration security of tenure. And the landlord may still terminate for the full grounds, rent arrears, breach, unsuitability, and importantly also for redevelopment, change of use and sale of vacant possession in certain circumstances.

Gerard Carrigg

Then you have the second tier, which is all tenancies entered into after 1 March, 2026. Again, tenants under these leases have security of tenure for an unlimited period.

However, there is critical differences that landlords under these tenancies only have limited termination rights available, being termination for rent, arrears, breach, or unsuitability of the premises. This is also the position for any tenancies entered into before 1 March, but where the tenant protections have not yet taken effect. So in practice, this is tenancies entered into since the 1st of September, 2025.

Aoife Smyth

So the key takeaway for asset managers is to address this now. It's really important to map each scheme's tenancies properly so that you can easily see which termination rights apply to each unit at any point in time.

Aoife Smyth

Okay, so let's move on to something that's going to have real day-to-day impact for asset managers, which is the overhaul of the RTBs register. It's been completely revamped and the new legislation now requires far more detailed tenancy level information than we have ever seen before.

Gerard Carrigg

Exactly, so the register now has to show quite a lot of data, and this includes the RTB tenancy reference number, the local electoral area, a description of the dwelling and bedroom count, when the tenancy started, the rent and how often it's paid, plus the dwellings floor area and BER rating. A lot of this information was recorded by the RTB already, but the key change is that it will now be published.

Aoife Smyth

Having said that, it's important to stress the anonymity protections here. Nothing that could identify a landlord or a tenant can be included in the published register.

The actual address isn't published and none of the party's details appear. From what we understand at the moment, what people will see is the rent being paid for dwellings across the country by reference to local electoral areas, but without anything that links it back to a specific property or individual.

Gerard Carrigg

So Aoife, from an investment perspective, this is actually an important development. For the first time, we will have a publicly accessible database of real rents, searchable by area, property type, size, bedrooms and BER. Investors will have a much better data to base their decisions on, and tenants will be able to compare proposed rents based on what's actually going on in the market.

Aoife Smyth

Yes and the register brings us on to the new comparables regime. The register is actually no longer just an information tool it now sits right at the heart of how rents are set and being reviewed.

Under the updated definition of market rent landlords must compare their property with dwellings that match on key characteristics we mentioned earlier which were size, bedrooms, type, character and BER where relevant. This creates a more structured data driven test and ties rent setting directly to the public register.

Gerard Carrigg

So just to run through what this looks like in practice, for any new tenancy created after 1 March 26, landlords must provide the tenant and the RTB with, the previous rent and the date it was last set, an explanation of the new rent and how it was calculated, the RTB reference number for the previous tenancy, and the rent and reference number for three comparable dwellings that might meet the matching criteria we just outlined. For rent reviews served on or after the same date, the landlords must also include, a statement confirming the new rent does not exceed market rent, rent information and RTB reference number for three relevant comparables, the dwellings floor area, and it's BER where this is applicable.

A copy of the rent review notice must also be sent to the RTB on the same day as the tenant, which is important to note.

Aoife Smyth

Yeah it is because the enforcement side is definitely worth flagging here. A non-compliant rent review notice is now an offence and is treated as improper conduct under the legislation triggering the sanctions framework. That can include financial penalties, cautions and publication of sanctions. So there's real teeth behind this for the first time.

Finally just to note there are practical challenges to be considered. The comparables requirement assumes a well-populated rent register. For new build schemes or areas with limited rental stock suitable comparables may be hard to find. It's also unclear how much information will be made available on the register when it goes live. Asset managers should probably plan for this and engage early with the RTB on the operational readiness of the register.

And so on to our final substantive topic which is the new data sharing framework. In short the legislation creates a two-way information flow between the RTB and revenue. Revenue can now request any information held on the RTB register where it considers

the request necessary and proportionate. Equally the RTB can proactively report sanctions and flag suspected unregistered tenancies to revenue without waiting for a request.

Gerard Carrigg

And as you say, this is two-way. The RTB can require revenue to supply identity and tax data to verify landlord details and check whether someone meets the large landlord threshold.

There's also a new data sharing link with the SEAI which covers floor area and BER data. And this feeds directly into the comparables regime we outlined.

Aoife Smyth

So the practical takeaway here for investors is that the state will now have a much clearer picture of rental activity, ownership and income. It's essential that RTB registrations are accurate and the tax filings match. Mismatches are going to be much more likely to be picked up under this new regime.

Gerard Carrigg

So when you pull all of these topics together, what does it actually mean for how investors should be thinking about their portfolios? For me, I think there are three main themes.

The first is underwriting and valuation. For large landlords, the constraints on obtaining vacant possession fundamentally changes assumptions around turnover and reletting. And this will be reflected in how assets are going to be valued. Secondly, lease management becomes absolutely critical. The new rent review rules, the comparables requirement, and the obligation to send the RTB a copy of every rent review notice on the same day means there's far less room for procedural mistakes. And finally, with the enhanced RTB revenue data sharing regime, accurate and complete RTB registrations are going to matter more than ever.

Aoife Smyth

And these reforms are likely to have real effects on the market. The obvious intention of government is to push investment further towards new build schemes where investors can still set first rents at market level as well as relying on rent reviews which tracks

CPI. That creates a cleaner, more predictable income profile compared with older stock exposed to the new rules.

Gerard Carrigg

And then transparency is also ramping up significantly. Between the rent register and revenue data sharing, the residential sector will be operating under a level of oversight we haven't seen before. So compliance is no longer just a legal obligation.

It's actually becoming a key part of asset management strategy. So a single misstep in a rent review notice can now carry meaningful legal and financial consequences.

Aoife Smyth

And then finally there's a BER angle too. Because BER now features in the comparables test and with the SEAI data exchange feeding directly into the register, energy performance will become increasingly relevant to rental value.

Investors with older stock will really need to consider what this means for rent setting, operational planning and longer term compliance.

Gerard Carrigg

So to bring it all together, these reforms fundamentally change the landlord-tenant dynamic for large landlords. The right to terminate tenancies for redevelopment or change of use have now been removed.

There's a new rent-setting regime, which is based on comparables and is now underpinned by a public publish-rent register. There will also be strong information-sharing systems in place between the RTB revenue and the SEAI. When you take these together, these changes require a thorough re-evaluation of how Irish residential assets are about managed, valued and reported.

Aoife Smyth

Absolutely and if you're managing or investing in Irish residential assets the message is clear. Get ahead of this now, map your tenancies, review your compliance processes and make sure your registrations and filings are watertight.

Gerard Carrigg

Exactly. And in our next and final episode, we'll be turning our attention to the purpose-built student accommodation because different rules apply here and there are distinct considerations for operators and investors in that sub-sector.

So do make sure to tune in for that.

Aoife Smyth

Thanks so much for listening, everyone. If you found this useful, please do share it with colleagues or anyone else you might think might benefit.