

***For Immediate Release
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Landlords being cast aside by State disincentives

Proposed and existing legislation is not conducive to being a landlord in Ireland today.

That is the view of the Irish Property Owners Association, according to Stephen Faughnan, IPOA Chairman. Speaking following a meeting of an IPOA committee, he said that State incentives, which are available to the owners of principal dwelling houses, are routinely ruled out of order for rental property, despite almost 30% of people in Ireland having their homes in rented property. "One of the most notable disincentives at present is the scheme to refund VAT on certain works," he said. "This new scheme is barred to landlords and as a consequence, it is a missed opportunity to upgrade rental properties. Given that interest relief for landlords is capped at 75% of interest paid, the cost of any upgrading requires landlords to do a stringent cost analysis."

He went on to note that there is talk about rent control (abolished in Ireland in the 1980s) and a totally unnecessary protection scheme for deposits. "This possible State intrusion in the rental market, despite Germany's Bundesbank coming out strongly against rent control earlier this month, is on top of other serious disincentives such as the refusal of Revenue and the Minister for Finance to allow local authority service charges to be offset against rental income, and caps on Rent Supplement for eligible tenants which other commentators are agreed is a contributory factor in 100,000 families being on social housing lists when there is a building rate of significantly less than 10,000 units per year. The Government needs to get real and realise that the providers of private rental accommodation are an important resource which should be seen as a partner in resolving the housing situation."

**IRISH PROPERTY OWNERS' ASSOCIATION
ASHTOWN BUSINESS CENTRE,
NAVAN ROAD.
DUBLIN 15.**

TEL: 01-8276000 WWW.IPOA.IE