

## **Press Release**

**For Immediate Release – 23<sup>rd</sup> January 2015**

### **Landlords won't be "fall guys" for Government housing strategy failures**

The national representative body for residential landlords have come out strongly against Environment Minister, Alan Kelly, over a reply given to a Question in the Dáil.

The Irish Property Owners Association (IPOA) have condemned the Minister's reply that almost two-thirds of the Government's target for social housing units this year would be "provided through long term leasing arrangements with private property owners and 2,000 new Rental Accommodation Scheme units in agreements with private landlords". Speaking to IPOA members in Dublin, Stephen Faughnan, IPOA Chairman, said that there "was not a chance in hell" that the Minister's targets will be reached. "Has the Minister been listening to the reality of being a landlord in the private rental sector?" said Mr. Faughnan. "It is hardly surprising that many landlords are turning away from taking Rent Supplement tenants because it does not cover a realistic rent level. The value is further eroded when the Department of Social Protection can cut off recipients of Rent Supplement without any notification to the landlord which leaves landlords with non-paying tenants, often for a considerable period of time, as the process goes through tenancy laws which are seriously skewed in favour of defaulting tenants. "

He added: "Resolution of any housing crisis has to be viewed as a two way street. Letting of private accommodation needs encouragement and incentivisation to keep and promote it as an important part of Irish society, and not to be seen as a handy source of unjust, and bordering on illegal, taxation when you consider for example that 25% of interest paid to purchase or improve rental property is classed by the Minister for Finance as taxable rental income. Tenants are the valuable customers of landlords, but as in any business, the owner has to come out with a reasonable return – otherwise, private landlords will continue to leave the sector to institutions which will ultimately lead to a cartel-like situation emerging in the future, something which will not be in the interest of tenants and their security of tenure ."

Mr Faughnan added that inequitable treatment of residential rental income stands in stark contrast to the commercial investment sector which enjoys 100% relief on interest paid, and he noted that the restriction on residential landlords "is not reflective of other international jurisdictions, as clearly spelt out in a report on the private rental sector which was published last September by the Private Residential Tenancies Board."

End

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