

## Editorial

Over the past 10 years, the private rental sector has gone through substantial change, and managing property has become extremely difficult with frequent legislative amendment.

With the capital value of properties increasing, the inevitability of a raise in interest rates, introduction of rent control and the complexity and frequency of legislative change, a substantial number of experienced property owners are working on their exit strategy from the market. The long-term effect of this will be further reduction in the amount of rental accommodation. Sourcing rental accommodation will become more difficult and tenants will suffer.

On a more positive note, a review of the tax treatment of property owners and also the working of the Rent Pressure Zone Measure is currently being undertaken. If good sense prevails and there is no bias against traditional property owners, we should see a positive outcome.

IPOA outlined the damage of the ill-advised policy to close bedsits. A press release issued in November 2008 outlined the consequence, "Homelessness in mass proportions, unnecessary cost to have needless alterations to existing comfortable accommodation and seriously deplete the stock of long term affordable accommodation". Sadly, this has come to pass, however, it does appear that our continual lobbying has had effect and Minister Murphy is considering amending legislation and allowing bedsits.

Over the years I have witnessed constant demand by groups, who are supposed to speak on behalf of tenants on what is best for the private rental sector.

Some of these demands (which were many) outlined the necessity to have corporate investors in the market. I continually challenged this in the interest of tenants who would undoubtedly suffer, as they did in other jurisdictions. Now, we have the very answer to the demand with a small number of investors from the corporate side. (Less than 10,000 RTB registrations out of a total registration of 320,000.)

While these investors can put together quite a large amount of investment, they are given very favourable tax concessions, compared to the indigenous property owner. They are stream lining the private rental sector with upmarket products at upmarket rents and, in turn, complimenting their coffers and who can blame them.



**Stephen Faughnan**  
Chairman

Successive Governments have not recognised the value of the indigenous property owner and their importance in the provision of housing. Investors need a return on their investment, instead of being penalised with heavy taxation, rent control, and legislation so complex that Lawyers have difficulty in understanding and applying.

To date, this year alone IPOA have made a number of substantial submissions to Government, including the Review of Rent Predictability Measures, Review on Tax and Fiscal Treatment of Property Owners in the Private Rental Sector, Review on Vacant Homes and to the Oireachtas Committee on Housing and Homelessness on the Impact of Short-Term Letting.

Submissions take considerable time, effort and cost, but are essential to ensure property owners views are represented at Government and national level. Membership is badly needed to continue the enormous task of proper representation of the sector so spread the news and we will keep your problems before the nation.

*Stephen Faughnan*

Chairman



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**Séan Kelly MEP, Margaret McCormick IPOA & Stephen Faughnan  
Chairman IPOA**

### Meeting with Séan Kelly MEP

We met with Séan Kelly MEP and had a very productive meeting. Séan has been a member of the European Parliament since 2009, is a member of the Industry and Energy/ITRE and is the Leader of Fine Gael in the European Parliament. Prior to the meeting we emailed him a number of times in respect of the IPOA's position on the proposal for a Directive on the promotion of the use of energy from renewable sources.

The IPOA's Association with the UIPI International Union of Property Owners was outlined and the importance and relevance of their work in respect of IPOA members. UIPI scrutinise and analyse the draft directives on behalf of member organisations and outline the areas that may not be technically feasible or economically reasonable. Suggested amendments are then put forward.

The IPOA outlined some of the issues facing landlords and the difficulties around the sector including the need for confidence and stability.

### AGM 22nd February 2017

The AGM was held on the 22nd February in the Red Cow. The normal business was attended to quickly and efficiently including the adopting of minutes, acceptance of the financial accounts, nomination of accountants, election of management committee and the Chairman's Report.



**Rosalind Carroll  
RTB Director**

There was a briefing on the Housing Standards for Rented Houses Regulations and a general update on legislation.

The Guest Speakers were Rosalind Carroll Director of the RTB and Janette Fogarty Assistant Director. A comprehensive overview of the Rental Sector and the Rebuilding Ireland Action Plan was given.

Presentations on the recent changes in the Residential Tenancies Acts including Rent Pressure Zones, the use of the Rent Predictability Formula and dispute prevention were made.

The members present asked numerous questions and the needless intricacy, and complexity of the legislation was noted by everyone present.

**Tax Returns need  
to be submitted by  
31st October 2017**

### Limerick Meeting

The IPOA Limerick Seminar took place on the 7th April 2017 in the O'Brien Suite, Castletroy Park Hotel.

The IPOA Limerick Committee worked locally to highlight the importance of being informed and ensuring there was a good turnout. The evening was chaired by Stephen Faughnan IPOA Chairman, and also attended by Bernard Shanley IPOA Secretary, Tom Reilly IPOA Committee Member and Margaret McCormick Information Officer.

A number of presentations were made updating and educating the property owners present. Property owners were shocked and horrified at the complexity of the new amendments to the legislation.

The questions and answers were lengthy with quite a number of people worried about the possibility of Limerick coming into the Rent Pressure Zones and the resulting restrictions, particularly property owners with very low rent on their tenancies.



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## Insuring Your Property....Underinsurance and The Insurance Policy Condition Of Average

One of the most important things to consider as a property owner is ensuring adequate insurance cover is in place in respect of damage to the building, landlord's contents, and loss of rental income. It will also be a requirement of any financial lender that the building is adequately insured. It is important when arranging insurance cover that the correct insurable sum is established.

When setting the sum insured it is a common error on occasion to select the market value of the property. In the event of physical damage to the property, the loss sustained by the owner on the majority of occasions will be the cost of repairing the damage, and that is the basis on which the sum insured should be considered.

**The sum insured for the building should represent the full cost of re-instating the building (incl. outbuildings, driveways, boundary walls etc) to as near as possible the specification it was in prior to a loss occurring. The sum insured should include;**

- An allowance for demolition and debris removal
- Reinstatement of the building to comply with current building regulations and local authority requirements
- Inflationary factor to cater for increase in building repair costs during the course of construction (a building could be totally destroyed on the last day of insurance cover almost one year from the initial inception)
- Professional Fees (Architect/Surveyor/Engineer)

- If a Landlord is not VAT registered, then the VAT element of the building repair cost (currently 13.5%) and on Professional Fees (currently 23%) should be included.

**The consequences to a business of inadequate insurance cover should not be taken lightly, as can be demonstrated as follows;**

- If a building is insured at €500,000, and following total destruction by a fire costs €1,000,000 to rebuild, then the owner is left with a €500,000 shortfall
- Insurance Policies contain an underinsurance penalty clause called 'Average' which proportionately reduces the sum payable in respect of any claim in the event that a property is inadequately insured. In the most simplistic terms, a property insured for €500,000 which will cost €1,000,000 to rebuild if it was destroyed is only insured for 50% of its rebuilding value. Therefore, in the event of damage which costs €100,000 to repair, the Insurer will only be liable to pay €50,000, being 50% of the claim.

It is recognised within the insurance industry the need for protection to property owners to avoid un-necessary over-insurance. Inflationary factors and changes to VAT rates cannot be predicted and where multiple buildings are insured, it may be considered that a total loss of all buildings from one event is unlikely. There are various methods of dealing with these factors, and an experienced insurance broker should be consulted to consider the most appropriate insurance product.

**When considering the sum insured for Loss of Rental income, two factors need to be considered;**

- Period of cover - What time period will be required to repair a building following total destruction? If 12 months would be considered sufficient, then a 12 month period of cover can be selected. However it is seldom the case that any sizeable property which sustains serious damage can be re-instated within a 12 month time period and a period of 18 months, 24 months or even 36 months may be considered appropriate. It is advisable to ensure that additional time is allowed for the fitting out and re-letting of the property.
- The sum insured should be set at the maximum loss of rental income which may be sustained during the indemnity period. For example, if the property contains 4 fully occupied apartments each producing rental income of €12,000 per year and a 12 month period of cover is selected, then the sum to be insured should be €48,000. If a 24 month period of cover is selected then the sum insured should be €96,000.

Landlord's contents (which may comprise contents of common areas and/or individual flats / apartments) should be insured for their estimated replacement value. Whilst the setting of loss of rent and contents sums insured may be a relatively straightforward process, establishing a rebuilding cost for a property can be a more complex matter.

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## Stamp Duty on Leases

Leases of land and buildings are chargeable to stamp duty if they are executed (e.g. signed) in Ireland or, if executed outside Ireland, they relate to property situated within Ireland or something done or to be done in Ireland.

The charge to stamp duty is contained in Section 2 of the Stamp Duties Consolidation Act 1999 (SDCA).

Though an instrument may be chargeable to stamp duty, an exemption or relief from that charge may be available. In addition, a lease of a house or apartment for a term not exceeding 35 years or for any indefinite term and where the rent does not exceed €30,000 per annum is exempt from stamp duty.

Amount on which stamp duty is chargeable;

The creation of a lease is chargeable to stamp duty on both the premium (or fine) and the rent payable under the lease.

The rules relating to apportionment and aggregation that apply to conveyances and transfers of property also apply to premiums.

A rent review clause in a lease attracts a fixed duty of €12.50.

The rate chargeable on the rent	
Residential and Non-Residential Property	Rate
Lease for a term not exceeding 35 years or for any indefinite term	1% of the average annual rent
Lease for a term exceeding 35 years but not exceeding 100 years	6% of the average annual rent
Lease for a term exceeding 100 years	12% of the average annual rent

The following attract a fixed duty of €12.50:

- a rent review clause in a lease;
- a lease made subsequently to, and in conformity with, an Agreement for a Lease which has already been stamped;
- any other type of lease which relates to immovable property (land and buildings) situated in Ireland or to any right over or interest in such property.

### Counterparts

Each counterpart (or duplicate) of an original instrument chargeable with duty is liable to a fixed duty of €12.50. Where the duty chargeable on the original instrument is less than €12.50 the duty on the counterpart is the same amount as the duty chargeable on the original.

## Discrimination Fine of €1500

Cases have been heard by the Workplace Relations Commission in respect of breach of the Equal Status Acts.

An agent letting property stated "no rent allowance accepted" to a man looking for accommodation. The statement constituted discrimination.

The WRC ruled that the man had been discriminated against and the agent was ordered to pay him €1500. Members and their agents need to ensure that they comply with the Equal Status Acts.

## Equal Status Acts

**Equal Status Acts 2000 to 2015** (the Acts), prohibit certain kinds of discrimination on nine specific grounds in the provision of goods and services, obtaining or disposing of accommodation and in relation to educational establishments.



The Acts apply to people who buy and sell a wide variety of goods and use or provide a wide range of services. The nine grounds of discrimination covered by the Acts are:

- Gender
- Civil Status
- Family Status
- Sexual Orientation
- Religion
- Age
- Disability
- Race
- Traveller Community

**In addition to these nine discriminatory grounds, discrimination in the provision of accommodation services on the ground that a person is in receipt of rent supplement, housing assistance payments, or social welfare payments, is also prohibited.**

This extra protection was introduced in December 2015, through the **Equality (Miscellaneous Provisions) Act 2015**.

# DEVELOPMENT OFFICER REQUIRED

The Association is seeking to appoint a Development Officer to support members nationwide with information on legislation, practice and understanding etc.

The job will be Dublin based. Educated to third level, preferably, training in the Estate Agency/ Management/ Legal area would be desirable. A clean full driving licence would be essential.

The position will be rewarded with salary and incentives matching performance.

All applications in writing must reach the Association before 31st August 2017. The Secretary, Irish Property Owners Association at [info@ipoa.ie](mailto:info@ipoa.ie) or IPOA, Ashtown Business Centre, Navan Road, Dublin 15.

## Residential Tenancies Amendments Update

**Any tenancy that commenced after the 24th December 2016 potentially has a 6 year right.**

**A tenancy that commenced before the 24th December 2016 potentially has a 4 year right.**

### HOW IS AN AREA DESIGNATED AS A RENT PRESSURE ZONE?

For an area to be designated a Rent Pressure Zone, rents in the area must be at a high level and they must be rising quickly. The measures used are:

- The annual rate of rent inflation in the area must have been 7% or more in four of the last six quarters, and
- The average rent for tenancies registered with the Residential Tenancies Board in the previous quarter must be above the average national rent in the quarter (the National Standardised Rent in the RTB's Rent Index Report).

An area that meets these criteria can be designated as a Rent Pressure Zone.

### Rent Pressure Zones

Rent Pressure Zones cover a huge area, including properties let in the four local authorities covering the Capital, Maynooth including Clane and large parts of Kildare. Areas in Cork and electoral area of Cobh – including areas to the east and north of Cork city such as Glanmire and Carrigtwohill are also included. The areas below are also in the Zone.

- Ballincollig-Carrigaline, Co Cork
- Galway City Central. Galway City East
- Galway City West
- Celbridge-Leixlip, Co Kildare
- Naas, Co Kildare
- Kildare-Newbridge
- Ashbourne Co Meath
- Laytown-Bettystown, Co Meath
- Ratoath, Co Meath
- Bray, Co Wicklow
- Wicklow, Co Wicklow

**If you are unsure if your area is subject to rent control, input the address into the RTB's rental calculator and it will clarify the situation.**

### New Tenancy Requirement Rent Pressure Zones

A new landlord obligation came into force with the passing of the 2016 Act. The new obligation, requires a landlord to provide certain information to a tenant where a tenancy commences on or after 24th December 2016 and is located in an RPZ. The landlord is obliged to furnish the following information in writing:

- The amount of rent that was last set under a tenancy for the dwelling;
- The date the rent was last set under a tenancy for the dwelling;
- A statement as to how the rent set under the tenancy of the dwelling has been calculated having regard to the new rent predictability formula unless there has been a substantial change in the accommodation. If a substantial change in the nature of the accommodation occurred since the rent was last set then the landlord will have to state that the formula does not apply as there has been a substantial change in the nature of the accommodation affecting the level of market rent last set for the tenancy.

What is a Substantial Change in the nature of Accommodation is causing confusion. Below is the piece taken directly from the legislation.

"The rent under the tenancy, were it to be set immediately after that change, would, by virtue of that change, be different to what was the market rent for the tenancy at the time of that last review or the commencement of the tenancy, as the case may be."

### Sample Notice for New Tenancies

To: [Insert Name of Tenant(s)]

1. The amount of the rent for the dwelling at [insert dwelling address] is [state amount of the rent].
2. I, [insert name of landlord], confirm that the previous rent applicable to this dwelling was [insert previous rent amount] and last came into effect on [insert date].

[Delete as appropriate]

In setting the rent under this tenancy I have applied the formula contained in section 19(4) of the Residential Tenancies Acts 2004 – 2016.

In setting the rent under this tenancy I am not required to apply the formula contained in section 19(4) of the Residential Tenancies Acts 2004 – 2016 as I am relying on a rent pressure zone exception in circumstances where there has been a substantial change in the nature of the accommodation provided under the prior tenancy and that change has affected the level of market rent.

3. Date: [insert date that statement is signed]
4. Signature: [to be signed by landlord/authorised agent]

### Required Formula for Rent Pressure Zones

Rent Predictability Formula

$R \times (1 + 0.04 \times t/m)$  calculate working from right to left

R = The amount of rent last set under a tenancy (current rent)

t = The number of months between the date the current rent came into effect and the date the new rent amount will come into effect.

m = you must enter 24 or 12.

There is a rent calculator on the RTB website which can be used to calculate the rent. The tenancy information is entered into the calculator and the result can be printed.

### Ending Part 4 leases

A landlord may terminate a tenancy before a Further Part 4 tenancy comes into existence by serving a Notice of Termination providing the minimum notice period required under the Act (in line with their tenancy occupation) with the notice period set to expire after the end of the Part 4 tenancy.

If a notice is not served the tenancy automatically renews and the tenancy has a 6 year right. A notice terminating a part 4 tenancy cannot be served if there is a fixed term lease in place with no clause in the lease allowing the termination.

It is important to be aware of when a tenancy commences, and to understand the restrictions that a fixed term lease places on a property owner. The six month probationary period in further tenancies is gone, which means that if the tenancy rolls into a new tenancy after 4 years the tenant will have a six year right.

## New Scheme Available to Owners of Empty Houses, Apartments and Bedsits



Peter McVerry Trust is seeking to contact the owners of empty residential units including the owners of houses, apartments and bedsits. The charity wants to make property owners aware of two new funding streams to help reduce the number of empty houses and apartments.

The housing and homeless charity is actively seeking to partner with property owners on two schemes Repair and Lease and Buy and Renew. Both will be interesting to landlords with empty houses, apartments, bedsits and derelict buildings.

### Repair and Lease

- Property should be empty for approximately 1 year or longer and in need of upgrade.
- 0% loans of up to €40,000 per empty residential unit to cover upgrade works (e.g. An empty building with 4 units could qualify for a €160,000 loan at 0% interest).
- Construction works and Contractor can be managed by Peter McVerry Trust.
- Guaranteed Income for Duration of Lease (Flexible Lease Terms of Between 10-20 years).
- Rent Paid Directly to Property Owner at up to 85% of market value with rent reviews.
- Tenants and tenant issues managed directly and intensively by Peter McVerry Trust.
- Property managed and maintained by Peter McVerry Trust's Property Maintenance Company at no cost to property owner.
- Furniture and White Goods can be provided by Peter McVerry Trust.



**Before Renovation  
Buy and Renew**



**After Renovation**

A simple scheme to allow Peter McVerry Trust to buy empty buildings that require work to bring them in line with the latest rental accommodation standards.

- If you own an empty or derelict building and wish to sell it. Please consider giving us first option to purchase at market rates.

### Next Steps:

Peter McVerry Trust would welcome contact from landlords and property owners who have an empty house, apartment or bedsit and even owners of derelict buildings. We are focused on Dublin, Kildare, Limerick, Meath, Wicklow and Louth.

We promise a fast response to any queries and professional high quality service to anyone who partners with us.

For further information please email [emptyhomes@pmvtrust.ie](mailto:emptyhomes@pmvtrust.ie) or call 01 823 0776. You can also visit [www.pmvtrust.ie](http://www.pmvtrust.ie) for more information.

### Meeting with Peter McVerry Trust

The IPOA met with Francis Doherty, Head of Communications with the Peter McVerry Trust. The IPOA have endorsed the new scheme as an interesting alternative to traditional letting and worthy of consideration.

## Taxation of Property Transactions Seminar

4-8 Sept, 9.00 to 18.00 7CPD

### The topics

- Investing or Trading
- Individuals - Investing in Property
- Individuals - Trading in land or Building
- VAT - Fundamentals
- Companies - Incorporating a Rental Portfolio
- Companies - Rental vs Trading Income
- Companies - Dealing in Property
- VAT - Practical issues

### Speakers:



Alan Moore



Cathal Lawlor



Brian Colfer

A special full day seminar on Taxation of Property Transactions. Eight hot topics will be discussed through numerous real life case studies.

### When and where

Date	Time	Venue
Mon 04.09.2017	09:00 to 18:00	Abbey Hotel, Donegal
Tue 05.09.2017	09:00 to 18:00	Clayton Hotel, Galway
Wed 06.09.2017	09:00 to 18:00	Radisson Blu & Spa Hotel, Limerick
Thu 07.09.2017	09:00 to 18:00	Clayton Hotel Silver Springs, Cork
Fri 08.09.2017	09:00 to 18:00	Citywest Hotel, Saggart, Co Dublin

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## Non Principal Private Residence (NPPR) Charge

A recent decision of the High Court on the deductibility against rental profits of the Non Principal Private Residence charge (NPPR) has been appealed by Revenue to the Court of Appeal. Until that appeal is decided Revenue is not in a position to amend assessments or process repayment claims based on the High Court judgement.

However, any claims that are received within the statutory time limits, as they apply to each year of assessment, will be retained by Revenue, and processed when the outcome of the Appeal case is known. This means that if, for example, the decision of the Court of Appeal is made in 2018, any claim made now, in 2017, in respect of the year of assessment 2013, will be retained and processed in 2018.

### NPPR

### NON PRINCIPAL PRIVATE RESIDENCE (NPPR) NOTIFICATION FORM



Form to be completed by an individual/company/partnership/trust wishing to make a claim to have the NPPR charge allowed as a deductible expense against rental income.

Notifications must be submitted under the **NPPR category** in **MyEnquiries** (in ROS or **myaccount**).

All fields must be completed.

(a) Name

(b) Tax Reference Number

(c) Tax Type (Tick ✓ appropriate box)      Income Tax ☐      PAYE ☐      Corporation Tax ☐

(d) Year (notifications can only be made in respect of 2013)     

(e) Amount of NPPR charge(s) in respect of 2013

(f) Have the NPPR charge(s) been paid? (Tick ✓ appropriate box)      Yes ☐      No ☐

(g) Number of NPPR Properties \*

\* State the number of NPPR properties which were let in 2013 and for which NPPR was paid in respect of 2013

Signature

Status of signatory

Date

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## Cork Seminar



IPOA held a Seminar in Cork on the 8th March 2017 in the Hayfield Manor Hotel. Participating in the Seminar were Stephen Faughnan Chairman, Bernard Shanley Secretary, Tom Reilly Committee Member, Desmond Daly Committee Member and Margaret McCormick Information Officer. It was well attended with over 100 property owners

present. A Presentation was made on the amendments to the Residential Tenancies Acts, including Rent Pressure Zone Measures and how they work and the legal requirements for issuing notices. The Housing (Standards for Rented Houses) Regulation 2017 were detailed and a copy given to members present. There was a lot of discussion around the changes and the challenges that they will present to some property owners.

The feedback from the members was one of shock and dismay at the level of legislation and what is seen as financial destruction of the business and the crazy methodology for calculating how and when one can apply rent reviews. New rents are normally set at market rate, most existing tenancies are below market rate, some substantially, depending on the length of occupation. These property owners have been penalised with no recourse to market rent.

## Window Restrictors - Frequently Asked Questions

There has been numerous calls to the office for clarification on the requirements around the window restrictor requirement in the Housing (Standards for Rented Houses) Regulations. The Building Standards Section of the Department of Housing, Planning, Community and Local Government answered below some of the commonly asked queries.

- 1. Where should the restrictor be placed on the window?** The restrictor should be fitted in such a location that makes it readily operable within normal reach capabilities.
- 2. What sort of restrictor should I use?** Safety restrictors should be designed specifically to operate on the types of window on which they are to be installed.

### Safety restrictors should operate so that they:

- a) Limit the initial movement of an opening light so that a clear opening of not more than 100 mm (4") is achieved at any point;
- b) Are releasable only by manipulation not normally possible by a child under 5 years;
- c) Are readily identifiable and capable of being released by an adult (without prior instruction) on windows suitable as a means of escape in case of fire;
- d) Re-engage automatically when an opening light is returned to the initial restricted opening position, or to a closed position (whether latched or not);
- e) Are not lockable by a removable key or other device on windows suitable as a means of escape in case of fire.

- 3. Do I need a restrictor on the top of a sash window as well as on the bottom?** I understood this question to be relating to a sliding sash window. In this regard, the restrictor should be placed to restrict the opening through which a person may fall i.e. the bottom sliding sash.
- 4. I have a window in the roof only accessible by ladder, does it need a restrictor?** No, but a risk assessment should be conducted to determine risk of accidental falls.

- 5. How much should the restrictor restrict the opening?** The initial movement of an opening light so that a clear opening of not more than 100mm (4") is achieved at any point.

- 6. Can the window be locked with a key and the key hung on a nail out of reach of children?** Under the fire requirements a window which is for escape or rescue cannot be locked. Nor would a locked window substitute for a restrictor on a window even if it is not for escape or rescue.

- 7. Could the restrictor block people from getting out in the case of a fire?** No. This requirement is already specified for all new build in the regulations and is not seen as an impediment as long as the restrictor is readily openable. The restrictor should be readily identifiable and capable of being released by an adult (without prior instruction) on windows suitable as a means of escape or rescue in case of fire.

- 8. The window opens onto a flat roof a foot below the window, do I need a restrictor on the window?** Yes. It is still greater than 1400mm (4ft 7inches) above the ground and presents a danger to children.

- 9. There are no children in my rental property, do I need to put in restrictors?** Yes.

- 10. Where do you get restrictors?** From a reputable hardware supplier or competent window manufacturer.

- 11. Can I fit them myself?** Yes, so long as you are competent and follow the manufacturer's instructions.

- 12. Will the fixing of restrictors damage the fabric of the window and cause double glaze units to leak air etc?** Not if installed correctly in accordance with the manufacturer's instructions.

- 13. Does a window that opens inwardly need a restrictor?** Yes, all windows that have an opening section through which a person may fall and the bottom of the opening section is more than 1400 mm above external ground level, suitable safety restrictors shall be fitted as per the manufacturer's instructions and be in good working order.

- 14. Is a door opening on to a balcony or outside area required to have a restrictor?** No, the balcony should have guarding to prevent falls.

## Competition and Consumer Protection Commission

A press release was issued by IPOA in December 2016. The Competition and Consumer Protection Commission contacted the Association in respect of a possible breach of Competition Law. In order to ensure complete compliance with Section 4 of the Competition Act 2002, and following representation from the CCPC regarding a possible infringement in the Press Release issued by the IPOA on the 16th December 2016, IPOA in the interest of complete clarity and as a responsible representative body, retracted the referred to Press Release.





## UIPI New Office

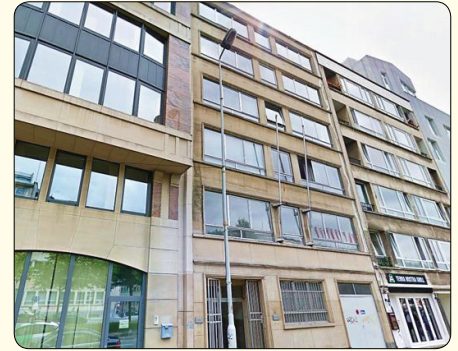
**The UIPI have moved office, as of 1 July 2017, the UIPI Brussels office will have a new address:**

24 Boulevard de l'Empereur, 1000 Brussels, Belgium

## UIPI Update

UIPI is a pan-European not-for-profit association comprising of 28 organisations from 27 countries. Jointly, they represent more than 5 million private property owners and some 20 to 25 million dwellings. Founded in 1923, the UIPI aims to protect and promote the interests, needs and concerns of private landlords and owner-occupiers at national, European and international levels. IPOA recognise the importance of being part of a European Organisation and are members. UIPI are active at the coal face of Europe in Brussels scrutinizing EU proposed directives, establishing the possible issues that could occur and work to effect change where necessary. Directives passed in Europe can have a massive effect on the cost of the provision of accommodation in Member States.

**IPOA Chairman, Stephen Faughnan, is a member of the Executive Committee and the European Affairs Committee of the UIPI.**



**UIPI Office**

## European Commission's Clean Energy Package

On 30 November 2016, the European Commission published one of the biggest legislative packages ever: "Clean Energy for All Europeans".



The package includes sets of legislative measures and several communications. UIPI has been very active in analysing it in the light of property owner interests and is putting great effort, together with other representatives of the European private real estate sector, into improving the legislative proposals to guarantee affordable housing for European citizens and prevent overburdening of property owners.

The Clean Energy Package includes revisions to existing legislation as well as proposes new initiatives. The key Proposals of particular interest to property owners is the Revision of the Energy Performance of Buildings Directive (EPBD), the Proposal for a revision of the Energy Efficiency Directive (EED) and the revision of the Renewable Energy Directive (RED).

## Energy Performance of Buildings Directive

The Energy Performance of Buildings Directive (EPBD) is the main legislative instrument at EU level to achieve energy performance in buildings and, as such, a key piece of legislation for our sector and members. The existing EPBD obliges Member States to set minimum requirements on the energy performance of major renovations, issue energy performance certificates (EPCs) for buildings and ensure that, as from the end of this decade, only "nearly zero energy buildings" (NZEBs) are built.



The on-going revision of the EPBD lays down the objective that Member States should contain in their long-term national renovation aim: decarbonising the building stock by 2050 with clear milestones for 2030. It sets requirements for the deployment of electro-mobility in new and renovated residential and non-residential buildings with more than 10 parking spaces. It aims at boosting the use of smart monitoring and automation appliances for heating and cooling by proposing new requirements in multi-usage buildings, as an alternative to regular inspection. Smartness is given further attention with the planned development of a "smartness indicator" to assess if a building is smart or smart-ready and to inform potential tenants and clients.

## Energy Efficiency Directive

The existing Energy Efficiency Directive (EED) sets binding measures to help the EU reach its 20% energy efficiency target by 2020. Under the Directive, all EU countries are required to use energy more efficiently at all stages of the energy chain, from production to final consumption. Among other things, it sets renovation targets for central government buildings, it requires energy suppliers and distributors to save 1.5% of energy each year or employ alternative measures with similar effects and roll out individual meters for heating and cooling systems.

The main aim of the revision under discussion is to set a binding EU-wide target of 30% for energy efficiency by 2030, emphasising the EU's commitment to put energy efficiency first. The revision Proposal also contains some detailed requirements, notably strengthening the metering requirements.

## Renewable Energy Directive

The current Renewable Energy Directive (RED) sets rules for the EU to achieve its 20% renewables target by 2020.

The Commission proposal updates the target to at least 27% of renewables in final energy consumption in the EU by 2030. It also offers building owners and communities greater freedom to generate, consume, store and sell renewable electricity and to increase competition and consumer choice in district heating supply.

## UIPI's Position

In order to reach the Union's ambitious 30% binding energy efficiency target by 2030 and to move toward a decarbonised building stock by 2050 as proposed by the European Commission, UIPI, together with a coalition of the private real estate sector - including the European Historic Houses Association (EHHA), European Landowners' Organization (ELO), European Property Federation (EPF) and the European Group of Valuers' Associations (TEGoVA) - is working towards improving these legislative Proposals and strike an appropriate balance between benefits and costs for European citizens. We are rather critical towards some of the requirements contained in these directives, in particular the EPBD, questioning their impact on building and housing costs and the great level of detail they imply for a EU directive. Therefore, we suggest modifications to preserve the stability of our sector and guarantee that European citizens can have access to affordable housing.



## Review on Tax and Fiscal Treatment of Property Owners in the Private Rental Sector

The IPOA made a comprehensive submission to the Department of Finance on the tax treatment of residential investors in April.

The Association recommend and urge the government to start treating property investment as a business. We recommended a number of tax measures to recognize the professional nature of property investment both to incentivise service providers to remain in the sector, to encourage more to enter, and to ensure that new units can be provided. To that extent IPOA recommend the following:

- **Capital Acquisitions Tax;** Business assets relief on the transfer of rental property to the next generation.
- **Pension payments;** The capital repayment of a loan should be available as a pension deduction recognizing the fact that many property investments are in essence a form of pension provision.
- **Loss relief;** Allowance for the offset of losses that arise in regard to the provision of rental residential accommodation against other income like PAYE or self-employed income, as would be the case where losses are incurred in any other business.
- **Income tax rate;** A special reduced tax rate applicable to profits from rental residential property should be introduced to retain existing investors and encourage new entrants into the market, providing a better return on investment thereby ensuring the priorities are given to investment in rental residential accommodation over other forms of investment. Many landlords are paying income tax at 55% on rental income which makes debt repayment impossible.
- **Exemption from Income Tax for Long Term Letting;** An exemption should be provided from income tax on the long term letting of residential property.
- **Double tax deduction for letting agent fees;** We recommend a double deduction for letting fees thereby allowing landlords employ professionals to manage properties for them, on a cost neutral basis.
- **Capital Gains Tax rollover relief;** We believe that CGT rollover relief should be reintroduced for residential property, to retain in so far as is possible, funds invested in residential property.
- **Immediate mortgage interest expenses;** The restoration of mortgage interest should be done immediately. There is no reasonable argument to allow for it to be deferred for the period envisaged by the Department of Finance presently. It's elimination as an expense was discriminatory in the first instance and perhaps unconstitutional.
- **Capital Allowances** We recognise that the rental market is intrinsically linked with the owner occupying housing market and to that extent, we would recommend the reintroduction of Capital Allowances for the construction of residential property in areas of high demand, such as Dublin, Cork, Galway and Limerick. We believe that this assists by increasing the supply of residential property generally, which is key criteria of the present crisis and also by encouraging landlords to both remain in, and enter into the market by reason of having the ability to reduce the tax exposure that will arise on their investment. Furthermore, we would consider that the cost of providing tax breaks under a scheme of construction of residential property, will be largely self-financing when VAT, Income Tax, Corporation Tax, and PAYE that is generated in developing these units and stamp duty charged on their purchase are taken into account.

## Know Your: RENTAL RIGHTS & RESPONSIBILITIES



The Residential Tenancies Board (RTB) offers a wide range of supports and services to landlords and tenants including a free telephone mediation service.

We also provide information on rights & responsibilities, our dispute resolution services as well as assistance on completing forms and submitting them online.



**FOR ANSWERS**  
**VISIT RTB.IE**  
**CALL 0818 30 30 37**  
**OR: 01 702 8100**



Bord um Thionóntachtaí Cónaithe  
Residential Tenancies Board

## Seminar RTB 22nd June 2017

The RTB held a Seminar in the Morrison Hotel on the 22nd June. Clarification was given on amendments to the Residential Tenancies Acts. A presentation on the HAP Scheme and how it works was also given. It was a very informative event and was attended by a substantial number of IPOA members.



**RTB** Bord um Thionóntachtaí Cónaithe  
Residential Tenancies Board

## Anti -Eviction Bill

An Anti-Eviction Bill to amend the Residential Tenancies Act 2004 to provide for greater security of tenure by making all tenancies over two months Part 4 tenancies, by making Part 4 tenancies of indefinite duration, removing sale of property as a ground for terminating a tenancy, providing for compensation where a tenancy is terminated on the ground that the dwelling is required by the landlord or a relative of the landlord for their own occupation, extension of notice periods for new rents and for the termination of tenancies, and inclusion of receivers and lenders that have taken possession of properties in the definition of a landlord was sponsored by Deputy Ruth Coppinger, Deputy Mick Barry, Deputy Paul Murphy, Deputy Richard Boyd Barrett, Deputy Brid Smith and Deputy Gino Kenny.

**The bill was defeated by only one vote**, the Ceann Comhairle's vote, after it went to a tie in the Dáil in January.

## Non-Resident Landlords & Rents

If a landlord resides outside the country and rent is paid directly to him/her or to his/her bank account either in the State or abroad, tax must be deducted by the tenant at the standard rate of tax (currently 20%) from the gross rents payable. Failure to deduct tax leaves the tenant liable for the tax that should have been deducted.

Example: Gross rent per month	£ 1,000
Deduct tax (1000 x 20%)	£ 200
Pay to Landlord (1,000-200)	£ 800

At the end of the year, the tenant should give the landlord a completed Form R185\*. This form gives details of the amount of the rent that was paid over to Revenue. The landlord can then claim this amount as credit on their annual Tax Return.

Where an agent, resident in the State, is appointed by the non-resident landlord to manage the property and the agent is collecting the rents, the rents must be paid gross to the agent. The agent is then chargeable to tax on the rents as Collection Agent for the landlord and is required to submit an annual tax return and account for the tax due under Self Assessment. Revenue Leaflet IT10 Guide to Self Assessment provides more detailed information.

**Note:** The agent appointed need not be a professional person, i.e., it can be a family member or other person prepared to take on the responsibility and undertakes to make annual tax returns and account to Revenue for the tax due.

## Information taken from Technical Guidance Document on Part J of the Building Regulations on Carbon Monoxide



### 1.5 Warning of the release of carbon monoxide in dwellings

**1.5.1 Carbon monoxide:** To ensure proper combustion and removal of the products of combustion a heat producing appliance should be correctly installed and regularly serviced.

The provision of an alarm in accordance with the guidance below should not be regarded as a substitute for this.

**1.5.2 Carbon monoxide alarms:** Where a new or replacement open-flued or flueless combustion appliance, not designed solely for cooking purposes, is installed in a dwelling, a carbon monoxide (CO) alarm should be provided:

- (a) in the room where the appliance is located, and
- (b) either inside each bedroom or, within 5 m (16 ft.) of the bedroom door, measured along the path of the corridor.

**1.5.2.1** Where a system chimney is being used, with any heat producing appliance and the flue passes within or over a habitable room, (whether encased or not), then a CO alarm should be fitted in the room.

**1.5.2.2 Alarm type:** A carbon monoxide alarm depends on a sensing element the output of which changes in the presence of carbon monoxide. It has a limited life span and may become obsolete even though the electric circuitry remains functioning which is why an end of life alarm is required.

### Carbon monoxide alarms should:

- (a) comply with I.S. EN 50291-1:2010/A1:2012; and
- (b) incorporate a visual and audible indicator to alert users when the working life of the alarm is due to pass; and
- (c) the manufacturer should have third party certification confirming compliance with the standard.

The carbon monoxide alarm may give an end-of-life indication in accordance with the following criteria:

1. powered by a non-replaceable (sealed) battery unit where the battery life does not exceed the life of the sensor;
2. powered by mains electricity(not plug intype) where a timer is included to indicate the end-of-life of the unit;
3. powered by a replaceable battery where a timer is included to indicate the end-of-life of the unit.

### 1.5.3 Location:

**1.5.3.1** The carbon monoxide alarm in a room containing an open-flued or flueless combustion appliance should be located –

- (a) either on the ceiling at least 300 mm from any wall or, if it is located on a wall, as high up as possible (above any doors and windows) but not within 150 mm of the ceiling; and
- (b) between 1000 mm and 3000 mm horizontally from the appliance; or
- (c) in accordance with the manufacturer's instruction.

**Irish Property Owners' Association  
The National Landlords' Representative Organisation  
Ashtown Business Centre, Navan Road, Dublin 15, D15 K6WR**

**Email:** [info@ipoa.ie](mailto:info@ipoa.ie)    **Telephone** 01-8276000    **Web:** [www.ipoa.ie](http://www.ipoa.ie)

**MEMBERSHIP APPLICATION**

**2017**

**IRISH PROPERTY OWNERS ASSOCIATION**

**Name:-** \_\_\_\_\_

**Address:-** \_\_\_\_\_  
\_\_\_\_\_

**Telephone Day:** \_\_\_\_\_ **Mobile:** \_\_\_\_\_

**E-mail Address:** \_\_\_\_\_

**I WISH TO BECOME A MEMBER OF THE IRISH PROPERTY OWNERS ASSOCIATION.**

**€500 (corporate member)** ☐

**€250 (multiple units)** ☐

**€150 (a single unit) 1 unit is 1 apartment or house let as a unit).** ☐

**Enclosed please find cheque** ☐

**I wish to pay by credit card, this can be done by ringing the office.**

**ON BEING ACCEPTED AS A MEMBER OF I.P.O.A, I CONFIRM THAT MY PROPERTIES COMPLY WITH THE HOUSING (STANDARDS FOR RENTED HOUSES) REGULATIONS.**

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**OFFICE USE:**

**Acceptance Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

**Reg. No.** \_\_\_\_\_

**Accepting Officer:** \_\_\_\_\_