

IPOA Response to the Review of the Private Rental Sector

Public Consultation Submission Form

August 2023



Irish Property Owners Association

The National Landlords Association

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Review of the Private Rental Sector

The Housing for All Action Plan Update (November, 2022) stated the Department of Housing, Local Government and Heritage (DHLGH) would commission a comprehensive review of the private rental sector. The review will report on how our housing system could provide an efficient, affordable, safe and secure framework for both landlords and tenants.

With the exception of the word efficient, the review headings are tenant orientated, this demonstrates where the Government priorities lie, there needs to be more emphasis and inclusion of what makes the sector attractive to landlords i.e. financially viable. This is a bad start from a landlord perspective.

The purpose of this consultation document is to facilitate participation in a consultation process concerning the private residential rental sector as an element of policy development under Housing for All.

It is not acceptable that DHLGH complete a tick box exercise and say that IPOA in other words landlords participated without giving real consideration of the needs of landlords.

The consultation document provides a broad perspective of the sector and discusses some of its principal aspects, each followed by a set of questions intended to elicit views, provoke debate and generate proposals for policy change.

The Department hopes that the collective responses to these questions, provided by citizens, non-governmental organisations, public agencies and commercial enterprises, can inform the development of policy and contribute to a well-functioning private rental sector for all stakeholders. A stakeholder workshop will also be scheduled to run alongside this public consultation process.

Your views will be a vital source of information helping to inform future policy and the Department's review of the scheme.

If you would like to make a submission, please complete Section 4 of this form and either:

- e-mail the completed form to – rentalstrategy@housing.gov.ie or
- post the completed form to – Rental Market, Department of Housing, Local Government and Heritage, Newton Road, Wexford, Y35 AP90.

Please note the closing date for public submissions is 8th August 2023.

Publication of Submissions and Freedom of Information

Any personal information received by the Department will be treated strictly in accordance with data protection legislation, including the Data Protection Acts 1988 to 2018.

Submissions received as part of this consultation may be shared and discussed with other Departments, Local Authorities or other stakeholders and may also be published on the Department's website. This is to promote an integrated approach to addressing social housing solutions in the State.

Information received by the Department is subject to the Freedom of Information (FOI) Act and may be considered for release under the FOI Act.

The Private Rental Sector

The private rental sector has important social and economic roles to play. As a relatively flexible tenure form the sector can support internal and external migration flows, thereby contributing to worker and student mobility. The sector provides a source of accommodation for households prior to their movement to other tenures; many people live in private rented housing during early adulthood, having left the parental home. The sector acts as an important adjunct to the social housing stock, as market subsidies such as the Housing Assistance Payment provide social housing supports to low income households renting a private market dwelling.

When considering the private residential rental sector it is important to note that the private rental sector is an element of a wider housing system and therefore cannot be viewed in isolation from homeownership, social and affordable housing, housing development and construction markets, and so forth.

The private rental sector also needs to be financially viable in order to attract investors of all sizes, many investors in this market operate as a business, this needs to be recognised and understood by DHLGC.

Changes to the private rental sector will, in the main, have an impact on some or all of these connected areas of the housing system, and vice versa. Therefore policy mechanism must seek to achieve a fair outcome. Good government seeks to maximise the benefit of all, so when considering how best to amend policy to address challenges it is important to consider the impacts on wider society, in addition to those on specific interest groups, such as tenants and landlords.

Submission

Please provide any information in the boxes below that you would like to contribute to the review of the Private Rental Sector.

Please be thorough and take as much space as you require to make your submission. However you do not have to answer all sections posed.

Please note that any information provided may be discussed with other stakeholders in order to inform the outcome of the review.

Please do not enter any personal information.

Composition of the Sector

Q1. Traditionally the private rental sector catered for mobile workers, students and young adults.

Should the rental sector cater to lifelong renting? If so, should such a reorientation be a reason for a different approach to the regulation of the sector?

- *Yes, in certain circumstances.*
- *The sector should provide options for long-term renting, but this should not be compulsory. It should be only to the agreed named tenant and the rights should not be transferable. Landlords and tenants should be able to choose the tenancy that suits them depending on their individual requirements.*
- *Recent legislation has focused on a one size fits all situation, but the reality is that this does not work for the market, for tenants or for landlords. It is no longer a flexible system, and the sector has been substantially damaged.*
- *Lifelong renting is problematic for landlords, however long-term renting should be an option. In the current environment with constantly changing rules and no certainty, investors lack confidence to enter into this type of agreement. Recent legislative changes show that it is acceptable to introduce unfair terms against landlords, e.g., 2% rent control when inflation is running at multiples of that and the introduction of indefinite tenancies. The state has decided that it is acceptable that landlords be forced to let properties in uneconomical circumstances.*
- *If the state is to consider long-term rental, appropriate mechanisms need to be put in place to address concerns around getting property back and protection from changes in legislation.*

Q2. What types of changes should be introduced to facilitate tenants who wish to enter into long-term tenancy options, and what should be done to encourage the supply of rental accommodation to meet such demand?

- *Rights and responsibilities will need to be different for long term tenancies e.g., 10-20 years. Properties should be let painted in a neutral colour and returned in the same state. Deposits will need to be reflective of the risks taken by the landlord. Tenants will need to be responsible for internal decoration, internal repair, internal maintenance and also garden maintenance. Properties should be rented unfurnished, and tenants should be able to decorate to their taste.*
- *In view of the risk and danger of entering long-term tenancies there will need to be a benefit for an investor to provide the tenancy.*
- *Tenancies entered into under these circumstances cannot be changed by legislation.*
- *Tax relief similar to long term leasing of land by farmers e.g., extra tax free allowance depending on term of tenancy; 5 - 7 years €18,000, 7 - 10 years €22,500, 10 - 15 years €30,000, 15 years + €40,000.*

Q3. What are the implications of the introduction of policy initiatives, such as cost rental, for the composition of the sector?

- *Cost rental is another choice for the market, but it is anti-competitive. It is 25% cheaper than the private rental market. It is likely to be chosen over the private rental market regardless of the need for long term accommodation because it will not be market rent.*
- *The competition to the existing market could lead to a reduction in the number of private rental properties available. Rental income must be sustainable for existing investors to remain in the market.*
- *Cost rental increases are linked to the level of inflation while landlords are restricted to 2% rent control, which is going to actively discourage landlords from investing.*
- *It is likely that there will be no natural attrition of tenants in cost rental, and existing tenants are likely to sublet rather than leave their tenancy.*

Q4. What are the pension policy implications of the ageing of households renting in the private market?

The Cost of Renting

Q5. What changes, if any, should be made to the policy of price controls in the residential rental market?

- *Ireland needs to follow the general consensus in Europe that rent regulation does not work and move towards a more deregulated market. The general view among economists is that rent regulation has many negative and market-distorting effects such as rental housing shortage. The stronger the regulation the worse these effects are. Ireland is under one of the most regulated forms of rent control which has resulted in the rental market crisis that we are experiencing.*
- *This can be done initially by moving to Third Generation Rent Control by allowing properties to go to market rent on new tenancies and index linking rents during tenancies. Once the market has stabilised rent regulation can be removed with a return to a completely free market.*
- *Where a property is sold the link to the previous rent must be broken, and the new purchaser must be allowed to charge market rent. This break is essential in order to restore market rent and to remove the potential reduction in the property value. Investors will only pay a multiple of the rental income. If the rental income is 70% of market rent, then the property valuation offered by investors will reflect the poor income from the property.*
- *RPZ rent controls need to be removed as a matter of urgency. RPZ's restrict income without restricting costs, making it non-viable to continue renting and disincentivizing investment. 2% gross (1% nett) allowable rent increase is unworkable. Mortgage interest has increased making it untenable for many to continue renting property, resulting in properties being sold. Investors will not purchase where rent is restricted. Income restriction will have the result of less investment in properties reducing the modernisation of properties which is damaging to the market long-term. The RPZ's caused enormous damage to the sector, reducing the amount of accommodation available for tenants, causing financial loss to investors and the state. It destabilised the market, disincentivised investment in the sector and has disturbed existing investors.*

- *New tenancies must be allowed to charge market rent.*

The Subsidisation of Households Renting Market Units

Q6. How best should the State deploy subsidies to assist those dependent on the private rental sector?

- *Rental subsidies must be designed for the market, to meet the needs of both landlord and tenant.*
- *Need to be paid in advance directly to the landlord with confirmation to the tenant.*
- *Should be timely and quickly processed.*
- *Should be possible to deduct directly from the income source of the tenant when in receipt of public subsidy, which would protect tenant and landlord from arrears.*
- *Subsidies such as Housing Assistance Payment (HAP) are a means to fund the tenant's rent payments, the terms of the tenancy remain unchanged however HAP only pay in arrears and by the calendar month which is completely out of sync with the tenancy agreement. Tenants who do not make up the difference are constantly in breach of their tenancy agreement as rents are continuously late. HAP needs to pay in advance and needs to make an opening payment to cover any periods between the rent due date and the 1st of the following month (from when HAP payments are dated).*

Q7. Should subsidies be used to encourage households towards specific tenure types?

- *Subsidies could be used to encourage households to tenure types that meet their needs. However, looking for a long-term tenure in every case is likely to have unintended consequences on labour movement and on rental supply.*

Q8. Are there risks associated with delivering social housing using subsidised market rental units?; if so, do the risks outweigh the benefits?

- *There are risks, however the benefits outweigh the risk. The issue is currently supply, and there is a need to utilise any available good quality accommodation.*
- *Varied locations ensure good social integration.*

Drawbacks

- *By the state using private rental units, they are abdicating their responsibility to provide long term social housing.*
- *They are forcing the private rental market to meet the needs of social housing.*
- *It limits the units available for workers, students, and the private rental market generally.*
- *Local Authorities need to be conscious of the mixed tenure of residents to ensure a good social mix and integration.*

Q9. Should the Cost Rental Scheme be scaled up across the country?

- No.
- *It is anti-competitive and will ultimately lead to unsustainable rents and result in a loss of accommodation in the market.*

Q10. If so, what changes/incentives could be made to support the expansion of this tenure of rental?

The Quality of Homes

Q11. Should the standards regulations which currently apply be changed and, if so, why and how?

- Yes.
- *The standards are excessive - one size doesn't fit all. Irish standards are out of kilter with other European standards. They have resulted in accommodation in city centres and over shops not being utilised as homes. In most other European Countries, the standards are much less onerous.*
- *They need to be sensible and safe.*
- *The regulation of having a toilet within the curtilage of a flat (banning the bedsits) was counter productive, allowing a toilet across the landing for the exclusive use of the flat would have been workable. This has resulted in a huge loss of accommodation as it was unaffordable and impossible to install.*
- *Banning the bedsits resulted in the loss of thousands of centrally located, comfortable accommodation, which if kept would probably have housed most of the current single homeless people.*
- *Standards should be based on the size of the property and the number of tenants it accommodates and the property type.*
- *There should be no onus on property owners to provide and maintain white goods.*
- *The 2021 Standards Guidelines produced by DHLGH should not deviate from State regulations e.g., National Standards Authority of Ireland (NSAI) & Building Regulations.*
- *The guidelines are used by inspectors as de facto regulations, they need to be written in plain English.*
- *The four-ring hob is unnecessary as most people use just 2 rings. This is particularly true for small properties which houses one or two people.*
- *Big ovens required where most tenants use air fryers and combi microwave/ ovens/ grills,*
- *Existing rental property is the only business where new standards impose costs where there is no ability to recover the costs involved, because of rent controls.*

Q12. Are landlords and tenants sufficiently aware of the standards and enforcement processes and, if not, how can awareness be raised?

- *IPOA members are kept aware of the standards.*
- *Other agencies and RTB keep tenants aware of standards.*
- *Financial support should be provided to upskill landlords.*
- *Full tax relief for membership of professional bodies.*

Q13. Is the inspection regime which local authorities operate to oversee standards and fire safety appropriate?

- *Yes*
- *It is appropriate where the Local Authorities inspect. Where contractors get paid per inspection, trust is lost in the process.*
- *Assessment criteria is flawed, pass/fail, e.g., missing user guide for cooker may result in a failed inspection. It does not reflect the quality of accommodation in Ireland. Legal action on standards is initiated very rarely.*
- *Every Local Authority should be using the same criteria.*

Q14. Are the mechanisms which govern disputes among tenants and landlords concerning standards working well; if not, how, and why should they be changed?

- *No*
- *Tenants can report issues to the Local Authority, Environmental Health Officer & Residential Tenancies Board.*
- *The obligation is always on the landlord, e.g., the tenant takes no responsibility for not opening windows in cases of mould. Tenants must bear costs for repairs where they are at fault.*
- *If something is not working - the tenant's word is always taken, landlord & tenant should both be at the inspection.*
- *Tenants abuse the enforcement of standards; they know that if they complain about a carpet for instance and request a total house inspection the inspector will always find in favour of the tenant even when the carpet may be in acceptable condition. Landlord must change the carpet in order to avoid another inspection and further costs.*

Q15. Would increases to standards drive landlords to exit the market?

- *Yes*
- *Increasing standards increases the costs of the provision of accommodation. Rent control limits income. The provision of accommodation is already very expensive. Every change has unintended consequences. (Loss of bedsit units).*
- *Properties are generally compliant with standards when let, rental income is fixed at letting. If the standards are changed then the rental income has to change. If this is not allowed the landlord's costs increase without limit while rents remain depressed, this position is not financially viable and will cause more landlords to leave the sector thereby reducing the available rental stock.*

- *Constant changes, frustrate landlords, e.g., an unused chimney was allowed as a vent in 2017, disallowed in 2019, and allowed in preserved buildings in 2022. The changing environment is driving landlords from the market.*
- *Standards should be about safety - standards currently look at decoration, which is subjective, older properties were often let at lower rates because they were not modernised but would have been fit for habitation.*
- *Indefinite tenancies are likely to prevent landlords from having void properties where substantial modernisation was usually carried out. It is extremely challenging to get contractors given the capacity issues in the market.*

Q16. Should standards be differentiated, depending on the scale of the landlord, the age of the dwelling and so forth?

- *Yes*
- *Standards should be differentiated depending on the type of property and the potential number of occupants.*
- *Some building, eg apartments, attributes can't be changed.*
- *The type of dwelling is important also as a management company of a block of apartments may object to holes going through their walls for vents etc.*
- *Craftsmanship in protected buildings should not be overridden by standards.*

Q17. How should the private rental sector be supported to achieve minimal BER ratings?

- *The present allowable expenses / write off for SEAI / BER improvements is limited to two properties/ units in a multiunit property per landlord. Many landlords have multiple properties, an allowance against just two properties is useless, the allowances are also time limited which again is useless where a landlord may need to spread improvements over several years.*
- *Unconditional grants for all properties.*
- *Exemptions should be brought in similar to the UK where £3,500 is the max per unit a landlord is expected to invest to comply.*
- *Double tax relief in the year of expenditure for rental property - there should be no conditions to this, the more conditions involved make changes less desirable.*
- *SEAI grants are available to landlords, but it is the tenant who will receive the benefit through reduced utility costs. There is a tax relief of up to €10k for landlord, but this does not cover the cost of installation.*

Q18. Which other changes should be made to improve the governance of the private rental sector?

- *We need less changes as it is a long-term investment and requires market certainty.*
- *Radical changes are required to rental legislation. The Residential Tenancies Act 2004 needs to be repealed and simple effective legislation put in place.*
- *New legislation needs to be outcome based and customer focused with a commitment that it will not be changed for a period of five years.*
- *Overholding needs a penalty.*

- *The right to appeal to Tribunal in rent arrears cases should be restricted to situations where the rent is lodged with the RTB. Appeals should not be possible to be used as a delaying tactic.*
- *Mediation should be immediate.*
- *Determination orders should be enforceable without Court Orders.*
- *Deposits should be reflective of the risk; they should be at least two months. It takes two months to serve a notice of termination for rent arrears.*

Supply and Investment, Institutional Investment, Subsidising Investors and Student Housing

Q19. Should the State play an active role in managing the size of the private rental sector and, if so, how?

- *No, it should be a free market without rent controls to allow the market to recover.*
- *The private rental sector is essential to a functioning economy. It is important to provide accommodation to students, workers, both transient and long-term workers.*
- *Private housing should never be set up as a social model.*
- *There are only two parties to every tenancy, landlord and tenant. Landlords have assumed significant financial risk; they are investors, and they need a sustainable investment.*
- *The repeated interference of the state caused the reduction in accommodation:*
 1. *The state forced the closure of bedsits.*
 2. *Mortgage interest allowable was reduced.*
 3. *Taxation was increased, all at the time when rents were reducing.*
 4. *As soon as rents started increasing the state introduced rent control forcing investors out of the market. The result is a two-tiered market, a reduction in the amount of accommodation available, a black market and no confidence or stability in the market.*
 5. *The market is vulnerable to external shock and the exodus of landlords.*
 6. *Rent control decimates rental market supply.*
- *Continual knee jerk political interference in the market does not work. The role of the state should be to encourage the provision of private rental accommodation. It does that by putting into place conditions that encourage long-term investment. Investors require confidence and stability and need to know that conditions are not going to change.*
- *CGT should be eliminated for those committed to remaining in the market for seven years.*
- *Tax rate of 25% incl. USC & PRSI on rental income*
- *Rental income should be treated as Case 1 trading income not Case 5 rental (unearned) income.*

Q20. Which measures should be taken to incentivise small-scale landlords to remain in the sector, and why?

- *Remove the threat of another eviction ban.*
- *Remove rent control.*
- *Reduce taxation.*
- *All legitimate expenses should be allowable, like any other business.*
- *Rental income should be treated as Case 1 trading income not Case 5 rental (unearned) income.*
- *CGT should be eliminated for those committed to remaining in the market for seven years.*
- *Tax rate of 25% including USC & PRSI on rental income*
- *Dissolve or reconstitute the RTB. It is not fit for purpose.*
- *If a tenant stops paying rent, then the landlord should be allowed to give notice and expect a reasonable exit without the endless red-tape.*
- *CAT liability should be reduced in cases where property is inherited and remains as a rental.*

Q21. Should general subsidies or tax measures to incentivise greater rental sector supply be considered?

- *Yes.*
- *CGT should be eliminated for those committed to staying in the market for seven years.*
- *Rental income should be treated as Case 1 trading income not Case 5 rental (unearned) income.*
- *Tax rate of 25% including USC & PRSI on rental income and should correspond to tax charges for corporate rental income.*
- *Tax relief similar to long term leasing of land by farmers.*
- *Consider the reintroduction of section 23 or a similar scheme.*
- *Capital acquisitions tax and gift tax should be the same as that available to agriculture / businesses where the value of the property being transferred is reduced by 90%. This would help to keep rental stock portfolios intact and not dispersed to finance CAT. This would also benefit tenants as their tenancies could be maintained.*
- *Rollover relief should be allowed.*

Q22. Should measures be targeted at specific types of accommodation, specifications, locations or landlords, such as small scale or larger landlords?

- *Measures must be positive to encourage investment.*
- *Tax relief similar to long term leasing of land by farmers.*
- *CGT should be eliminated for those committed to remaining in the market for seven years.*
- *Tax rate of 25% including USC & PRSI on rental income.*

Q23. Are there particular types and locations of new supply which are particularly important?

- *Houses of Multiple Occupancy or shared houses should be encouraged because they allow for a higher density.*

Q24. Is there a role to be played in the conditional availability of incentives, such as grant subsidies or tax measures, for the completion of housing units to incentivise supply?

Q25. Should measures be taken to specifically incentivise further supply of high quality units by institutional investors with a long-term commitment to urban rental markets, and if so what form should such measures take?

- *No.*
- *Investment funds are able to leave the market quickly and are not committed to long term investments. They come at a massive cost to the state and that spend could be better deployed supporting the traditional investment market.*
- *Institutional investors only supply in urban areas.*
- *Incentives should be demand led.*
- *Institutional investors already have 0% tax.*
- *Any new incentives should be available for the smaller landlords who make up the majority of the marketplace providers and who are leaving the market in droves.*

Q26. What measures should be taken to have a more structured and well-funded approach to the provision of rental accommodation for students?

- *Removal of 90-day notice of termination period in the first six months and replaced with 28 days' notice. 90 days' notice is too long due to the summer break.*
- *Irish students' needs are the following: Provide furniture in house although some might have their own. Will stay 5 days and go home for the weekend. Need an area for bicycles and cars as many Irish students have cars now.*
- *Foreign students requirements are the following: Provide furniture in house, bed linen, detailed procedure how everything works (in their language). Documentation for VISA Approval, proof of residence. Provide bicycles. Foreign students stay 7 days a week. Requests for family from their country to come and visit and stay in the house. More short-term letting for foreign students to suit their requirements.*
- *Need more university accommodation built.*
- *Landlords should be encouraged to take students and the properties should be allowed to be used as short-term holiday lets during the holidays.*
- *Reintroduce Section 23 or Section 50.*

Q27. Are there measures that could be deployed to attract domestic capital toward sustainable, long-term investments in the residential rental market?

- *Make it easier to get Buy to Let Mortgages.*
- *Removal of rent controls.*
- *Investors need confidence and stability. Long term investment cannot survive where legislation is continually changing creating uncertainty in the market.*
- *Remove the threat of another eviction ban.*
- *Reduce taxation.*
- *All legitimate expenses should be allowable in the year they occurred, like any other business expenses.*
- *Rental income should be treated as Case 1 trading income not Case 5 rental (unearned) income.*
- *Tax relief similar to long term leasing of land by farmers.*

- *CGT should be eliminated for those committed to staying in the market for seven years.*
- *Tax rate of 25% including USC & PRSI on rental income.*
- *Dissolve or reconstitute the RTB. It is not fit for purpose.*
- *If a tenant stops paying rent, then the landlord should be allowed to give notice and expect a reasonable exit without the endless red-tape.*
- *A state agency should be set up that funds buy to let mortgages and refinancing for rentals that are trapped in Vulture fund mortgages.*

Q28. Are policy mechanisms available which can protect the long-term interests of tenants and investors alike, such as subsidies or tax measures which apply solely to long-term leases?

- *From our experience tenants don't want to commit for years to a long-term lease.*
- *In countries that have long term leases there are serious obligations on tenants and most tenants may not wish to take on that responsibility.*
- *The constant rule changing and interference of the State, including rent controls undermine long-term letting.*
- *Risk must match reward.*
- *Rental income should be treated as Case 1 trading income not Case 5 rental (unearned) income.*
- *Tax relief similar to long term leasing of land by farmers*
- *CGT should be eliminated for those committed to remaining in the market for seven years.*
- *Tax rate of 25% including USC & PRSI on rental income.*

- **Exemption from Income Tax for Long Term Letting**

IPOA requests that an exemption be provided from income tax on the long-term letting of residential property. In terms of precedent, we would refer to Section 664 of the Tax Consolidation Act 1997, which provides an exemption from income tax on the long-term letting of agricultural land. We understand that Section 664 of the Tax Consolidation Act 1997 was introduced in order to change the culture in agricultural circles around short term leasing of land, to enable longer leases to be entered into thereby giving tenants security of tenure, which in turn provides them with the flexibility to plan for the future and invest in their lease holding.

IPOA believe it would be welcome and appropriate for the Government to introduce a similar exemption in regard to long term lettings of residential units to facilitate the cultural change that is required in order for this to become a significant part of residential letting in Ireland generally. IPOA believes that if Government policy was supportive of this concept, it would greatly enhance the ability of the IPOA to convince our members, and landlords generally, of the benefits of this nature of letting.

International Examples

Q29. What rental policies and policy measures used in other countries ought to be considered for Ireland?

Rent Control in Europe

Ireland needs to follow the general consensus in Europe that rent regulation does not work and move towards a more deregulated market. The general view among economists is that rent regulation has many negative and market-distorting effects such as rental housing shortage. The stronger the regulation the worse these effects are. Ireland is under one of the most regulated forms of rent control in Europe.

This can be done initially by moving to third generation rent control by allowing properties to go to market rent on new tenancies and index linking rents during tenancies. Once the market has stabilised rent regulation can be removed with a return to a completely free market.

Finland did this and gradually deregulated rent and has a completely free market having gradually softened rent control over a 5 year period in the 1990s.

There are 3 generations of rent control:

- **First Generation** - A rent freeze.
- **Second Generation** - Rents are controlled within a tenancy and in between tenancies.
- **Third Generation** - Rents can go to market rent at the start of a tenancy and are controlled within that tenancy.

Of the 33 countries in Europe

First Generation Rent Control - 0 Countries

- *No country has a full rent freeze although it can be argued that Ireland with rent increases limited to 2% and in a high inflation environment is now 1st Generation rent control.*
- *Germany uses a rental brake system in times of high inflation.*

Second Generation Rent Control - 6 Countries

- *Ireland: Strong 2nd Generation Rent Control/ borderline 1st Generation.*
- *Austria*
- *Denmark: Several rent control systems running in tandem, one much more liberal than the others.*
- *France: Rent control is only in larger cities.*
- *Sweden*
- *The Netherlands: rent control applies to rentals valued at under 700 Euro per month, more expensive rentals are in the free market.*

Third Generation Rent Control - 10 Countries

- *Belgium*
- *Croatia*
- *Cyprus*
- *Germany: excellent tax incentives*
- *Luxembourg*
- *Norway*
- *Poland*
- *Scotland*
- *Spain*
- *Switzerland*

Free Market, no rent control - 17 countries

- Bulgaria
- Czechia
- England: UK Govt is opposed to rent control due to the negative repercussions.
- Estonia
- Finland: fully deregulated after rent control in the 20th century. Government is opposed to it.
- Greece
- Hungary
- Iceland
- Italy
- Latvia
- Lithuania
- Malta
- Portugal
- Romania
- Serbia
- Slovakia
- Slovenia

Finland: No Rent Controls. Beginning in 1991, the abolition of rent controls was explicitly cited in the programme of the conservative Government; and implementation of the policy followed thereafter. The change in regulation came in two phases – first, in 1992, new tenancies were deregulated, and from 1995, existing tenancies were deregulated, allowing landlords to charge market rent for the first time in almost three decades. As a direct result, the supply of private rental accommodation increased by 50% between 1990 – 1995. Today, the Finnish rental market remains stable; and is predominantly made up of small scale, buy-to-let investors who tend to purchase properties for pension and investment security purposes.

Germany: 3rd Generation Rent Control with strong tax incentives.

Germany has a tradition of renting as a secure and long-term option, with home ownership relatively low in comparison with other European countries. According to 2018 Eurostat data, 48.5% of German households are tenants. Landlords benefit from tax deductions to facilitate depreciation allowances, as well as mortgage interest, tax relief, deduction of maintenance costs and the potential to deduct losses from the income tax base. Losses from residential lettings can be offset against tax on other income. There is no tax on capital gains except on investments of less than 10 years, in order to reduce speculation. Renovation and modernisation costs can be offset against income tax purposes, together with interest payments and other operational costs.