

Rent Pressure Zone (RPZ)

This is a guideline only and is provided for the purposes of understanding the steps which you may need to take, further details are available at www.rtb.ie.

What are Rent Pressure Zones (RPZ)

A Rent Pressure Zone (RPZ) is a designated area where rent increases are capped. Rents in a RPZ cannot be increased by more than 2% per annum pro rata or if it is lower, by the increase in the rate of inflation as recorded by the Harmonised Index of the Consumer Prices (HICP). This restriction applies to new and existing tenancies in RPZs (unless an exemption applies).

When setting or reviewing the rent, landlords must check the new rent on the RPZ calculator available at www.rtb.ie.

Undertaking a rent review: *

a. If you intend to increase the rent for Existing Tenancies:

90 days or three months prior to annual renewal, calculate the max rent allowable for renewal and set the new rent within the maximum permitted rent. Issue the tenant a Rent Review Notice, and you must submit the Rent Review notification to the RTB.

Assuming no Dispute is lodged challenging the Rent Review Notice and the new reviewed rent commencement date has passed, the landlord is obliged to notify the RTB of the rent change by making an amendment to the Tenancy Register.

b. If you intend to set the rent for a New Tenancy:

If no tenancy has existed in the property for the past 2 years or substantial change as defined in the Residential Tenancies Act has occurred in the property, the rent can be set up to market rate. You must notify the RTB if you are setting the rent to market rate. Please see the RTB.ie website for information on how to determine market rate and for how to submit the notification to the RTB.

If a tenancy did exist in the property in the last two years you must use the RPZ calculator to set the rent for the new tenancy. For example, if a previous tenant's rent was set on 1 January and that tenancy ceases and a new tenancy commences 1 September of the same year, the landlord can use the RPZ calculator for the new tenancy commencing 9 months from rent last set.

The landlord is obliged to update the original tenancy record as ended and to register the new tenancy, both within one month of cessation and commencement respectively.

** Not all rented properties in RPZs are subject to rent caps, please check rtb.ie for a list of exempt properties.*

RPZ Calculator is available online at www.rtb.ie.

This is a guideline only and is provided for the purposes of understanding the percentages (%) and numerical values of the RPZ calculator.

Symbol identification:

- > * multiply by
- > / divide by
- > Formula: brackets first, multiply and then divide

Example:

Previous Rent: €1,200 (set at tenancy commencement)

New Rent proposed: €1,500 (reviewed by landlord for annual renewal)

$(€1,500/€1,200) * €1,200/100 = 15\%$ increase in rent.
A €300 increase.

This would be an unlawful increase as 15% is above the amount allowed by the Rent Pressure Zone Formula as shown below.

Using the RPZ formula for calculating allowable increase

Rent increase is capped at 2% pro rata (if the inflation (HICP) difference is less than 2%, you must use the HICP difference. The RPZ calculator will show you the HICP difference when you use it)

Base Rent: €1,200

$€1,200 * 2\% = €24$

Max New Rent Permitted €1,224

$(€1,224/€1,200) * €1,200/100 = 2\%$

Landlords are required to have an active role in ensuring the accuracy of the Register of Tenancies. This is achieved by landlords updating accounts promptly and by informing the RTB where inaccuracies are identified.

