

Private Tenancies Act (Northern Ireland) 2022

EXPLANATORY NOTES

BACKGROUND AND POLICY OBJECTIVES

3. The private rented sector has grown over the past number of years to become the second largest type of housing tenure. It is now larger than the social housing sector and accounts for over 17% of all housing stock in Northern Ireland.
4. Almost half (48%) of those living in the private rented sector receive state financial support via Housing Benefit or Universal Credit to help meet housing costs. A breakdown of groups living in this tenure in 2016 was as follows¹:
 - 63,600 households with children under 16;
 - 17,200 older households²;
 - 15,500 retired persons who pay the rent on the property;
 - 15,900 persons who are either permanently sick (disabled) or looking after someone (carers).
5. The private rented sector is helping to meet housing need and provides an important housing option for a range of individuals and families. As it has grown, there has rightly been an increased focus on how the private rented sector is regulated.
6. The Department for Social Development's Private Rented Sector Strategy, *Building Sound Foundations*, which was launched in 2010, centred on delivering targeted improvements to the regulatory regime and included the introduction of the Tenancy Deposit and Landlord Registration Schemes.
7. The Housing Strategy, *Facing the Future*, which was launched in 2012, set out a clear vision for housing in Northern Ireland. It was a vision focused on ensuring that everyone has the opportunity to access good quality housing at a reasonable cost.
8. The Housing Strategy Action Plan 2012-2017 committed the Department to undertaking a review of the private rented sector.
9. The key objectives of the review were to:

¹ Figures taken from the 2016 NIHE House Condition Survey

² A household is an older household if it has only one person in it and that person is of pensionable age (at least 65) or if it has only two persons in it (related or unrelated) and at least one of those persons is of pensionable age.

- assess the contribution the private rented sector currently makes to the housing market, and could potentially make in the future to increasing housing supply and meeting need and demand;
 - identify the key enablers to support the current and potential future role of the private rented sector;
 - evaluate the effectiveness of existing regulation of the private rented sector;
 - ascertain if there are any unintended consequences in the current system and make recommendations on how these could be addressed; and
 - assess the contribution the private rented sector does and could make to supporting the Northern Ireland Executive's *Together Building a United Community Strategy* which has a clear focus on encouraging more shared housing.
10. In delivering the objectives outlined above, the review also considered:
- the current role of the private rented sector in meeting housing need;
 - the future role of the private rented sector and its potential for further growth;
 - the opportunities and challenges that face those involved in the sector (including tenants, landlords and landlord representatives); and
 - lessons learned from policy developments and regulatory frameworks in place locally, elsewhere in the United Kingdom and internationally.
11. The review also took into account policy and practice developments in related fields such as shared housing, housing supply, housing standards, empty housing and regeneration.
12. The aim of the review was to consider the current and potential future role of the sector and assess the effectiveness of current regulation, identifying where improvements could be made to help make the private rented sector a more attractive housing option.