

Limerick City Council



Rental Accommodation Scheme (RAS)

Information for Landlords (Accommodation Providers and Agents)

The Rental Accommodation Scheme (RAS) is a new initiative being introduced to cater for the accommodation needs of persons who are in receipt of rent supplement, normally for more than 18 months, and who have a long-term housing need (excluding asylum seekers or other non-nationals who do not have leave to remain in the State permanently, students and persons in receipt of rent supplement as a “back to work” incentive). The scheme is being administered by local authorities and is intended to provide an additional source of good quality rented accommodation for eligible persons to enhance the response of local authorities to meeting long-term housing need.

What are the Main Features of the Scheme?

Local authorities will enter into contractual arrangements with accommodation providers to secure the medium to long-term availability of private rented accommodation for RAS.

While different contract types may be entered into [see below] they will have in common the following main features:

- The local authority will pay the full rent to the landlord on behalf of the tenant.
- The Residential Tenancies Act 2004 will govern the relationship between the landlord and the tenant.

- The landlord must be tax compliant.
- The property must meet minimum standards including fire standards for private rental accommodation as determined by the local authority.
- The landlord must have registered, or agree to register the tenancy with the Private Rented Tenancies Board (PRTB).

How will RAS work?

RAS will involve a three-way relationship between:

- The local authority and the landlord.
- The landlord and the tenant.
- The tenant and the local authority.

In general, as a first step, the local authority will seek to enter into a contractual arrangement with the accommodation provider to make housing available to RAS for an agreed term (other arrangements may also exist, see below). The terms of this contract will be negotiated between the two parties. The accommodation may be an existing property or new build. The local authority will guarantee the rent on behalf of the tenant and will undertake to make the full payment directly to the landlord.

Secondly, the local authority will nominate a RAS recipient to the accommodation who signs a residential tenancy agreement with the landlord. The nominee could be an existing tenant of the property who currently receives rent supplement, and is eligible for RAS. The local authority will be party to this agreement as guarantor of the rent.

Finally, the RAS recipient and the local authority agree that the local authority will make payments to the landlord on the recipient's behalf.

What contractual arrangements will exist between the Landlord/Agent and the local authority?

Model agreements have been developed for use with the scheme and will form the basis for contract negotiation between the landlord and the local authority.

A number of forms of contractual arrangements between landlords/developers, local authorities and tenants may exist under the RAS. In the main these will fall broadly into three types of arrangement.

- A) Availability type arrangements between landlords and local authorities to secure medium to long-term availability of accommodation (with local authority having nomination rights to accommodation).
- B) Tenancy by Tenancy arrangements with landlords to meet short term accommodation requirements (Local authority guarantees rent payment only for term that a specified tenancy is in existence).
- C) Long term PPP/Part V type arrangements between developers and local authorities to secure long-term availability of accommodation.

Standard forms of contract form the contractual basis for arrangements between landlords, tenants and local authorities. The form of contract entered into will set out the general responsibilities of the three parties. Within certain parameters local authorities will be able to negotiate the particular conditions under which accommodation providers make their properties available for RAS.

Limerick City Council will provide prospective RAS landlords with further information in relation to the form of the contractual arrangement it will be seeking to enter into.

Landlord & Tenant Relationship and Responsibilities of Landlord

The key “landlord and tenant” relationship remains between the property owner and the former rent supplement recipient. The local authority will act as broker or agent on behalf of the tenant.

As such, the landlord will retain responsibility for:

1. Insurances - property, landlord’s contents and public liability.
2. Routine Maintenance/Repair and replacement of equipment.
3. Dealing with anti-social behaviour and any other breeches of the tenancy including non-payment of rent to the local authority should they arise.

How will rent levels be determined?

Rent levels will be determined by negotiation between the landlord and the local authority and will reflect local market conditions.

The rent may not exceed the current SWA rent supplement rent level in the area for each type of household (single parents, family households of various size etc.). These rent levels will act as an upper limit in negotiations between local authorities and landlords.

However, local authorities will seek a reduction in the current rent level in return variously for:

1. The landlord not having to collect rents for the duration of the RAS contract.
2. The landlord not having to fill vacancies (advertise and interview prospective tenants) for the duration of the RAS contract.
3. The fact that the average yield across the private rented sector is less than a full year’s rent due to vacancies/tenant turnover.
4. The very bankable asset that a guaranteed fixed-term RAS rent payment represents.
5. Guaranteed prompt payment by a State agency.

Deposits and Damage to Property

No deposits will be paid under the RAS as a contractual arrangement will exist between the landlord and the local authority. However, where damage is caused to property, which is above routine wear and tear, Limerick City Council may guarantee the equivalent of up to one month's rent towards the cost of repair/replacement. The details of this will be the subject of negotiation.

When will the Scheme commence?

The RAS is being implemented on a phased basis, with all local authorities set to commence the implementation of the scheme by the end of 2005.

How to become involved in RAS?

Landlords with eligible SWA rent supplement tenants in accommodation that is located within the boundary of Limerick City will be approached by Limerick City Council and invited to participate in RAS, subject to meeting the eligibility criteria.

All existing eligible SWA rent supplement tenants are due to be transferred to RAS by the end of 2008. Where their existing landlords do not wish to participate in the RAS, alternative properties will be secured.

If you do not currently have a SWA rent supplement tenant but are interested in participating in RAS, please send your contact details and those of your property — (address, no of bedrooms/ bed spaces etc.) - to the RAS Unit, Limerick City Council, City Hall, Limerick and you will be contacted if and when a need for your property is identified.

Further Information

Landlords seeking further information on the RAS should contact the RAS Unit in Limerick City Council. Further information is also available from the **Limerick City Council website at www.limerickcity.ie** and the **Department of the Environment, Heritage and Local Government website at www.environ.ie**.

Contact Details

Rental Accommodation Unit, Social Policy & Housing, Limerick City Council, City Hall, Limerick.

Phone: 061-407396/061-407226

Email: RAS@limerickcity.ie

Opening Hours: Monday to Friday, 9am to 5pm