



Rental Market Review and Cost Rental Appeal



RESEARCH
& INSIGHT



Introduction

- Report on a study undertaken for the Land Development Agency in association with Murray Consultants.
- Survey of 520 adults, all living in rented accommodation, or alternatively with their parents but aiming to move out, in the urban environs of Dublin, Cork, Limerick, Waterford and Galway.
- Quotas were set based on data from the most recent census of population.
- Of necessity fieldwork was undertaken online but with careful steering to ensure that regional and county-level quotas were filled. As a result, minimal corrective weighting ultimately needed to be applied.
- Fieldwork was undertaken between:
 - ❖ Soft launch 12th January 2021
 - ❖ Full launch 19th January 2021
 - ❖ Final interview 3rd February 2021



Objectives

- The aim of the study was to understand the market perspective of cost rental accommodation among those most likely to be in the market for it: awareness, understanding, appeal, inhibitions and attractiveness.
- The study examined how and where people live at present encompassing their ambitions and aspirations (renting, buying) in the medium to long-term.
- In addition to asking about their wants and desires the survey queried individual's personal and combined income and asked them to relate it to the amount of rent that they are currently paying.



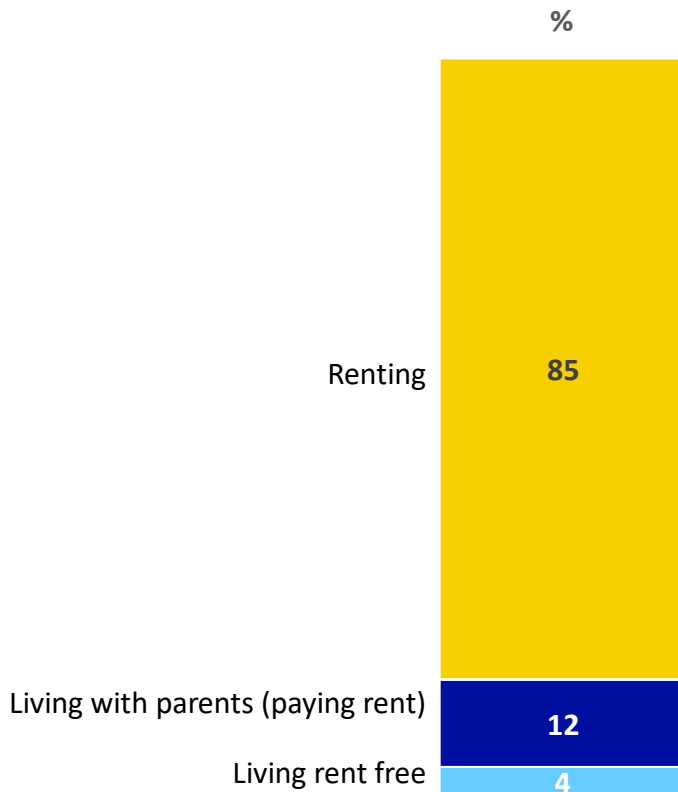
Headlines

- Roughly 4 in 10 are broadly positive about renting whereas a third are in some way negative.
- The deterrents to renting are high cost, having nothing to show for it, uncertainty and insecurity and the lack of an incentive to decorate or buy nice furniture.
- Most aspire to buy although half doubt that they will ever be able to afford to do so. A third aim to live in better quality, long term rental accommodation.
- A quarter intend to continue renting and 15% indicate that they would ultimately rather rent than buy.
- Affordability and security are the key requirements if renting longer term.
- Most prioritise living in a safe area, being close to shops and green spaces, having access to public transport and being closer to work and shops.
- Although Cost Rental Accommodation may not be particularly well understood, the concept is appealing on explanation. 2 out of 3 feel that it is a concept that 'could be for them'. A quarter find it very appealing.



Rental status

Base: 520 Renters in the Principal Cities



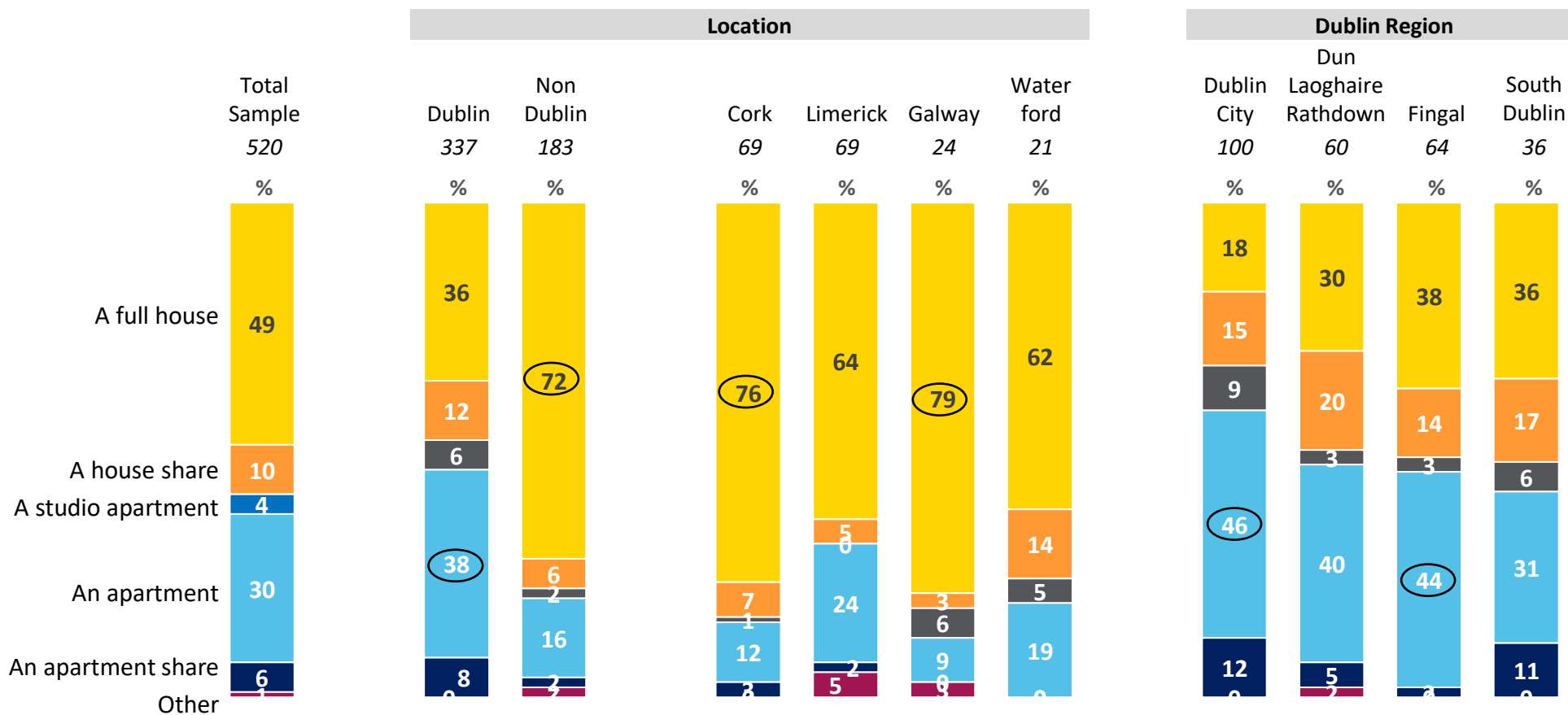
	Renting	Living with parents	Living rent free
<i>Base :</i>	%	%	%
Gender			
Male	86	12	2
Female	84	12	5
Age			
18-34	80	14	6
35-54	89	10	1
Class			
ABC1F	85	11	4
C2DE	84	13	2
Kids			
Yes	91	7	2
No	80	15	5

	Renting	Living with parents	Living rent free
<i>Base :</i>	%	%	%
Living Arrangement:			
Renting	100	-	-
Live with parent	-	100	-
Rent free	-	-	100
Location			
Dublin	88	9	3
Non Dublin	77	18	4
Cork	71	28	1
Limerick	72	18	10
Galway	97	-	3
Waterford	81	14	5
Dublin Region			
Dublin City	92	5	3
Dun Laoghaire Rathdown	80	15	5
Fingal	89	11	-
South Dublin	83	14	3

6 out of 7 in the sample are paying rent, with the balance living at home with their parents, or living rent free. Those living rent free/at home are predominantly younger and notably more likely to be in cities such as Cork and Limerick. If in Dublin they are predominantly in the (more affluent) suburbs of Dun Laoghaire-Randown or South Dublin.

Current Home type x Region

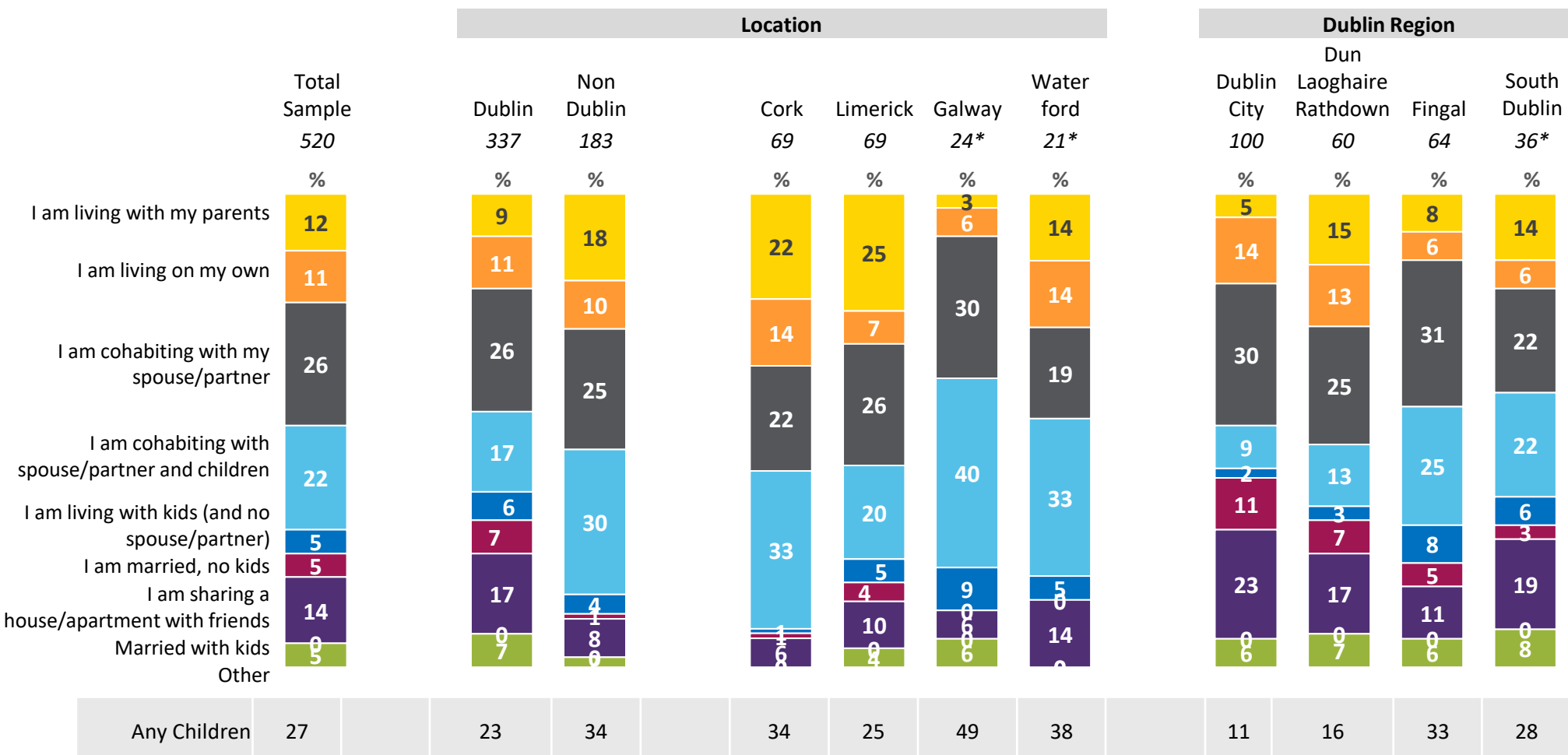
Base: 520 Renters in the Principal Cities



There is substantial variation by region, with apartments a much more likely option in Dublin and particularly in Dublin City and Fingal. Houses a lot more common outside of Dublin and most notably so in Cork and Galway.

Living arrangements x Region

Base: 520 Renters in the Principal Cities



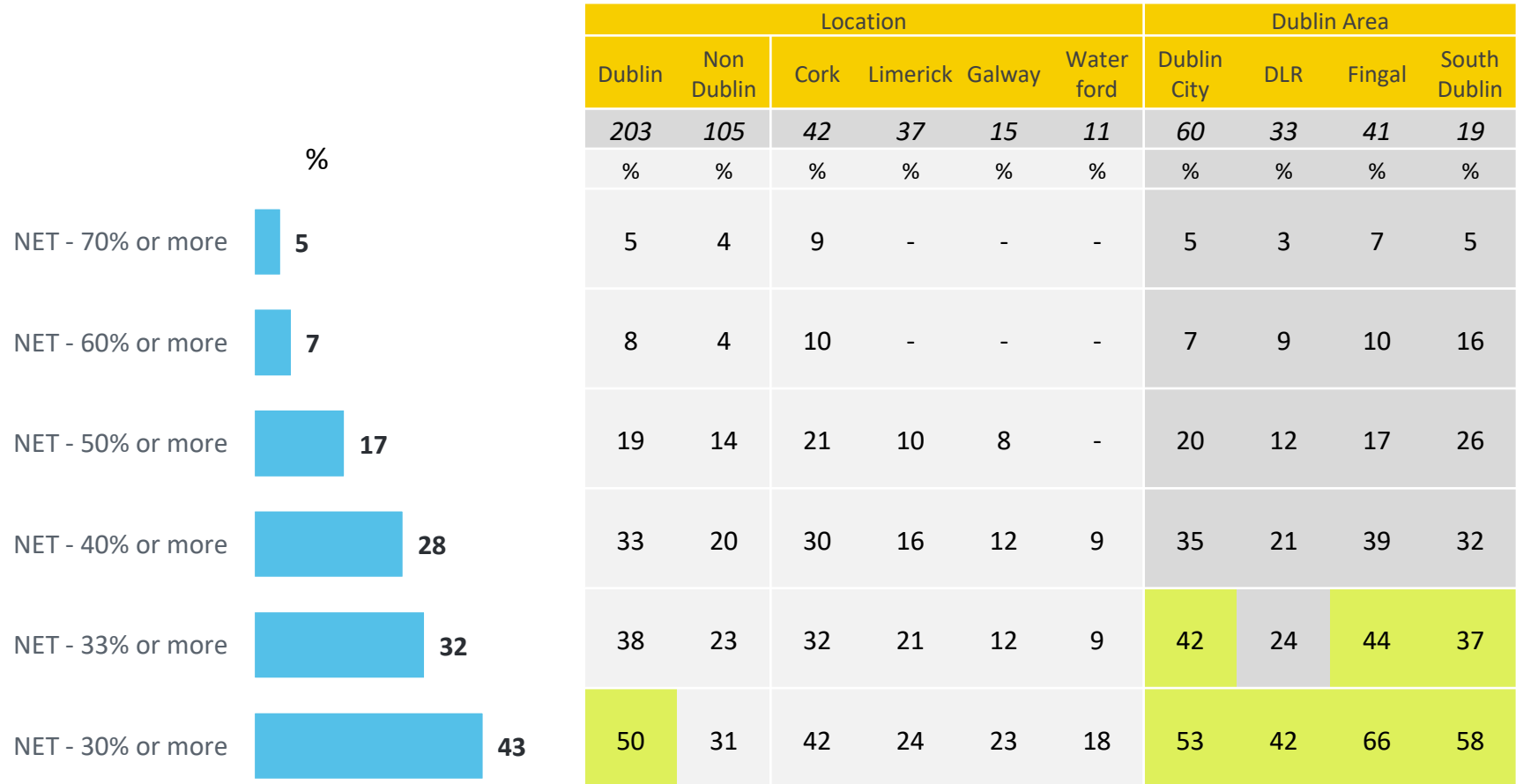
As noted a higher proportion in Cork and Limerick are living at home with their parents and the same is true in both Dun Laoghaire-Rathdown and South Dublin as well. Substantial numbers in the cities outside Dublin are cohabiting with a spouse/partner and children.

*Small base sizes

Proportion of combined income attributable to rent



Base: 308 Cohabiting/married

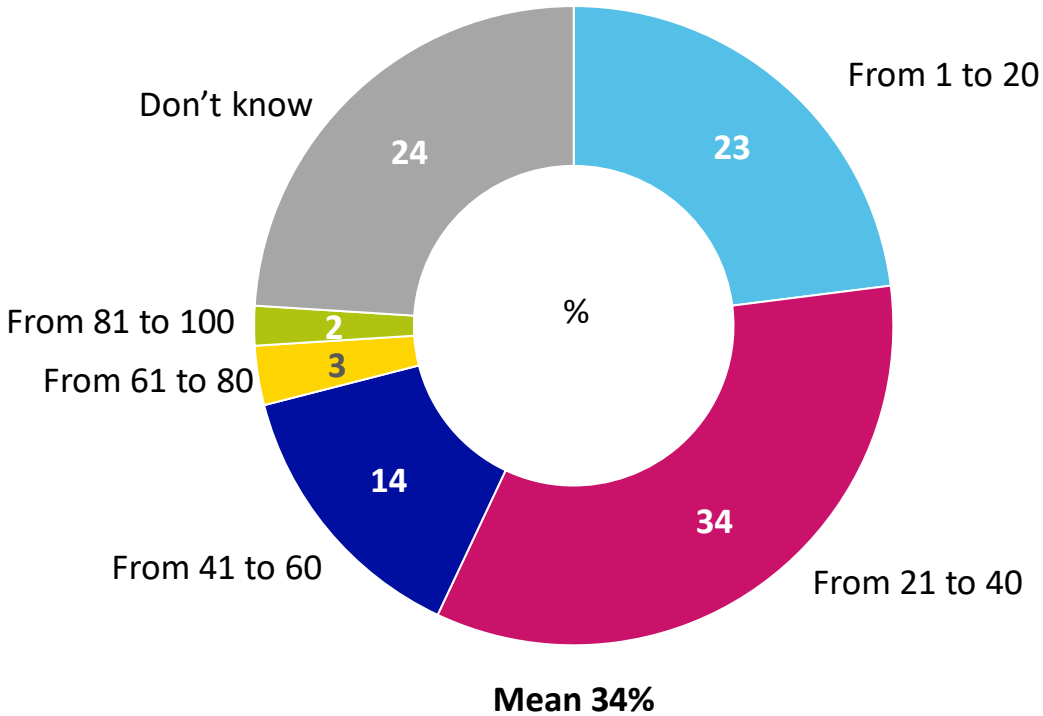


Average 33.78%

1 in 3 are paying a third or more of their net income in rent and this is much more common in Dublin (38% are paying over a third) than outside (just a quarter are at a third or more.) Fingal and Dublin City particularly noteworthy

Proportion of combined income attributable to rent

Base: 308 Cohabiting/married

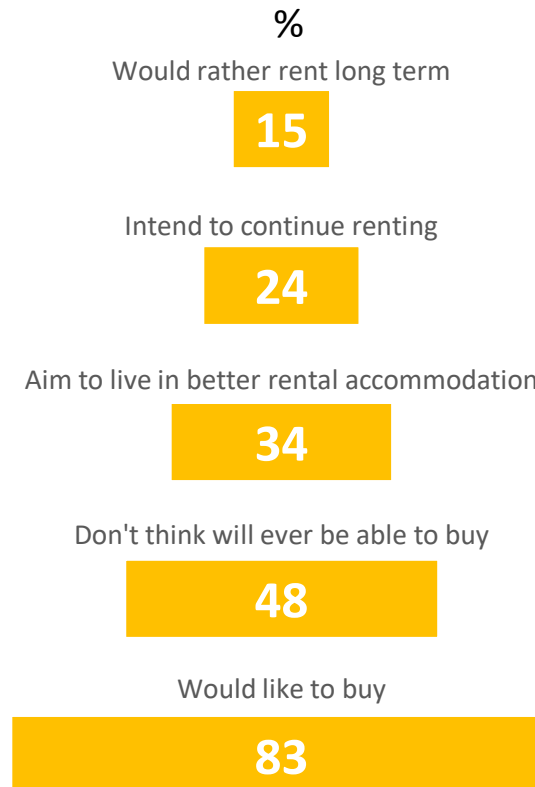
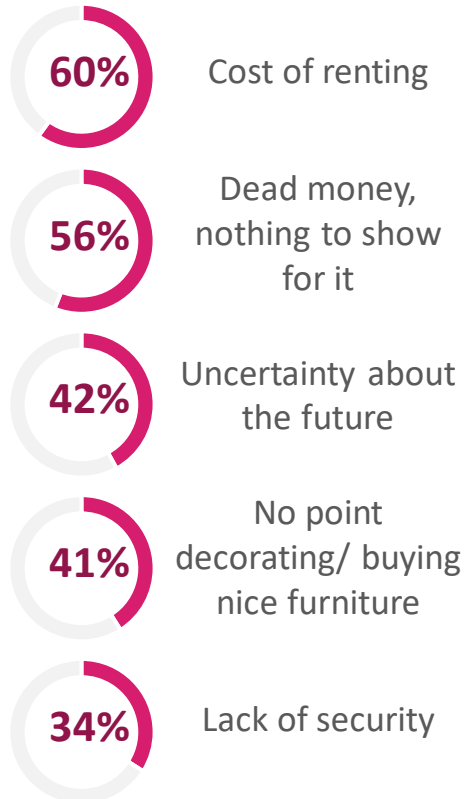
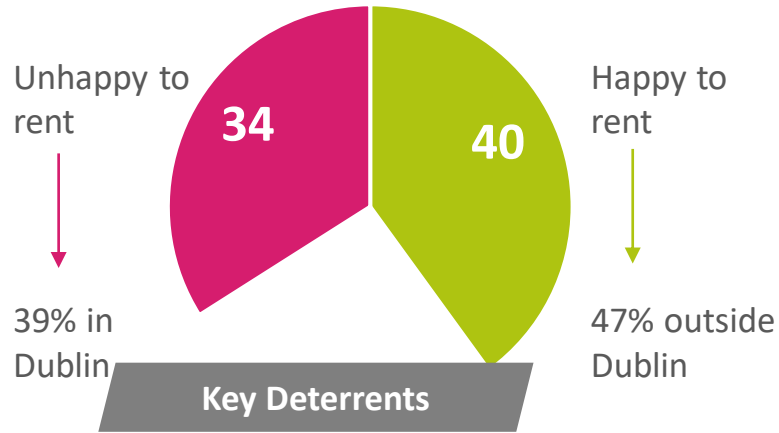


	Mean %		Mean %
Gender		Living Arrangement:	
Male	34	Renting	35
Female	33	Live with parent*	23
Age		Rent free*	11
18-34	35	Location	
35-54	33	Dublin	37
Class		Non Dublin	28
ABC1F	33	Cork	31
C2DE	36	Limerick	25
Kids		Galway*	27
Yes	35	Waterford*	20
No	32	Dublin Region	
		Dublin City	40
		Dun Laoghaire Rathdown	33
		Fingal	38
		South Dublin*	36

Slightly more than 1 in 3 indicated a combined income, although a quarter either don't know or won't disclose what it is. Excluding these we see that roughly a third of combined income is attributable to rent and that this is substantially higher for those living in the Greater Dublin area (although Dun Laoghaire-Rathdown is lower) and among those from working-class backgrounds and who have children.

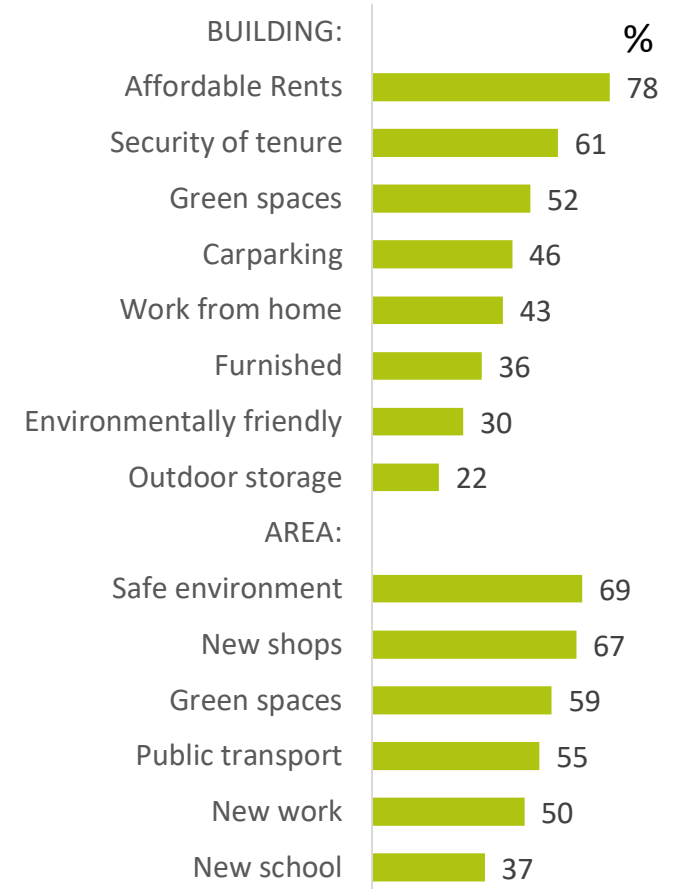
*Small base

Overview of renting



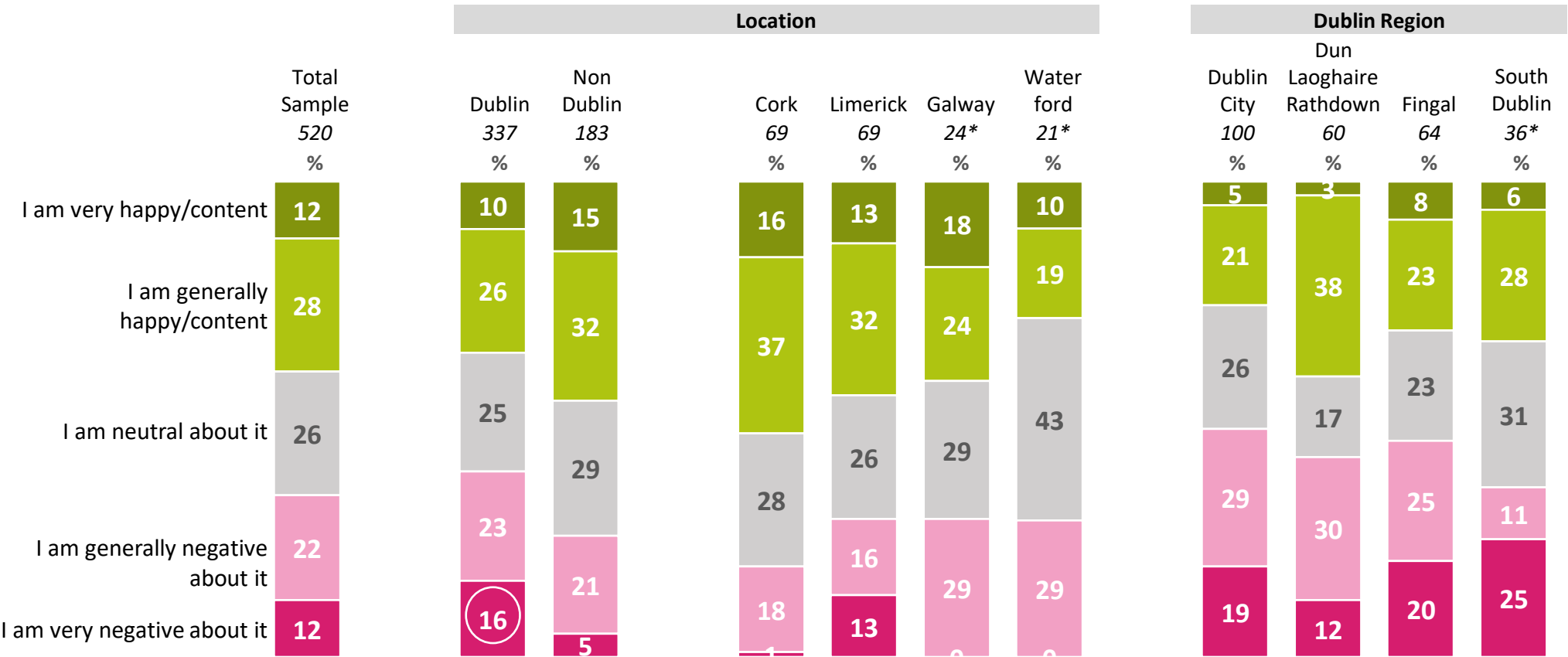
Although many want to buy, half doubt they will be able to afford to, one in four intend to continue renting and 15% feel they would prefer to rent long term.

Key Requirements Renting



Happiness in rented accommodation x Region/Area

Base: 520 Renters in the Principal Cities

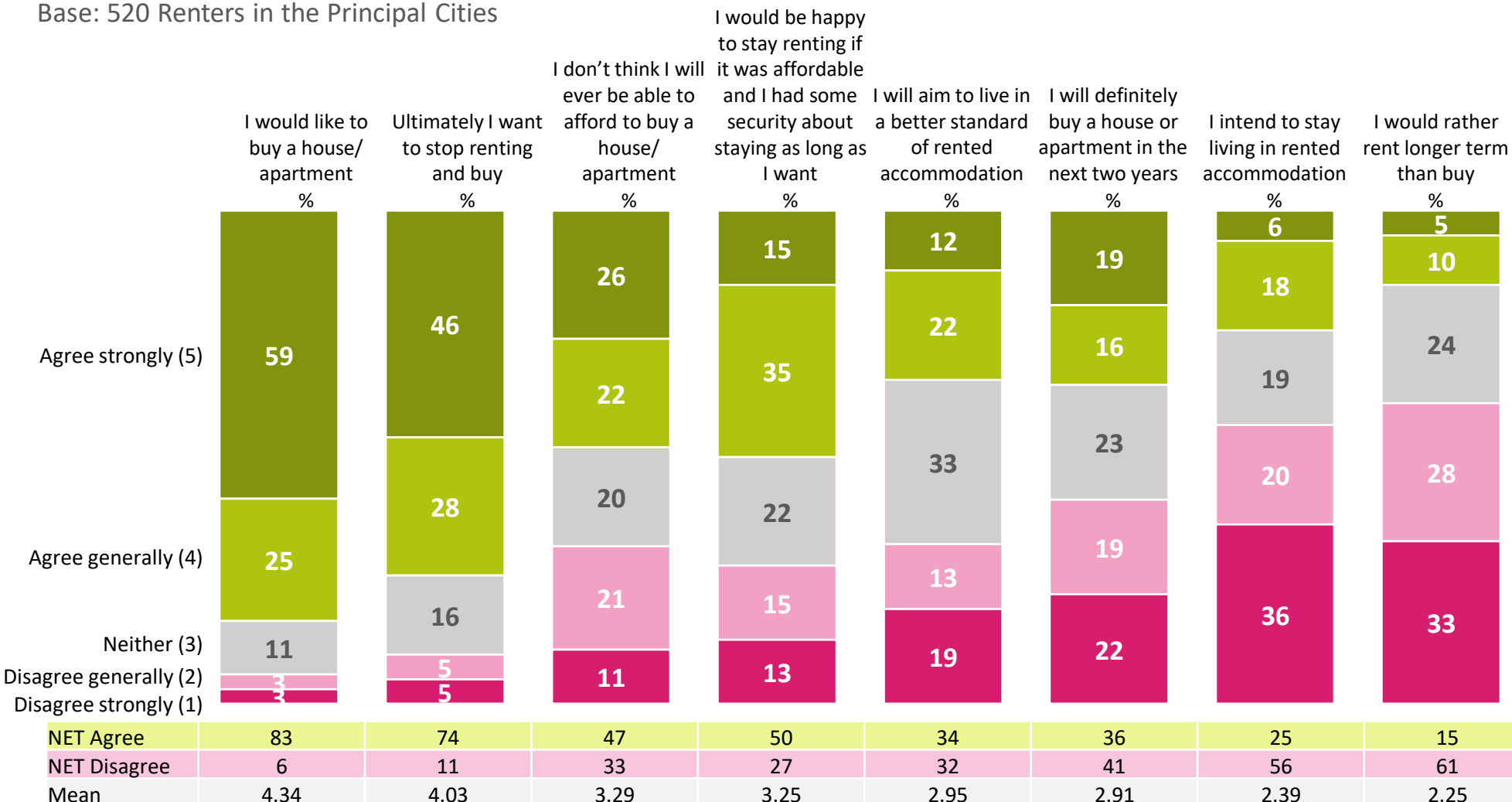


Greatest positivity about renting in the regions outside of Dublin and more notably in Cork, Limerick and Galway. Quite a negative response in Dublin City and Fingal with greater overall positivity in Dun Laoghaire-Rathdown, where rents appear to be lower but average incomes higher.

*Small base

Future aspirations in relation to renting and buying

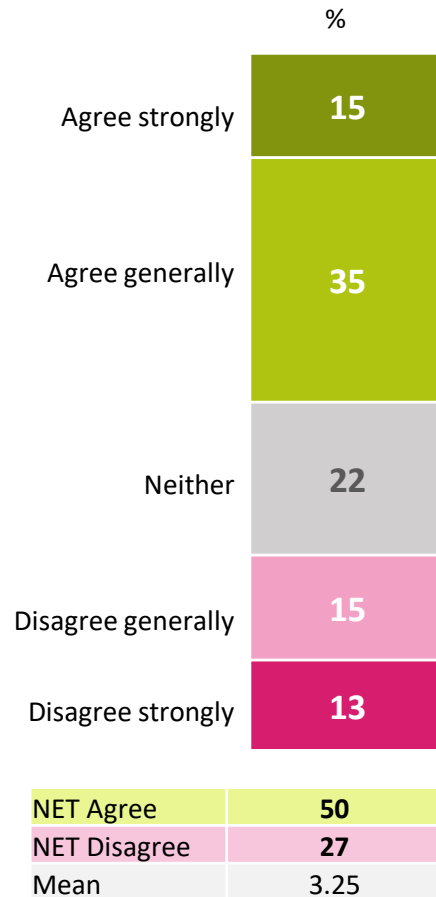
Base: 520 Renters in the Principal Cities



The vast majority ultimately would like to buy a house or apartment and stop renting and indeed only 15% indicate an ultimate aspiration to rent rather than buy. Nonetheless a quarter say that they intend to stay living in rented accommodation, although up to a third aspire to live in a better standard of rented accommodation. Ultimately as many as a half (48%) doubt that they will ever be able to afford a house or an apartment.

I would be happy to stay renting if it was affordable and I had some security about staying as long as I want

Base: 520 Renters in the Principal Cities

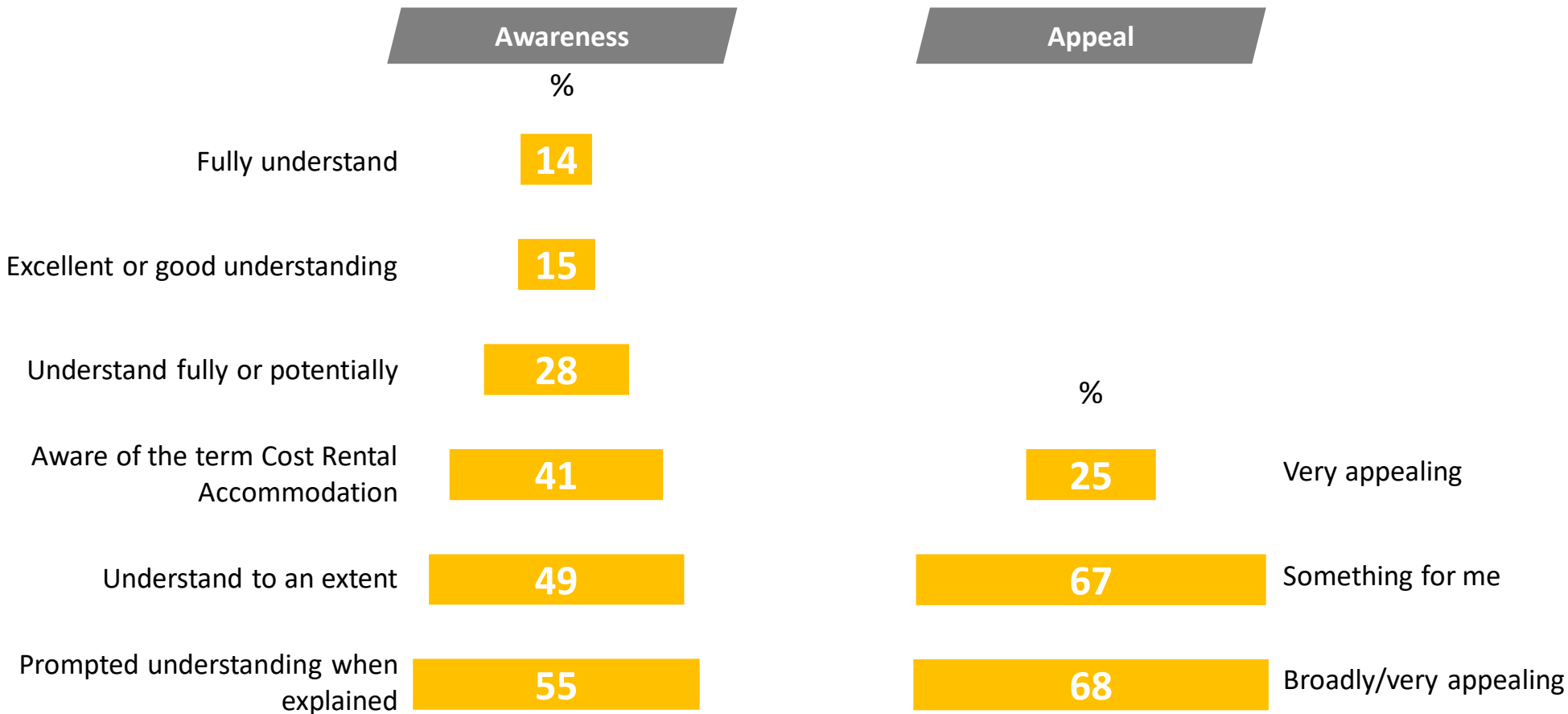


	Any Agree		Any Agree
Gender		Living Arrangement:	
Male	46	Renting	52
Female	53	Live with parent*	41
Age		Rent free*	44
18-34	44	Location	
35-54	57	Dublin	50
Class		Non Dublin	50
ABC1F	45	Cork	53
C2DE	60	Limerick	44
Kids		Galway*	55
Yes	52	Waterford*	38
No	49	Dublin Region	
		Dublin City	51
		Dun Laoghaire Rathdown	48
		Fingal	48
		South Dublin*	50

Almost half indicate that they would be comfortable to rent if it were affordable and had greater security. More notable female, over 35, working class and fairly universal by region.

*Small base

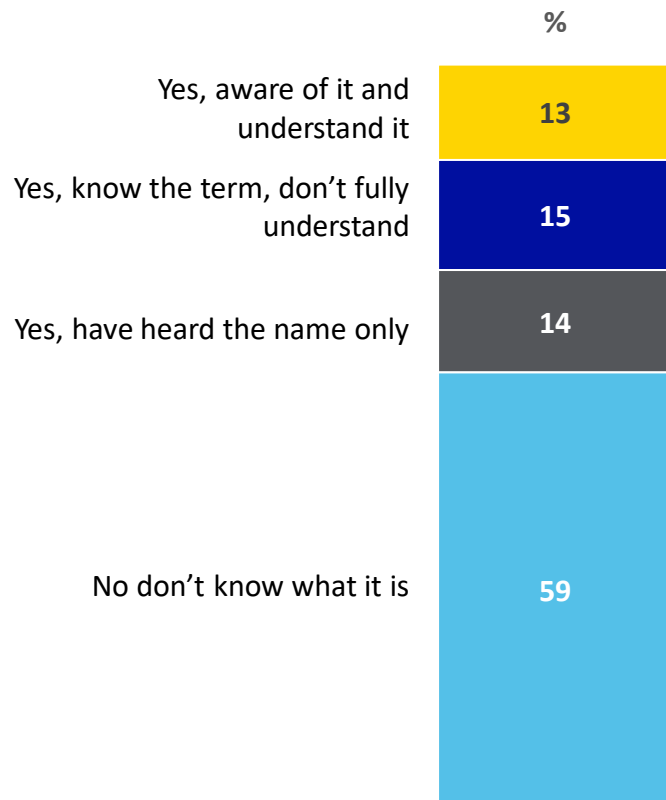
Awareness/Understanding and Appeal of Cost Rental Accommodation in Overview



Once understood Cost Rental is substantially appealing, of interest to 2 out of 3 and strongly appealing to 1 in 4.

Awareness of Cost Rental Accommodation: initial query

Base: 520 Renters in the Principal Cities



	Aware & Understand
<i>Base :</i>	%
Gender	
Male	18
Female	9
Age	
18-34	17
35-54	8
Class	
ABC1F	12
C2DE	13
Kids	
Yes	13
No	13

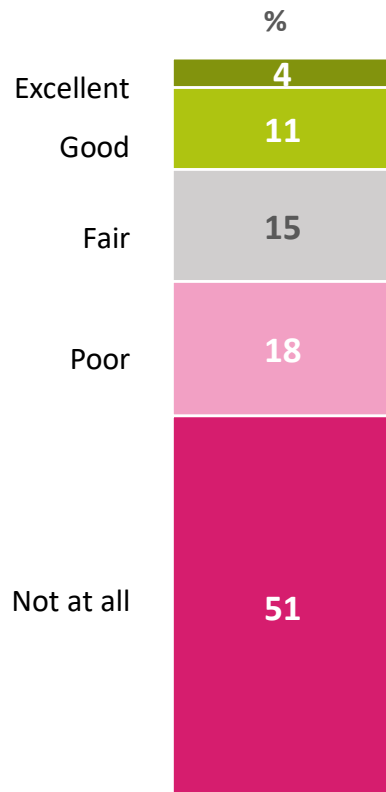
	Aware & Understand
<i>Base :</i>	%
Living Arrangement:	
Renting	14
Live with parent	6
Rent free	-
Location	
Dublin	13
Non Dublin	11
Cork	14
Limerick	3
Galway	18
Waterford	14
Dublin Region	
Dublin City	18
Dun Laoghaire Rathdown	7
Fingal	13
South Dublin	17

Only a minority are aware of cost rental accommodation with just 1 in 8 saying that they fully understand the term.

Understanding of Cost Rental Accommodation: initial query



Base: 520 Renters in the Principal Cities



	Excellent/ Good
<i>Base :</i>	%
Gender	
Male	20
Female	13
Age	
18-34	18
35-54	13
Class	
ABC1F	14
C2DE	19
Kids	
Yes	19
No	13

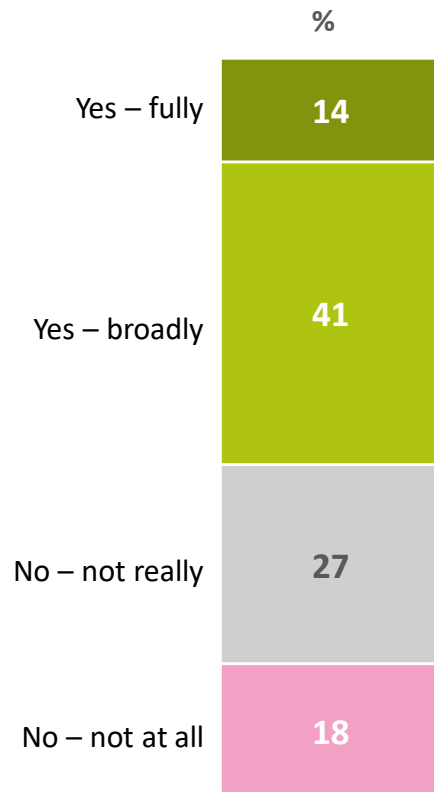
	Excellent/ Good
<i>Base :</i>	%
Living Arrangement:	
Renting	18
Live with parent	6
Rent free	-
Location	
Dublin	16
Non Dublin	15
Cork	15
Limerick	7
Galway*	27
Waterford*	14
Dublin Region	
Dublin City	19
Dun Laoghaire Rathdown	10
Fingal	17
South Dublin*	8

About 1 in 7 indicate excellent or good understanding of the Cost Rental model, whereas more than a third have just fair or poor understanding. The majority say that they don't understand it at all.

*Small base

Prompted understanding of Cost Rental Accommodation

Base: 520 Renters in the Principal Cities



	Not really/ not at all
<i>Base :</i>	<i>%</i>
Gender	
Male	38
Female	49
Age	
18-34	39
35-54	51
Class	
ABC1F	42
C2DE	49
Kids	
Yes	47
No	43

	Not really/ not at all
<i>Base :</i>	<i>%</i>
Living Arrangement:	
Renting	43
Live with parent	56
Rent free	58
Location	
Dublin	42
Non Dublin	50
Cork	51
Limerick	51
Galway*	44
Waterford*	57
Dublin Region	
Dublin City	39
Dun Laoghaire Rathdown	48
Fingal	42
South Dublin*	44

When supplied with more information, roughly 1 in 7 say that they have a complete understanding of Cost Rental Accommodation as explained with slightly more than half saying that they broadly understand it. Marginally better understanding female, over 35 and among those from working-class backgrounds. Understanding in Dublin is generally poorer.

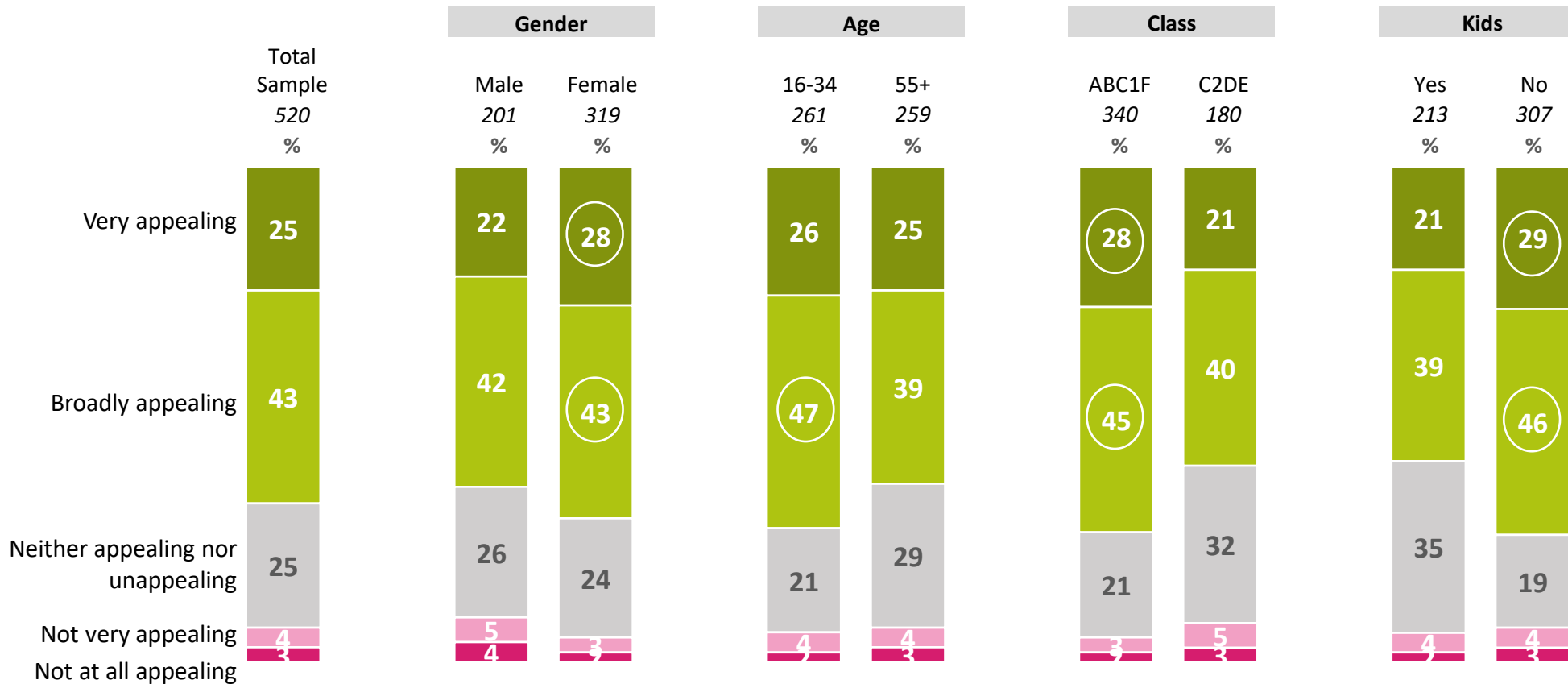
*Small base

Cost Rental is an affordable, not for profit, high quality rental option delivered below existing market prices. Rates are calculated based on the cost of construction of the home, plus annual management fees, and only ever increase by the annual rate of inflation.

Q.15a Is that what you understood about cost rental?

Appeal of Cost Rental Accommodation

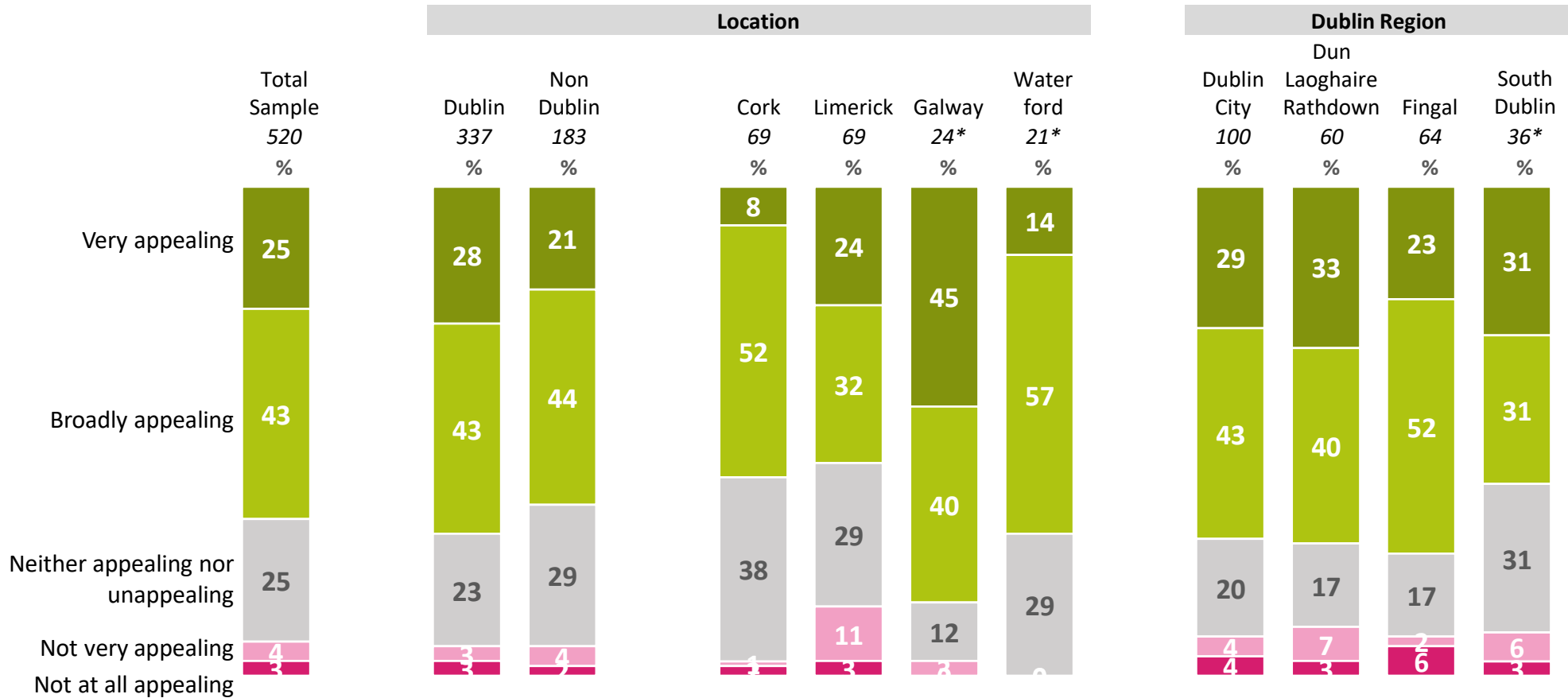
Base: 520 Renters in the Principal Cities



Having heard an explanation, 2 out of 3 like the sound of Cost Rental Accommodation and it is marginally more appealing to women and those from middle-class backgrounds and indeed to the greatest extent for those who don't have children.

Appeal of Cost Rental Accommodation x Region

Base: 520 Renters in the Principal Cities

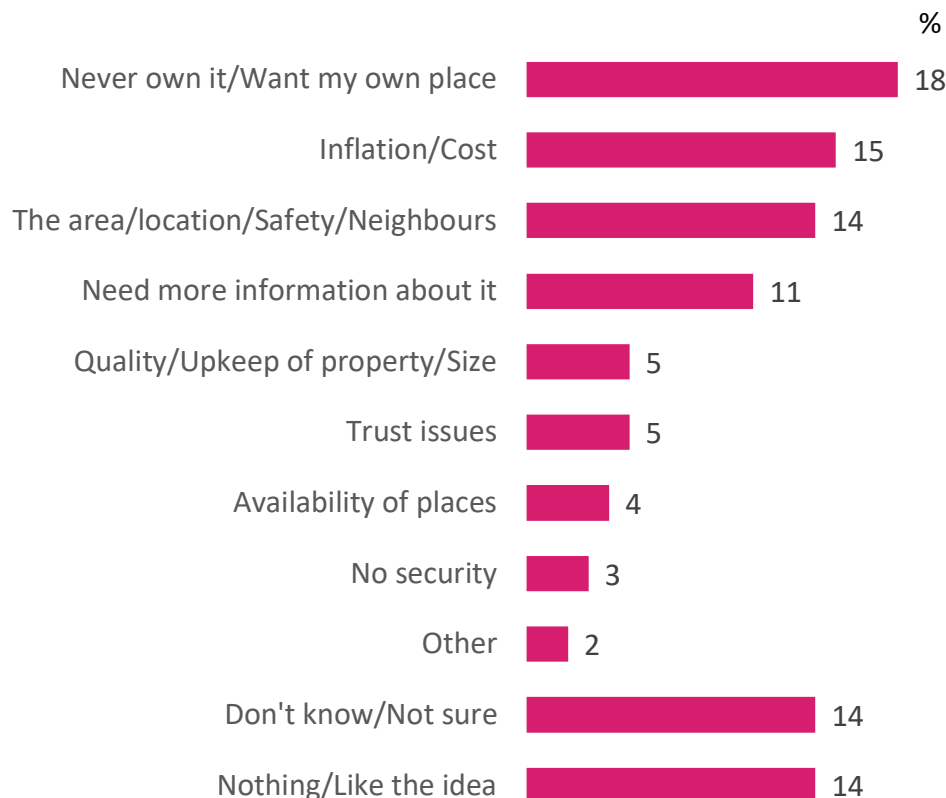


Cost Rental Accommodation is more appealing in Dublin than outside, although the response in Galway and to an extent Waterford stands out distinctively.

*Small base

Off putting aspects of Cost Rental Accommodation

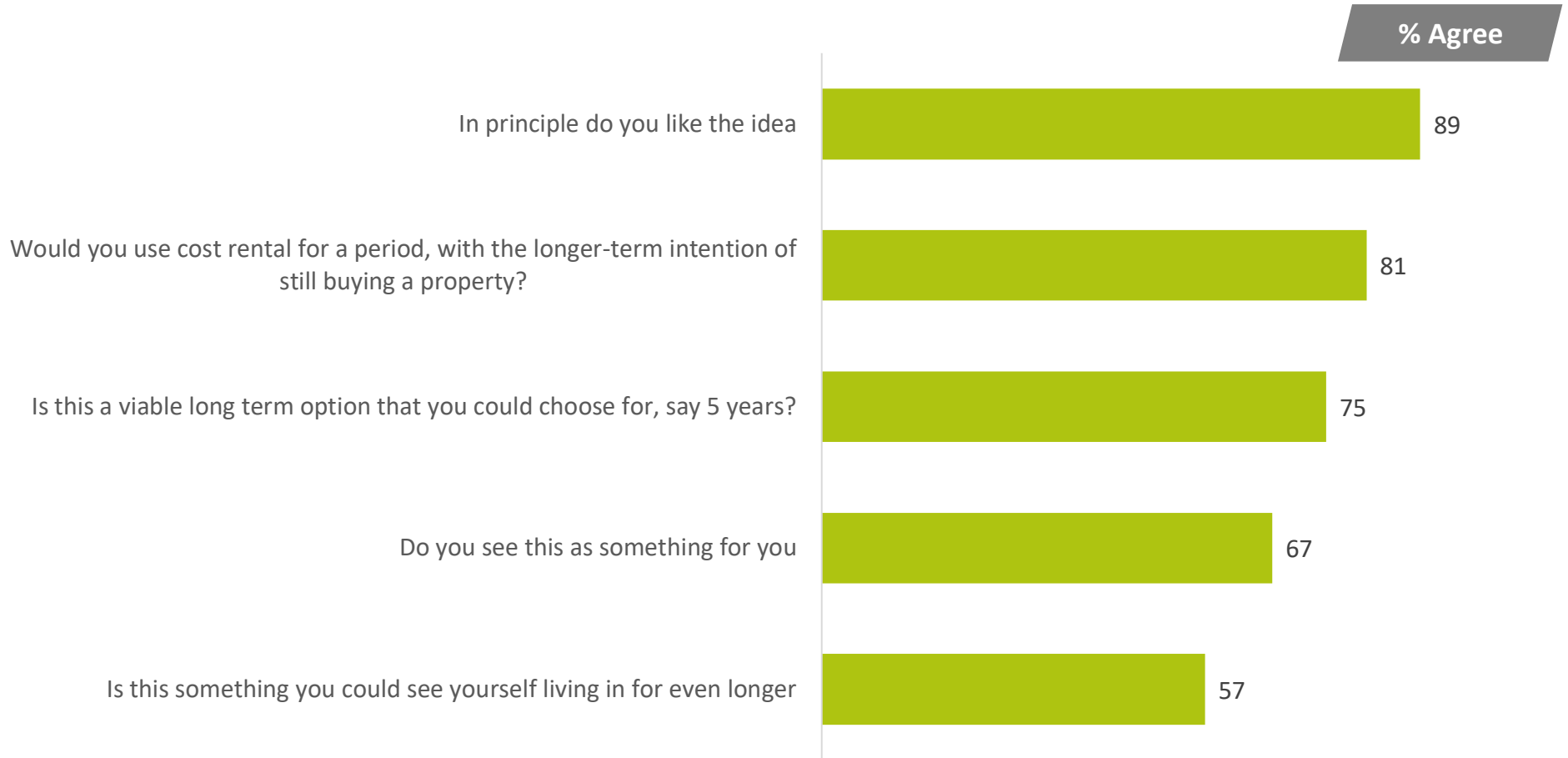
Base: 520 Renters in the Principal Cities



The key facets about Cost Rental Accommodation that are off-putting is that one would never own the property, the possibility of inflation, and enduring concerns about location/safety in the neighbourhood. 1 in 7 are unsure and a similar proportion say that they like the idea. That the highest single objection is below the 20% level suggests that it has not been thought about very much.

Perspectives of Cost Rental Accommodation

Base: 520 Renters in the Principal Cities

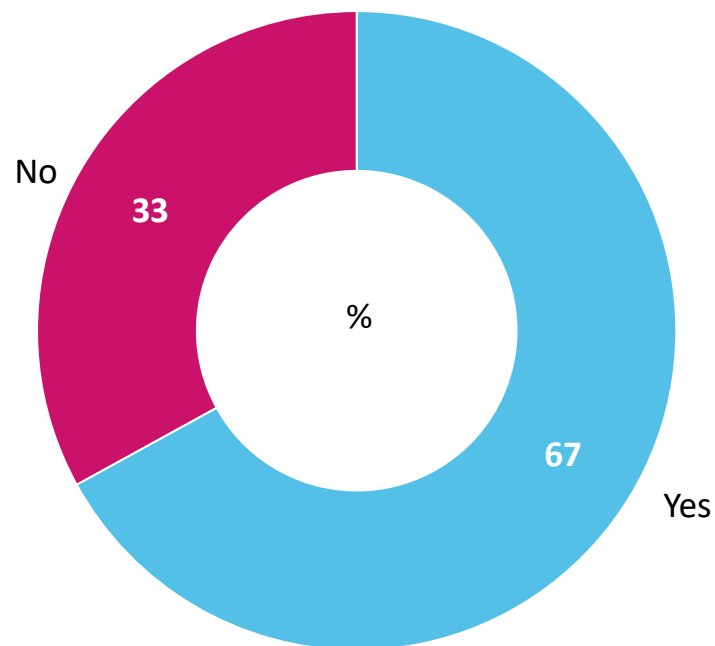


The general response to Cost Rental is very positive with the vast majority seeing it as a usable short-term solution and indeed three-quarters imagining themselves staying up to 5 years. 2 out of 3 feel it is something for them with a majority thinking it may have longer-term potential indeed.



Do you see Cost Rental Accommodation as something for you?

Base: 520 Renters in the Principal Cities



	No %		No %
Gender		Living Arrangement:	
Male	30	Renting	31
Female	35	Live with parent*	45
Age		Rent free*	46
18-34	32	Location	
35-54	34	Dublin	32
Class		Non Dublin	36
ABC1F	36	Cork	37
C2DE	28	Limerick	30
Kids		Galway*	44
Yes	37	Waterford*	29
No	31	Dublin Region	
		Dublin City	29
		Dun Laoghaire Rathdown	40
		Fingal	28
		South Dublin*	22

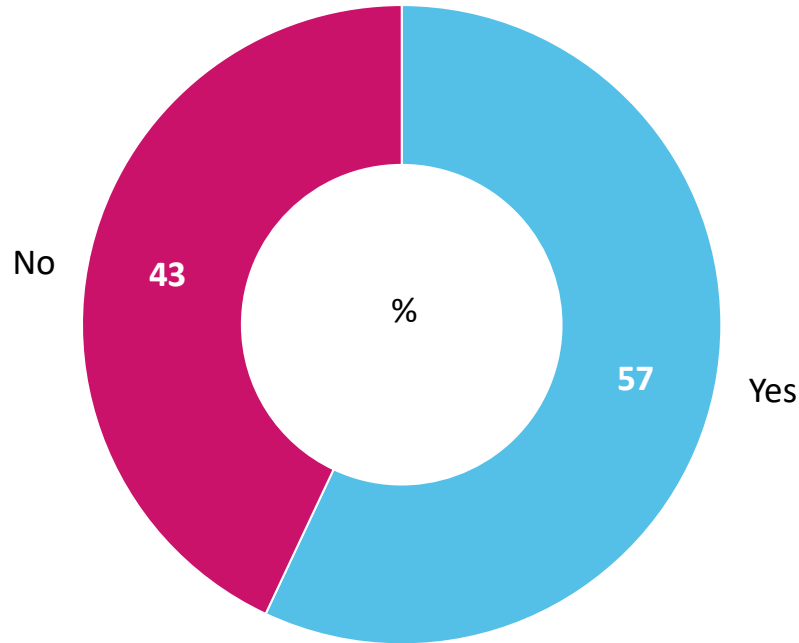
2 out of 3 identify with the concept with a higher extent of objection among those from middle-class backgrounds, who already have children. Much less attractive in Cork or Galway.

*Small base



Cost Rental Accommodation as a long term solution

Base: 520 Renters in the Principal Cities



	No %		No %
Gender		Living Arrangement:	
Male	38	Renting	41
Female	46	Live with parent*	57
Age		Rent free*	41
18-34	46	Location	
35-54	39	Dublin	41
Class		Non Dublin	46
ABC1F	49	Cork	42
C2DE	33	Limerick	46
Kids		Galway*	52
Yes	42	Waterford*	52
No	43	Dublin Region	
		Dublin City	34
		Dun Laoghaire Rathdown	62
		Fingal	44
		South Dublin*	31

A majority see this as a potential longer-term solution, although with greater reservation female, younger, middle-class and in regions other than Dublin, but particularly in Dun Laoghaire within Dublin.

*Small base

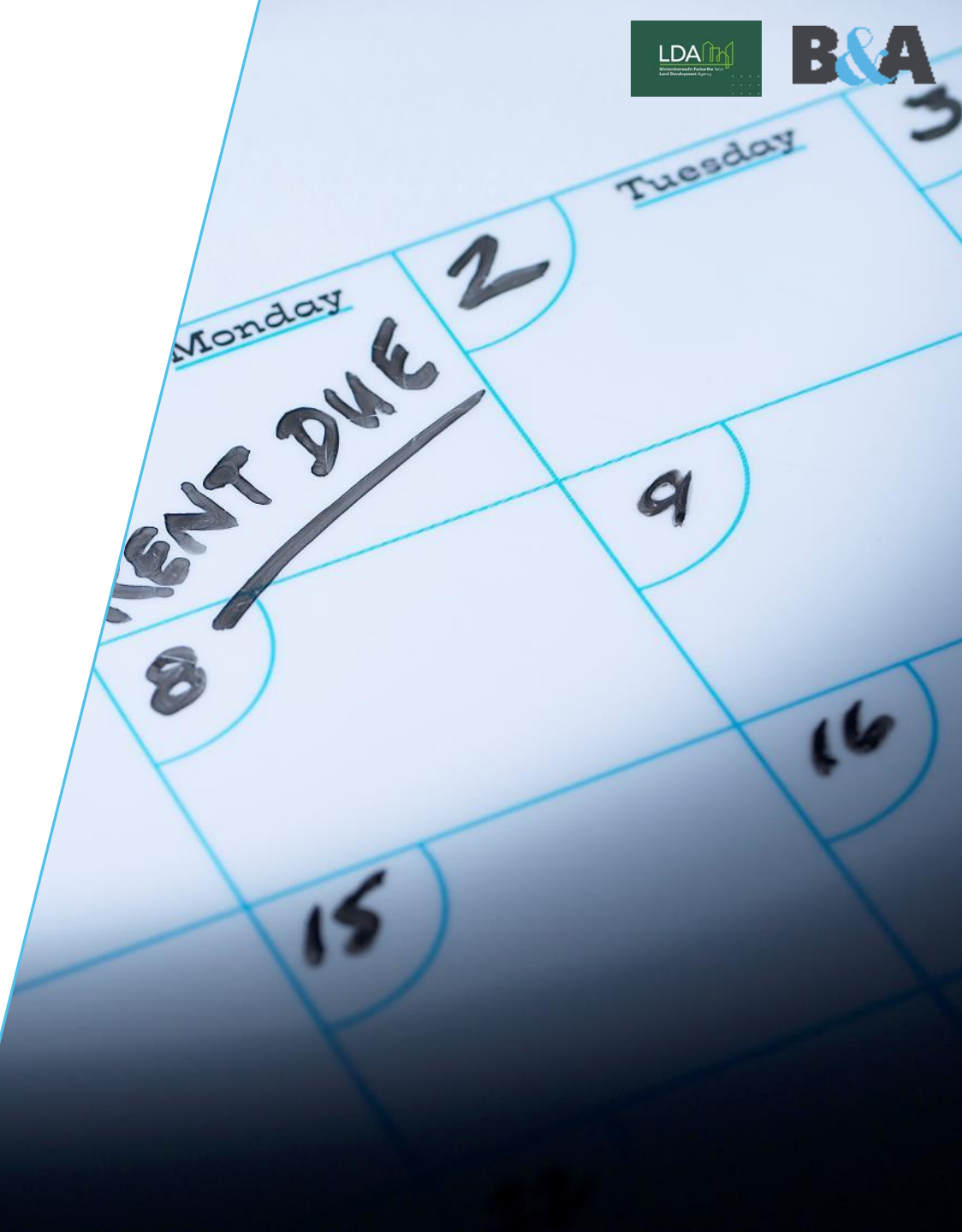


Q.17d The State has committed that it will aim to use this cost rental model of accommodation in the future, as many people are now unable to afford to buy or rent homes otherwise. Is this something you could see yourself living in for even longer?

- Roughly 6 out of 7 are living in rented accommodation with the balance (15%) living with their parents (12%) or indeed living rent free. The typical renter has been in rented accommodation for 7 years and 7 months, although this is somewhat higher outside of Dublin (9 years and 9 months), particularly driven by Cork and Limerick.
- About 3 in 5 live in a rented house or house share, with the balance in an apartment, studio apartment or shared apartment. Almost 3 out of 4 outside Dublin are in a house, whereas the majority in Dublin are in an apartment. The apartment figures in Dublin are principally driven by higher apartment shares in Dublin City and Fingal, whereas there is a relatively even division of houses and apartments in Dun Laoghaire Rathdown and South Dublin.
- Approximately 1 in 7 are sharing accommodation, ranging from 20% in Dublin to 8% in other areas. Within Dublin, it is highest in Dublin city (27%), followed by Dun Laoghaire Rathdown (25%), South Dublin (28%) and Fingal (16%). A typical share has four people living together, but typically three in the case of a shared apartment.
- 53% are cohabiting or married, with 11% living on their own, 12% with parents and 14% sharing a house or apartment with friends.
- 40% have kids and three quarters of these are in a house with the balance in an apartment or apartment share. A majority of those renting with children are at the primary or pre-primary stage.

Perspectives of Renting

- Roughly 40% are happy to rent with a third (34%) in some way negative about it. The key deterrents are the cost of renting, that it constitutes 'dead money', with nothing to show for it, the enduring uncertainty, the lack of incentive to decorate or buy nice furniture, and ultimately the lack of security.
- The ambition of many (83%) is to buy but ultimately almost half of renters (48%) doubt that they will ever be able to afford to buy.
- As such, about a third of all renters (34%) aspire to live in a better standard of rented accommodation and a quarter (24%) indicate that they intend to continue renting in the future. Just 15% say that they personally would rather rent long term.
- In the context of choosing a long term rental option, the key priorities are an affordable rent, security of tenure, access to green spaces, car parking and the ability to work from home.
- Externally, the requirement is to have a safe area and be close to shops, accessible to green spaces, convenient to public transport and ideally near to work or school. The importance of schools is much more limited overall but remains the number one priority for renting parents.



Cost Rental Accommodation

- Initially about 41% of those renting say that they are aware of the term Cost Rental Accommodation but, when prompted with a more detailed description, the numbers claiming broad awareness or understanding rise to about 55%.
- Full or partial understanding is indicated by just under 3 in 10 whereas half this number (14/15%) indicated that they have a very good understanding of what it means.
- Ultimately, and after an explanation, more than 2 in 3 indicate that Cost Rental Accommodation is appealing to them with strong appeal indicated by 1 in 4.
- 3 out of 4 feel it is a viable long term option for a period of up to five years and as many as 57% could see themselves living in cost rental accommodation for even longer.
- The principle of having an open ended lease without the requirement for a time period commitment makes it a more likely concept for 2 out of 3 and again a lot more likely for a quarter.
- There is a marginal preference for furnished (47%) over unfurnished (27%).



- Of those currently renting, 90% are originally Irish born and the remainder predominantly from Europe, Brazil or the UK.
- Almost 45% of those currently renting are Dublin (or surrounding counties) born, with a disproportionately large number from Dublin City North. Ultimately however, many aspire to live in a different location with the South side of the City appealing a lot more than the North side. Indeed the general pattern of preferred locations to live in suggests continuing movement from rural to urban areas.
- Most renters are working with just 15% unemployed.
- Of those commuting to work, slightly more than half use a car with 43% travelling by public transport. However there is a substantial difference between Dublin and other areas with 80% travelling by car outside of Dublin and just 39% so doing within Dublin. Public transport has a more significant role in Dublin and Limerick.
- Typical length of commute is about 39 minutes but again with considerable variation by area.
- Of those with children, roughly a quarter avail of formalised childcare whether out-of-home paid or indeed out-of-home unpaid.