



Housing Rent Collection and Arrears Recovery

Response to issue raised at Finance SPC on 17th November 2022

Re: Penalty Clauses that apply in case of default on rent payment

5th January 2023

The main objective of Dublin City Council Rent Collection and Arrears Recovery Section is to maximise rental income by assisting and supporting tenants in developing good payment habits and reducing the arrears balance through fair and reasonable rescheduling agreements on a case by case basis.

The current sanctions for tenants who default on rent related obligations are provided for in [Section 8 of the Housing \(Miscellaneous Provisions\) Act, 2014](#)

The ultimate sanction provided for in this legislation is repossession of the property. This is a protracted process with a number of steps prior to applying to the District Court for an Order for Possession. The aim of the legislation is to give the tenant every opportunity to engage with the Local Authority and address the rent arrears in the interest of tenancy sustainment.

In addition to the statutory process for recovery of rent arrears there are local sanctions in operation – tenants in arrears will not qualify for a transfer until the arrears balance is paid in full and only essential maintenance is carried out on properties with arrears on the rent account.

There is no legal basis for application of financial penalties therefore there is no proposal at present to introduce such sanction for rent arrears. Experience has shown that most rent arrears cases are as a result of family / household circumstances resulting in hardship, poor budgeting skills and formation of poor payment habits. It is unlikely that financial penalties would have a positive outcome and in fact may be counterproductive leading to increased rent arrears.

**Ursula Donnellan
Senior Executive Officer
Housing and Community Services**

10th January 2023