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Tenancy Deposit Scheme Northern Ireland Statistical Briefing

2017-18

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Executive Summary



Growth of the PRS

- The private rented sector (PRS) is now larger than the social housing sector (Northern Ireland Housing Executive and housing associations).
- The number of PRS homes in Northern Ireland has risen significantly over the years, from 37,000 in 2001 to 140,000 in 2016.
- There has been an increase in protected tenancy deposits with 17,544 protected in March 2014 to 53,510 protected in March 2018.
- The value of tenancy deposits has increased year on year from £9,901,267 in March 2014 to £31,395,767 in March 2018.
- The value of the average deposit has fluctuated between £564 in March 2014 and £587 in 2018.



Dispute numbers

- Adjudications completed by all tenancy deposit schemes have varied between 62 in March 2014 and 460 in March 2018, but has remained in the 400s since 2016.
- The percentage of total deposits protected resulting in a dispute has remained low, ranging between 0.35% and 1.14%. In March 2018, the rate sits at 0.86%.



Reasons for disputes in Northern Ireland

- Of the cases submitted to TDS NI (Insured and Custodial combined) in 2017 to 2018, cleaning appeared as a reason in 45% of cases, with damage in 35%.
- In 2017-18, TDS NI Insured decided 88 disputes, while the Custodial scheme decided 324.

About TDS Northern Ireland

The Tenancy Deposit Scheme Northern Ireland is a Government-approved, not-for-profit company that provides Insured and Custodial tenancy deposit protection in the private rented sector.

The tenancy deposit protection legislation was introduced in April 2013 in Northern Ireland under the Tenancy Deposit Schemes Regulations (Northern Ireland) 2012. This follows the introduction of similar provisions in England and Wales in April 2007, and in Scotland in July 2012.

This digest contains key statistics* on tenure, deposit protection and disputes in Northern Ireland from April 2017 to March 2018. It has been created for members of the TDS Northern Ireland scheme and other stakeholders interested in how tenancy deposit protection legislation has operated since its introduction.

*Some of the data included is data released by the NI Department for Communities. Other data is the Tenancy Deposit Scheme Northern Ireland's own internal performance reporting.

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Tenure in Northern Ireland

The PRS in Northern Ireland has grown strongly in recent years and is now an important contributor to meeting the housing needs of the people in Northern Ireland. Since 2001, it has increased from around 37,000 homes to 140,000 in 2016. The PRS is now larger than the social rented sector which has decreased from 149,000 homes in 2001 to 132,000 in 2016.

Between 2001 and 2016, the number of owner occupied homes in Northern Ireland has fluctuated between 481,000 and 524,000, with the number in 2016 sitting at 505,000.

Table 1: Tenure in Northern Ireland 2001 to 2016 (thousands of homes)

Year	Owner occupation	Social renting	Private renting
2001	488	149	37
2002	481	140	47
2003	491	134	54
2004	501	122	61
2005	505	125	68
2006	508	122	76
2007	523	121	69
2008	524	123	83
2009	517	123	97
2010	521	125	106
2011	512	126	121
2012	514	124	121
2013	510	123	130
2014	513	124	130
2015	524	116	131
2016	505	132	140

Source: Housing Review JRF/CIH 2018

Figure 1: Tenure in Northern Ireland in 2016 (percentage of homes)

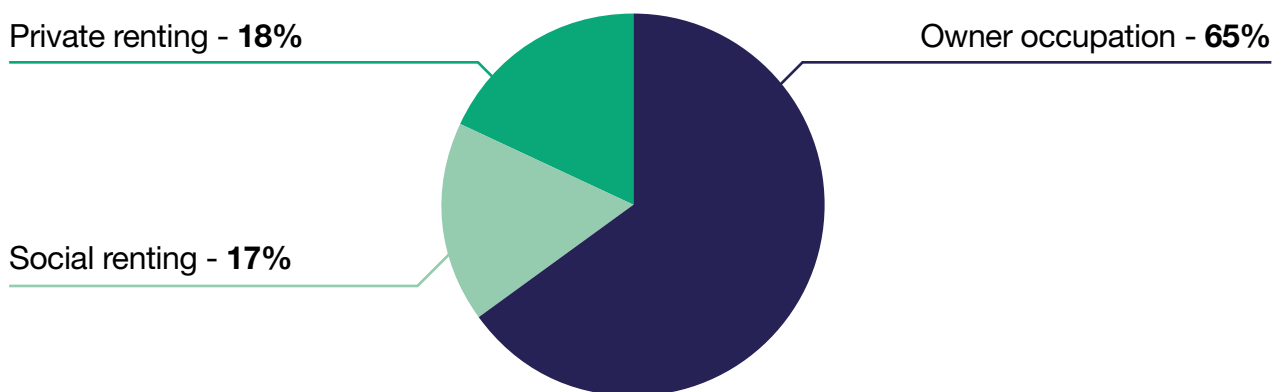
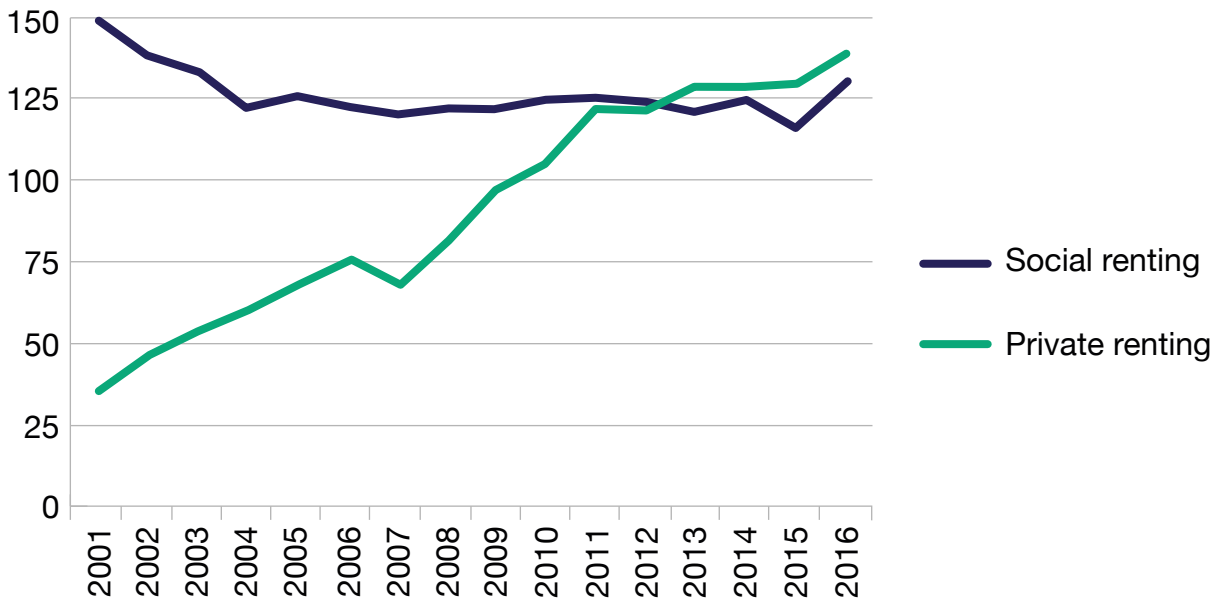


Figure 2 shows the rapid growth of the private rented sector in Northern Ireland and how it has overtaken the social housing sector in recent years.

Figure 2: Private renting and social renting in Northern Ireland 2001-2016 (homes in millions)



Source: Housing Review JRF/CIH 2018

“ The PRS in Northern Ireland has **grown strongly** in recent years and is now an **important contributor** to **meeting the housing needs** of the people in Northern Ireland. ”

2

Tenancy deposits in Northern Ireland

In Northern Ireland, deposits taken on private tenancies must be protected in a Government-approved tenancy deposit scheme. Tenancy deposit legislation came into force in April 2013 and there has been a consistent growth in the number of tenancy deposits protected, reflecting the increase in size of the private rented sector.

The table below (Table 2) shows the growth of tenancy deposits protected in Northern Ireland in both Insured and Custodial schemes since April 2013.

Table 2: Number of Tenancy Deposits protected in Northern Ireland (March 2014 to March 2018)

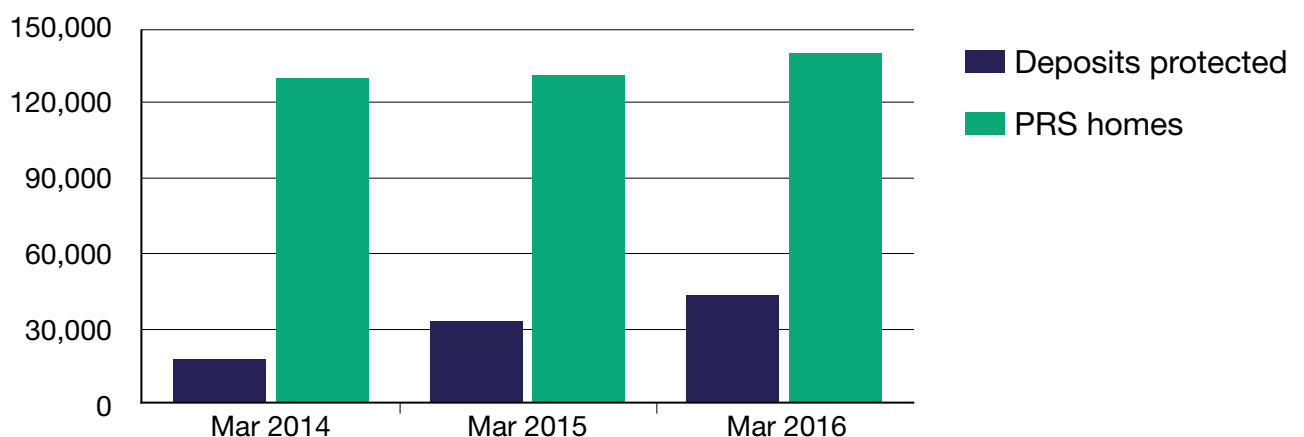
Year	Total deposits protected
March 2014	17,544
March 2015	32,722
March 2016	43,211
March 2017	49,102
March 2018	53,510

NI Department for Communities 2018

Figure 3 illustrates how the number of tenancy deposits protected has increased in line with the growth of the private rented sector in Northern Ireland.

In 2016, there were 140,000 homes in the private rented sector in Northern Ireland compared with 43,211 tenancy deposits protected. Not all of the 140,000 homes in the private rented sector will take a deposit and a number of homes are not covered by the Tenancy Deposit Schemes Regulations. However there is a significant gap between the number of homes in the private rented sector and the number of deposits protected. This is an area worthy of closer examination by policy makers.

Figure 3: Tenancy deposits protected compared to the number of private rented sector homes in Northern Ireland (March 2014 to March 2016)



NI Department for Communities 2018

Tenancy deposits by value

The value of tenancy deposits protected has also grown over the years, standing at £31,395,767 in March 2018.

The table below shows the total value of deposits protected at the year end since 2014.

Table 3: Total value of tenancy deposits protected in Northern Ireland (March 2014 to March 2018)

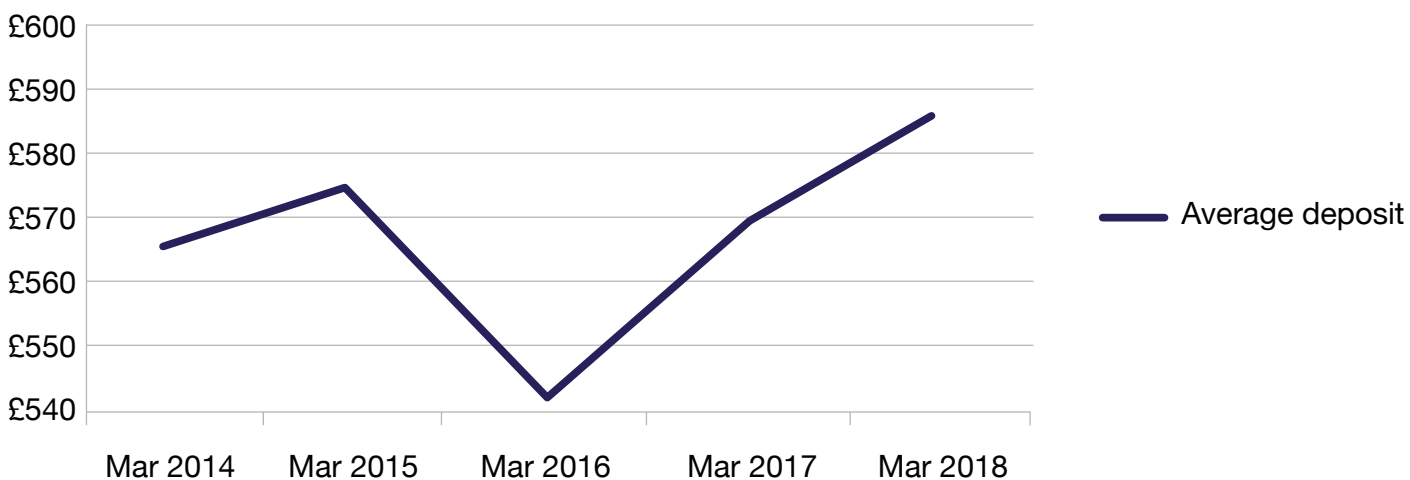
Year	Value of tenancy deposits
March 2014	£9,901,267
March 2015	£18,757,501
March 2016	£23,430,569
March 2017	£28,405,824
March 2018	£31,395,767

Source: NI Department for Communities 2018

Average value of tenancy deposits protected in Northern Ireland (March 2014 to March 2018)

The graph below (Figure 4) illustrates the average value of tenancy deposits protected in Northern Ireland since 2014. This has remained fairly steady, ranging between £542 (2016) and £587 (2018).

Figure 4: Average value of deposits protected in Northern Ireland (March 2014 to March 2018)



Source: NI Department for Communities 2018

3 Disputes

Legislation covering tenancy deposit protection in Northern Ireland provides for free dispute resolution if the parties are unable to agree how the tenancy deposit should be repaid at the end of the tenancy.

Disputes as a percentage of tenancy deposits protected

Tenancy deposit protection legislation was introduced, in part, in response to concerns that a significant minority of tenants felt that their tenancy deposit was unreasonably withheld and they had experienced difficulty in getting their deposit back.

As the table below shows (Table 4), the TDP schemes consistently experience a very low proportion of dispute cases raised. Since 2014, the rate has ranged from 0.35% to 1.14%. This indicates that parties are generally successful in reaching agreement without the need to raise a dispute with the schemes.

Furthermore, 2017 and 2018 have seen a decline in the number of disputes, both in numbers and as a percentage of deposits protected.

Table 4: Adjudications as a percentage of tenancy deposits protected in Northern Ireland (March 2014 to March 2018)

Year	Dispute percentage
March 2014	0.35%
March 2015	1.02%
March 2016	1.14%
March 2017	0.94%
March 2018	0.86%

Source: NI Department for Communities 2018

“ the rate has ranged from 0.35% to 1.14%. This indicates that parties are **generally successful** in reaching agreement **without the need to raise a dispute with the schemes.** ”

The table below (Table 5) shows the number of adjudications completed by all schemes in Northern Ireland. In the first few years since the introduction of the legislation, the number of adjudications grew strongly, but have since dipped and remained fairly consistent.

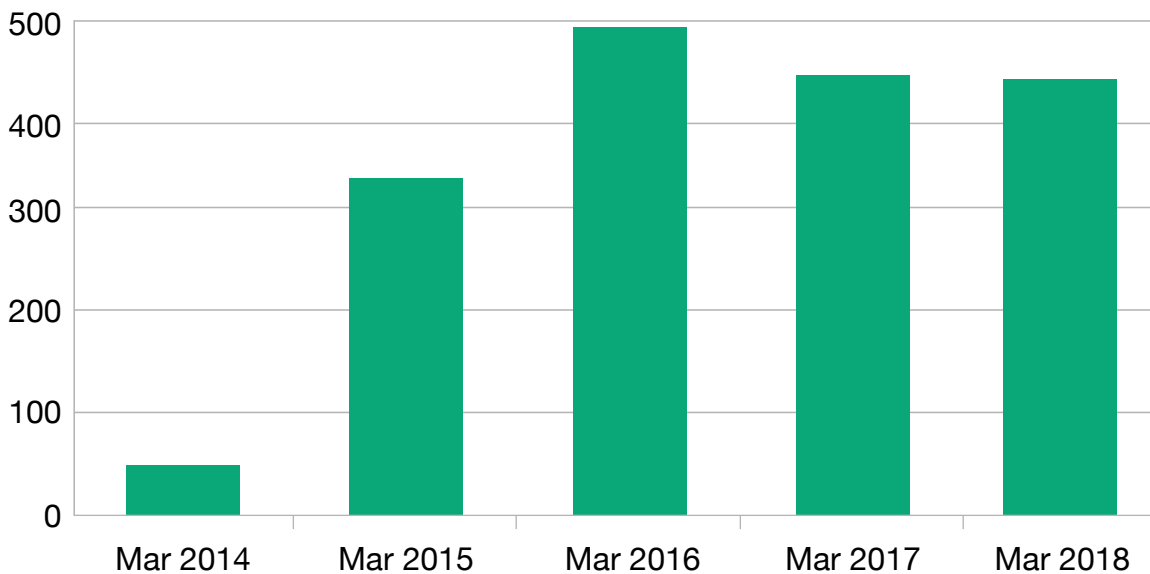
Table 5: Adjudications completed by year, for all tenancy deposit schemes in Northern Ireland (March 2014 to March 2018)

Year	Total disputes
March 2014	62
March 2015	335
March 2016	492
March 2017	461
March 2018	460

Source: NI Department for Communities 2018

Figure 5 reflects the growth in the number of adjudications since 2014.

Figure 5: Adjudications completed by year, for all tenancy deposit schemes in Northern Ireland (March 2014 to March 2018)



Source: NI Department for Communities 2018

Dispute rates in the TDS NI scheme

Table 6 compares TDS NI dispute rates in the Insured and Custodial schemes against the average of all TDP schemes.

TDS NI allows only tenants to raise disputes. The dispute rates, combining both the Insured and Custodial schemes, has remained fairly close to the overall average rates across all TDP schemes in Northern Ireland. In 2016, TDS NI saw its highest dispute rate of 1.24%, while the lowest was 0.39% in the first year of the company's operation in 2013/14.

Table 6: Dispute rates per scheme (TDS NI Insured and TDS NI Custodial) from March 2014 to March 2018

Year	TDS Insured & Custodial	All TDP schemes average
31st Mar 2014	0.39%	0.35%
31st Mar 2015	0.99%	1.02%
31st Mar 2016	1.24%	1.14%
31st Mar 2017	1.05%	0.94%
31 March 2018	0.94%	0.86%

Source: NI Department for Communities 2018

Reasons for tenancy deposit disputes

Table 7 shows the issues arising in TDS NI's dispute cases since 2014.

Table 7: Reasons for tenancy deposit disputes in TDS NI (2014 to 2018)

Dispute	2014-15	2015-16	2016-17	2017-18
Cleaning	20%	14%	43%	45%
Damage	19%	24%	43%	35%
Decoration	11%	10%	29%	26%
Gardening	3%	2%	11%	13%
Rent arrears	13%	14%	19%	26%
Other	16%	35%	34%	36%

Source: TDS NI Disputes Data 2014-2018



How long do adjudications take?

Table 8 outlines the average number of days taken for both TDS NI's Insured and Custodial schemes (combined) to resolve tenancy deposit disputes (from when the adjudicator received all papers).

Table 8: Average number of days taken to resolve disputes by TDS NI

Average number of days to resolve disputes in TDS NI Insured

Year	Average number of days to resolve disputes
2016-17	11.7
2017-18	4.4

Source: NI Department for Communities 2018

Average number of days to resolve disputes in TDS NI Custodial

Year	Average number of days to resolve disputes
2016-17	9.5
2017-18	2.8

Source: NI Department for Communities 2018

“ 2017 and 2018 have seen a **decline in the number of disputes**, both in numbers and as a percentage of deposits protected. ”





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