



5

TENANCY DEPOSIT SCHEME STATISTICAL BRIEFING

Northern Ireland Tenancy Deposit Statistics 2016-2017

[June 2017]

CONTENTS

Tenancy Deposit Schemes in Northern Ireland	03
The size of the Private Rented Sector in NI	04
Deposits protected in NI	05
Market share	06
Disputes	06

Author:
Steve Harriott, Chief Executive, Tenancy Deposit Scheme

1. Tenancy Deposit Scheme in Northern Ireland

The tenancy deposit protection regulations were introduced in Northern Ireland in 2012 and came into force in April 2013.

Under the legislation deposits taken on private tenancies in Northern Ireland on or after 1 April 2013 must be protected in a government authorised scheme. The deposit must be protected within **14 days** of its receipt and prescribed information served on the tenants within **28 days** of the receipt of the deposit.

The regulations allow for deposits to be held in either a custodial or an insurance backed scheme.

- A **custodial scheme** where the landlord/agent is required to transfer the tenancy deposit to a custodial tenancy deposit scheme. The scheme then holds the deposit during the tenancy and at the end of the tenancy it is repaid to the parties in accordance with their agreement.

If there is no agreement then the scheme will offer a free dispute resolution mechanism and it will decide on the basis of evidence provided who will get what from the deposit. The custodial scheme is free to use and the scheme funds its service from the interest it can retain on the tenancy deposits it holds.

- An **insurance backed scheme** where the landlord/agent retains the deposit during the tenancy in their own client account. The deposit must be registered with the scheme, which charges the landlord a small fee for doing this. At the end of the tenancy the deposit is repaid by the landlord/agent in accordance with what the parties have agreed.

If there is no agreement the lead tenant can raise a dispute with the tenancy deposit protection scheme. The scheme will then call in the deposit from the landlord/agent and decide, on the basis of evidence provided about the dispute, who should get what. The scheme has insurance in place to make payments to tenants in the event that the landlord does not pay over the deposit promptly when instructed to do so.



In Northern Ireland three schemes were approved and TDS Northern Ireland is the biggest of the three schemes and provides both custodial and insurance backed protection.

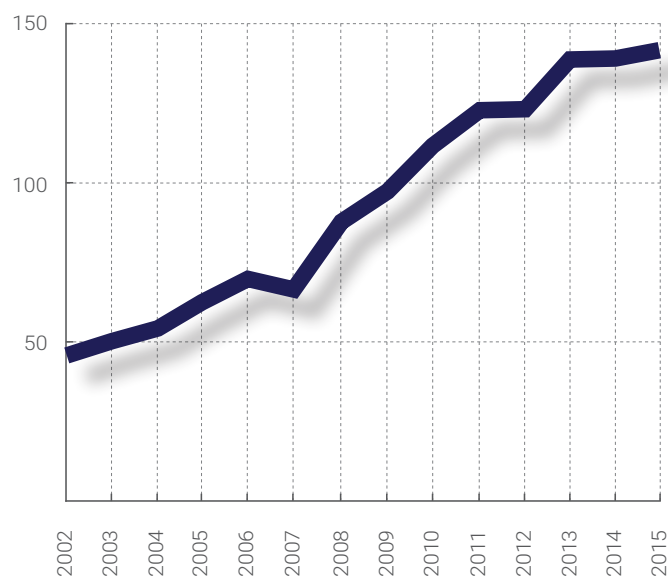
2. The size of the Private Rented Sector in Northern Ireland

The size of the private rented sector in Northern Ireland has grown rapidly in recent years increasing from 47,000 homes in 2002 to 131,000 homes in 2015.

Table 1: The size of the Private Rented Sector in Northern Ireland since 2002 (000s of homes)

Source: UK Housing Review 2016 (York 2017)

Year	Private Rented
2002	47
2003	54
2004	61
2005	68
2006	76
2007	69
2008	83
2009	97
2010	106
2011	121
2012	121
2013	130
2014	130
2015	131

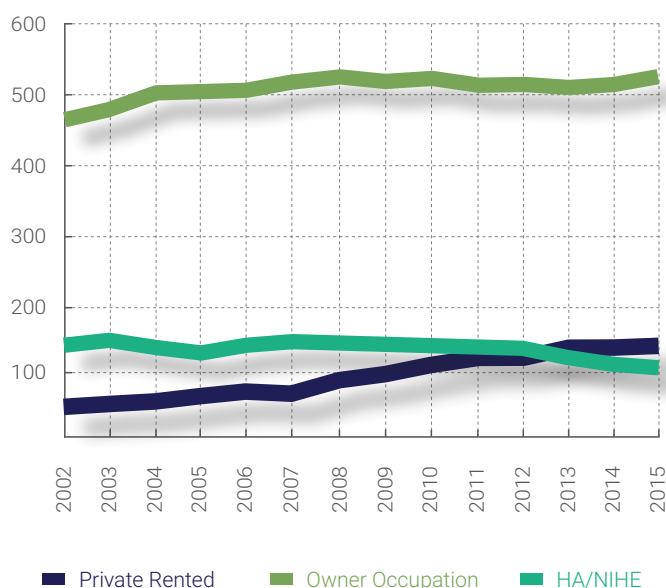


The private rented sector has grown more rapidly than owner occupation and the social rented sector (housing associations and the NIHE) as shown by the table and graph below.

Table 2: Tenure in Northern Ireland since 2002 (000s of homes)

Source: UK Housing Review 2016 (York 2016)

Year	Private Rented	Owner Occupation	HA/NIHE
2002	47	481	140
2003	54	491	134
2004	61	501	122
2005	68	505	125
2006	76	508	122
2007	69	523	121
2008	83	524	123
2009	97	517	123
2010	106	521	125
2011	121	512	126
2012	121	514	124
2013	130	510	123
2014	130	513	124
2015	131	524	116



3. Deposits protected in Northern Ireland

The legislation requires all deposits taken on private tenancies after 1 April 2013 to be protected. It therefore does not apply retrospectively to deposits taken before that date or tenancies renewed after the 1 April 2013 where the previous tenancy had had a deposit. As such it will take time before all deposits are caught by the legislation.

Table 3: Tenancy deposits protected at year end in Northern Ireland

Source: Department for Communities statistics

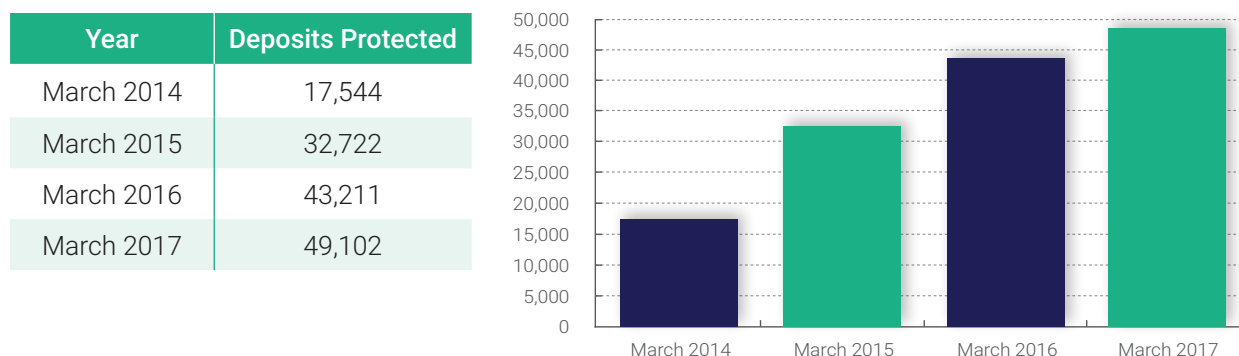


Table 4: Value of deposits protected at year end

Source: Department for Communities statistics

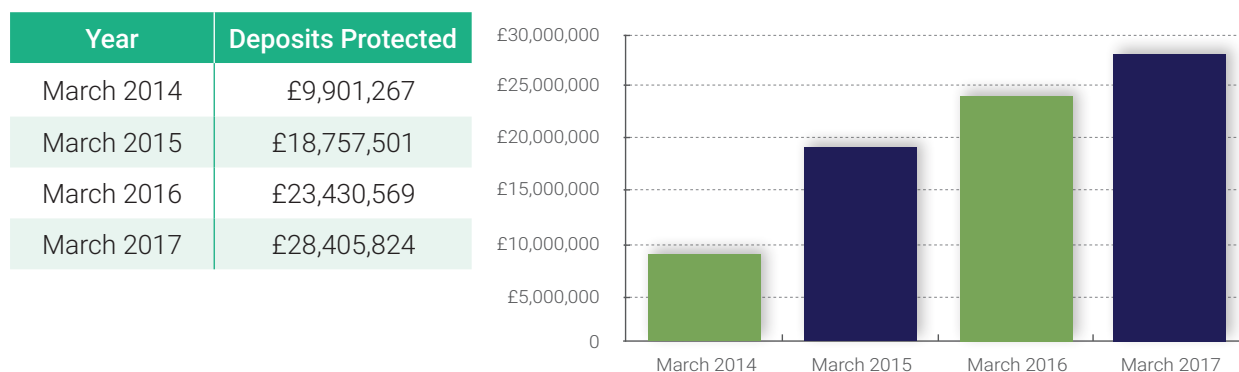
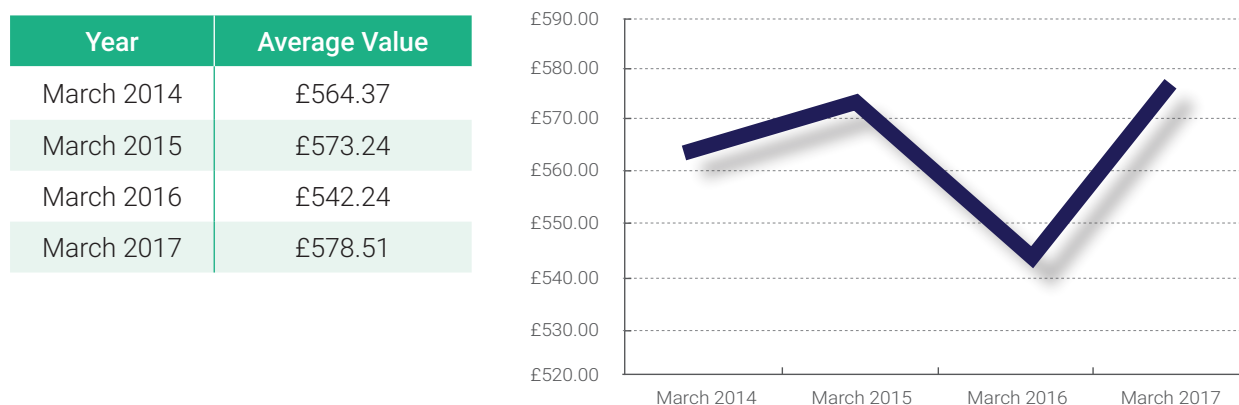


Table 5: Average deposit values at year end

Source: Department for Communities statistics



4. Market share

There are three schemes operating in Northern Ireland and TDS Northern Ireland is by far the largest of the three schemes with 78% of the market at the end of March 2017. TDS Northern Ireland operates both a custodial and an insurance backed scheme.

Table 6: Tenancy deposits protected at year end in Northern Ireland by scheme

Source: Department for Communities statistics

DEPOSITS PROTECTED: NORTHERN IRELAND				
Total	LPS	MyDeposits	TDSNI	Total
31 March 2014	981	3,502	13,061	17,544
31 March 2015	1,223	6,351	25,148	32,722
31 March 2016	1,785	7,695	33,731	43,211
31 March 2017	1,985	8,772	38,345	49,102
31 March 2014	5.59%	19.96%	74.45%	100%
31 March 2015	3.74%	19.41%	76.85%	100%
31 March 2016	4.13%	17.81%	78.06%	100%
31 March 2017	4.04%	17.86%	78.10%	100%

In terms of the split between custodial and insured schemes there are just over 52.6% of deposits held in the insurance backed scheme at the end of March 2016. At March 2017 there were 47.7% of deposits held in the insurance backed scheme with 52.3% in the custodial scheme.

5. Dispute Resolution Mechanism

An important feature of tenancy deposit protection is that each scheme offers a free dispute resolution mechanism if the parties cannot agree how the deposit should be allocated. In such cases the parties will send their evidence to an adjudicator who will consider the matter impartially and make a decision. This can be challenged on the basis only of an "error in fact and law". If proven the case will then be reviewed by another adjudicator whose decision will be final and binding.

Table 7: Tenancy deposit disputes

Source: Department for Communities statistics

	Disputes	As a % of Deposits protected
31 March 2014	62	0.35%
31 March 2015	335	1.02%
31 March 2016	492	1.14%
31 March 2017	461	0.94%

6. Summary statistics Northern Ireland: March 2017

Figures include all tenancy deposit protection schemes in Northern Ireland and are accurate as of 31 March 2017.



49,102

Deposits registered in a tenancy deposit protection scheme



£28.406 million

Value of deposits protected



£578.51

Average value of a tenancy deposit



38,345 deposits

held by TDS NI (78.09% market share)



TDS Northern Ireland
Arthur House
41 Arthur Street
Belfast
BT1 4GB
T: 0300 037 1000
E: info@tdsnorthernireland.com

