

Wednesday 28th October, 2020

## **IPAV CONFERENCE HEARS PREDICTIONS OF COVID DEBT CHALLENGES TO BANKS AND NEW SHAPE OF CITIES**

There is likely to be a 25pc reduction in office space and a sea change in city centre economics arising from Covid-19 which has accelerated existing developments in retail in particular, today's IPAV European Valuation Conference heard.

The online conference with 690 participants heard from Ivan Yates, former broadcaster and Government Minister, that change which would normally take five years has happened in just five months.

He warned that "this time it's not different" and predicted that there would be major fallout for the Irish banks from the current crisis which could lead to "Italian levels" of debt.

He also predicted that the current coalition Government would last for five years.

The conference heard from Nick French, Professor of Real Estate in the Department of Real Estate and Construction at Oxford Brookes University, UK where he is the Director of the MSc Real Estate Programmes, that there would be a "re-purposing" of city centres towards residential. He also said there is now sufficient evidence to suggest that the Irish and UK residential markets were in a very strong position.

Michael MacBrien Director General of the European Property Federation and an advisor to TEGOVA, The European Group of Valuers' Associations, told the conference that in future, climate law will have a critical impact on property valuations. He said there will have to be "a deep renovation" of property stock.

He cited France and The Netherlands as countries providing leadership in this regard. In the latter, from 1st January, 2023 no office will be rentable unless it complies with high climate standards. And he said the European Commission will table EU law which "will bring in French and Dutch type systems."

Mr MacBrien described Ireland as "one of the laggards" in Europe in this regard, missing its 2020 emissions reduction target.

Pat Davitt Chief Executive of IPAV thanked all participants for "providing thought provoking and inspirational content."

**Ends**