

IPAV CONFERENCE HEARS OF GOOD PROJECTIONS FOR PROPERTY - UNTIL 2022

A prediction that a low interest rate environment will prevail for a considerable period together with increasing house prices until about 2022 was made at the recent AGM and annual conference of IPAV, the Institute of Professional Auctioneers & Valuers, held in Dublin.

Opened by Frances Fitzgerald TD, Tánaiste and Minister for Justice and Equality 300 auctioneers in attendance heard guest speaker Karl Deeter of Irish Mortgage Brokers say: “the next five years will be good for auctioneers” while acknowledging that any major economic shock could change the scenario.

“The bad news ispeople are going to act like lemmings, a huge supply machine will create hyper supply,” he said. And he predicted that this would likely happen at about 2022 but would not be on the scale of the recent recession, being home based rather than involving the international banking system.

Alan Redmond, Managing Director of Redmond Property Consultants and new President of IPAV called for an urgent review of the future role of vulture funds, if any, in Irish society and a review of commuter transport.

“As we go forward, Irish society needs to look at the notion of selling many more tenanted properties, much in the same way that the commercial sector operates,” he said. “Tenants should have longer fixture of tenure which should only be broken for breach of obligations, such as the failure to pay rent.” And he said the arrival of these vulture funds in the midst of a housing crisis was “highly questionable.”

A European perspective with insights from Spain came from Campbell Ferguson a chartered surveyor of Survey Spain who said “anyone can become an estate agent (in Spain) now. There is no loyalty, they can tell the customer anything.” He said that in terms of residential properties, from the Algarve to the Costas up to the French border there were “tens of thousands of illegal properties.” He said these generally involved work houses and bedrooms being added to existing structures. “They sell to foreigners,” he said. The government was moving to legalise these properties. In certain areas, where, for example, structures were built on water beds, they had to be demolished.

John Hockey from the UK, editor of the European Valuation Standards 2016 briefed auctioneers and Valuers on the new update on the 2016 'Blue Book' valuation standards. These are the standards recognised by the Irish Central Bank and the European Central Bank for which it holds default status in the event of any valuation conflict arising. IPAV educates valuers to these standards through specifically tailored valuation courses.

Dr Lorcan Sirr, lecturer in housing at the Dublin Institute of Technology said Ireland badly needs a housing policy based on the contemporary Ireland reality of new employment conditions, new financial rules and new family structures. This should inform a long-term plan for an affordable housing system.

Pat Davitt IPAV's Chief Executive said the conference was happening in the midst of the Government's development of its Action Plan for Housing. "On the back of our policy manifesto to the Government and with our industry colleagues we continue to try and influence the development of a sustainable property market," he said.

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