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For immediate release

NEW MORTGAGE RULES – “DEVASTATING” SAY AUCTIONEERS

The new Central Bank rules emerging this evening restricting mortgage lending to 80pc Loan to Value in most cases were described by IPAV, the Institute of Professional Auctioneers & Valuers as “devastating, coming at this time at the beginning of a recovery in the property market - recovery from the most severe of property crashes.”

Pat Davitt, Chief Executive of IPAV, which represents almost 1,000 auctioneers throughout the country said:

“As it was, the proposals had dented confidence in the property market.

“Now that they are going to be as severe as was feared, except for the 90pc LTV for first-time buyers up to a limit of €220,000, this major intervention in the market will lock many out of property for several years.

“The rules will favour better off families where parents have the financial strength to support their children and they will confine many, unwillingly, to renting for long periods, pushing up rental costs further.”

Mr Davitt said his organisation was deeply disappointed that the Central Bank did not consult in any meaningful way with stakeholders.

“If as it appears much of the import for these changes has come from international bodies, such as the International Monetary Fund, then we have to ask the question, is policy on property now largely outside of the control of the Irish people?” he said.

“These new rules could amount to the right idea at a different time but they are certainly coming at the wrong time.”

Mr Davitt said the property market outside the main urban centres is still extremely fragile with properties still selling below the cost of building in most parts of the country.

“It is evident from latest data from a number of sources involving actual transactions that the market is far from settled and far from spiralling out of control.”

Ends

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Note to editors: IPAV is the only representative body in Ireland which solely caters for the professional and educational requirements of auctioneers and valuers practising throughout Ireland. Established in 1971, it has close to 1,000 members nationwide.