

AUCTIONEERS WELCOME GOVERNMENT HOUSING PACKAGE BUT LAMENT RURAL BUILDING COSTS NOT ADDRESSED

Government plans announced today to boost housing construction have been described as “good for urban Ireland but do not address areas outside of the main cities where second hand homes are selling for less than the cost of building new ones.”

Pat Davitt, Chief Executive of IPAV, the Institute of Professional Auctioneers & Valuers which represents 1,000 auctioneers and valuers throughout Ireland, said: “The construction measures, including the change to planning guidelines which will bring down the cost of building and taper the requirement for dual aspect apartments, which we have long called for, will certainly boost construction in Dublin and Cork.

“However, the measures are very centred on Dublin and Cork and do not address the cost of building outside of these areas. It does not address the fact that a huge proportion (?%) of what a purchaser pays for a home goes directly back to the government in taxes.”

Mr Davitt also said that residential rent increases to be limited to a two-year timeframe for a period is a “fair intervention given that we have a serious housing deficit and consequential rental crisis.

“While we operate a market economy which ideally should not involve such state intervention, there are times, such as now, when the market becomes so dysfunctional that short-term intervention is justified. We welcome the so-called sunset clause promised by the Minister for Finance that would see the measure expire in four years’ time.”

Mr Davitt also welcomed the 100pc mortgage interest relief on borrowings for landlords who lease to tenants in receipt of social housing supports but said it should apply to all landlords.

“New measures to harmonise planning standards throughout the country also make sense. “The measures mark a welcome change, a move away from an idealised view of city living to a more practical one, acknowledging societal developments, such as an increase in one person households,” he said.

Mr Davitt said with a population heading for five million people in the very near future “we need a national plan for all aspects of housing to draw the disparate parts of housing policy together and plan for future need based on population projections, socially desirable outcomes, good planning, investment and regulation,” he said.