

## IPAV 45<sup>th</sup> AGM & ANNUAL CONFERENCE



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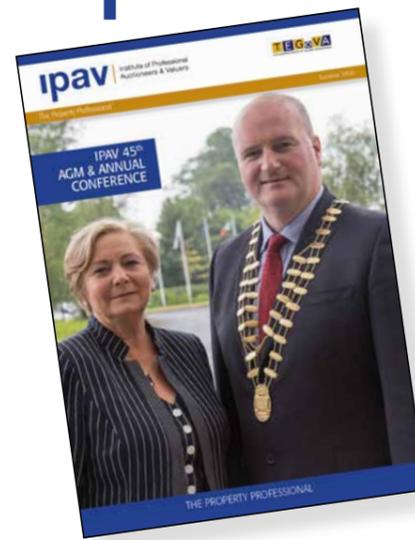


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Front cover: Tánaiste Frances Fitzgerald TD and IPAV President Alan Redmond

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## Message from the CEO

Dear Member

I wish to sincerely thank all the members who attended our recent AGM and Annual Conference in Castleknock Hotel & Country Club on June 11. I wish to congratulate our new President Alan Redmond who took over the reins of office from Eamon O'Flaherty. I know Alan will continue Eamon's great work in representing members' interests over the coming year. The new President outlined his priorities to the Annual Conference and a summary is contained in this issue.

Congratulations also to our new Senior Vice-President Brian Dempsey and our new Junior Vice-President Ella Dunphy on their election.

The Conference and Annual Gala Dinner again saw a huge turnout by members and guests which is a real sign of the thriving and forward-looking organisation that IPAV is today. The afternoon Conference was another opportunity for members to upskill in various aspects of our profession as well as being a great social occasion to meet fellow members.

This year we were particularly delighted to have the Tánaiste and Minister for Justice & Equality Frances Fitzgerald present to officially open the Conference. We were also delighted to welcome back once again as our Conference Facilitator Ivan Yates, whose skills gave a sharp and focused edge to the presentations. Details of the Conference and Gala Dinner and a photo special are featured in this issue.

The AGM saw longstanding IPAV member John Hodnett from Clonakilty elected to National Council as a representative for the Munster area. Outgoing members Tom Crosse, Mervyn Lloyd and Dara Furey were re-elected to Council. I wish to thank outgoing member John Shaw for all his work on Council over the years and to wish him well for the future.

Full coverage of IPAV's Annual Conference and Gala Dinner is contained in this issue. Also in this issue property journalist Donal Buckley looks at indications of the spread of the property market recovery to cities outside of the capital which is good news. There is also an interesting article on property in South Africa by Anne Porter in Cape Town.

In our Member's feature section, we feature North Wicklow agent Rory Fenelon who recently opened a new office in Bray and is expanding his practice.

In mid-May, MEP Mairéad McGuinness presented TRV Certificates to the most recent group of IPAV members who undertook the valuation standards course and the presentation ceremony is featured on pages 22 and 23.

IPAV's Annual presentation ceremony for participants in the Fine & Decorative Arts courses took place on May 19 and there is photographic coverage of the event on pages 30 and 31.

Finally, I would like to remind all Members that we will again be running a full CPD programme over the next year including a Valuation Summit on Friday, October 21. Details of this event and all of IPAV's course will be emailed to you in the coming weeks and months.

Best wishes

Patrick Davitt  
CEO

## CONTENTS

Property Recovery Spreading	PG: 6-7
Annual Conference Special	PG: 8-19
South Africans looking for Opportunities	PG: 20-21
Presentation of TRV Certs	PG: 22-23
Rural Affairs Seminar	PG: 24-25
Fine Arts Presentation	PG: 30-31



## President's Message

Dear Member

I was delighted and honoured to be elected President of IPAV at our recent AGM in Castleknock Hotel & Country Club on June 11. It was great to see such a huge turnout of IPAV members for our AGM, Conference and Gala Dinner all of which are signs of a very vibrant and progressive Institute. I was also delighted to welcome the Tánaiste and Minister for Justice & Equality, Frances Fitzgerald to officially open the conference and a summary of her remarks is contained in this issue. The Conference also generated substantial media interest with a report carried on RTE's Nine O'Clock news.

As President I was also delighted to welcome the Director of the Property Services Regulatory Authority, Maeve Hogan, to our Conference. During my term of office I will be asking her to ensure that many rogue agents who continue to operate without a license will be put out of business as quickly as possible.

I would like to offer my sincere thanks to all who attended for part or all of the day. I hope you found the speakers at the afternoon Conference beneficial and useful in your day-to-day work and that you found the overall get-together a great networking and social occasion for meeting colleagues many of whom you may not have seen for a long time. The hotel's location, on the edge of the Phoenix Park and the capital itself, also made it a wonderful venue for some relaxation, given the many nearby attractions.

I wish to congratulate our new Senior Vice-President, Brian Dempsey and our new Junior Vice-President, Ella Dunphy on their election as well as our newly elected National Council member John Hodnett from Clonakilty. I very much look forward to working with all members of the national Council and our CEO Pat Davitt in the year ahead. I wish to pay tribute, also to John Shaw who has left Council and to thank him sincerely for his contribution to the Institute over many years.

This is the second time I have had the honour to serve as IPAV President and the honour for me and my family is no less this time. During my last term of office in 2008/9, although we were unaware of it at the time, Ireland was heading into a deep and prolonged recession which hit our industry harder than most because of our location at the very cutting edge of the property industry. While we have now recovered from that recession, the country is still faced with many major challenges including a housing crisis.

In my address to members, I outlined a number of proposals which I feel would be of major benefit in tackling the current crisis and these are outlined elsewhere in this issue. Among the proposals was an urgent review of the future role, if any, of vulture funds in Irish society. Many of these funds are simply driven by greed to flip the properties as quickly as possible with existing tenants often needlessly forced from their homes. In my view, the arrival of these vulture funds in the midst of a housing crisis is highly questionable.

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. Tenants should have a more secure fixture of tenure which should only be broken for breach of obligations, such as the failure to pay rent. However, increasing regulation and the lack of any incentives have seen many ordinary landlords drift out of this sector at a very critical time. As part of its Budget 2017 strategy, I called on the Government to introduce real tax incentives for ordinary buy-to-let investors to encourage more to enter the sector. These investors should also be given the same tax latitude as the so-called vulture funds which do not pay income tax on rental income.

I also called for greater density of housing in the capital. Whether we like it or not, more and more people, notably younger people, will continue to live in the capital which will be the major source of employment for the foreseeable future. And in order to facilitate this growing population we have to build upwards as well as outwards. It is clear that cities around the world that have restrictions on height have high rents and high levels of homelessness.

In relation to rural Ireland, I called for an urgent action on the extension of broadband nationwide which in parts of the country is extremely weak or non-existent. Mobile telephone reception is also very poor in many areas and makes it extremely difficult to carry on a business.

Since the appointment of Pat Davitt as our CEO three years ago, the Institute has been transformed in many respects and now operates on a very high level of professionalism. In fact in many areas IPAV is leading the way in the EU, notably in our association with TEGoVA, the European Group of Valuers Association. With over 300 members now awarded "TRV" and "REV" status, it will ensure members are qualified to a consistently high European standard as well as recognising residential valuations are conducted to 'Blue Book' standards.

Over the coming year, IPAV will be continuing with its programme of seminars at various points around the country and I look forward to meeting as many members as possible. By talking to, and helping each other in any way possible, we can grow the Institute for the betterment of all.

Best wishes  
Alan Redmond FIPAV TRV MCEI  
President



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## IPAV outlines its proposals on housing to Oireachtas Committee

BY PAT DAVITT, CEO, IPAV

**O**n Tuesday, 3 May last I was delighted, along with IPAV President Eamon O'Flaherty, to have the opportunity to make a short presentation to members of the newly formed Oireachtas Committee on Housing and Homelessness. This Committee, under the chairmanship of Fianna Fáil Deputy John Curran, has been charged with an in-depth study of all aspects of housing and homelessness and to compile a report which will greatly influence the new Government's policy going forward.

In my opening remarks, I told the members that IPAV wished to acknowledge the urgency which the new Dáil has given to this issue even before a government has been formed. The whole area of housing and homelessness is a very complex problem and it is only by engaging with all the stakeholders involved that the Committee can present a really worthwhile report which should be a landmark in mapping out the way forward.

In a written submission to members beforehand IPAV outlined its proposal in some detail but in the time available to us, both the President and I highlighted some of the key ones of concern to the Institute as follows:

- Firstly, in a market functioning normally one should be able to rent, buy or sell a home. In the current market, choice is diminishing and social change is being foisted upon people. The kind of social change set out here is impacting most severely on younger age groups and those with fewer resources. But it is also hurting the economy. This is happening at a time when there are over 300 vacant sites in Dublin city alone, some 150 acres of vacant land that should and could be brought into production without delay.
- Secondly, the current housing and homelessness crisis is not helped by the existing administrative and political structure where Government departments

focus on the issues from a perspective of individual departmental or ministerial responsibility. Housing policy is so critical to the social and economic wellbeing of any society, but particularly one such as Ireland with severe legacy effects from the financial collapse, that it needs a 'whole-of-Government' approach. In this regard, IPAV strongly supported the new Government's initiative in appointing a full Cabinet Minister with responsibility for the sector. This Minister should be supported by a Cabinet Sub-Committee on Housing representative of all the relevant departments. (Since our presentation this has also happened with the Taoiseach chairing the sub-Committee himself).

- Thirdly, IPAV recommends the setting up of a consultative Property Council, comprised of all stakeholders with varying and divergent views, to advise the new Cabinet Minister. We believe the process should be all inclusive and rapid, with the Government arriving at a plan for long-term sustainability in the housing market with short, medium and long-term goals. IPAV is ready and prepared to play its part in such a Council.

### Low number of transactions

As a representative body for Auctioneers and Valuers, IPAV is keenly aware of the abnormally low number of transactions in the housing market. There were 43,428 residential transactions in 2015 equating to a national turnover of 2.2%, considerably below the 4% - 5% that could be considered 'normal'. Despite the population projections new builds this year, 2016, are on course to fall far short of the required 20,000 and are predicted to be of the order of 13,000. A large portion of these new-builds will be comprised of one-off houses in the country, not in the cities where demand is greatest. Ten years ago in 2006 new builds were at 93,000, pointing to industry capability to build the quantity now required - 20,000 per annum.

So why so few new-builds? There are a number of reasons which need to be tackled urgently. There is widespread acceptance that the cost of building is a major impediment to new house building. The lack of availability of building finance at reasonable rates of interest is a particular impediment to house building. The new Government needs to incentivise small and large builders by making building finance available at interest rates of between 1% to 3%. We propose that the renamed Department of Environment, Community & Local Government be empowered to offer finance to builders who wish to participate in an Agreed Price Building Scheme. This would be made available through a separate fund.



IPAV believes that the new Development Contribution Rebate Scheme intended to boost house construction in 2016 and 2017 by returning between 80% and 100% rebate on development levies paid, needs a number of amendments including its extension to all cities in Ireland and to all builders who want to take part in the Agreed Price Building Scheme.

### Reduced VAT

It is estimated that the current rate of VAT of 13.5% adds an extra €15,000 to €17,000 to the price of each new property. We believe that a reduction to 9% would further incentivise builders. Such a VAT reduction has already proven itself in the tourism sector and could deliver a saving of €7,000 per house.

IPAV believes that while the mortgage lending restrictions introduced by the Central Bank in 2015 are well intended and in principle are important for long-term economic stability, they are excessive in some respects. They are

disproportionately impacting first-time buyers in urban areas, especially in the capital. We believe the Loan-to-Income ratio for first-time buyers should be increased from the current 3.5 times income to 4 and possibly 4.5 times.

Other proposals we put to the Committee but which I did not have time to go into in detail include increased NAMA support for Irish governmental institutions such as housing agencies in acquiring properties; a Rural Tax Incentive Scheme to convert non-viable commercial buildings into residential use by owner-occupiers; a review of hindrances to our planning system including third party objections and the introduction of e-conveyancing to speed up the closure of house sales.

After our presentations, both the President and myself answered a number of questions from members in which we further clarified various aspects of our proposals and, in particular, the role which agents play in the property market.

## IPAV presents Agriculture Overview Report to Commissioner Hogan

IPAV presented European Commissioner Phil Hogan with a copy of its Agriculture Overview Spring/Summer 2016 report when President Eamon O'Flaherty and CEO Pat Davitt paid a visit to him in Brussels on Thursday, May 12. Both the President and CEO were in Brussels to attend the Spring Seminar of TEGoVA, the Association of European Valuers.



IPAV President Eamon O'Flaherty pictured with EU Commissioner for Agriculture & Rural Development Phil Hogan at their meeting in Brussels on Thursday, May 12.

According to the report, average farm sizes in Ireland have increased in size from 14 hectares (35 acres) in 1916 to 33 hectares (82 acre) today. The figure has increased by approximately 5% over the last 15 years.

In an average year only 0.3 - 0.5% of farmland changes hands in this country, an unusually low figure. The statistic will ensure a continued demand in the medium to long term. Up to 80% of lands are in permanent pasture with a further 10% each in forestry and tillage.

The general consensus in the report from IPAV members is that overall, 2015 was a positive year. However, the market still remains quite volatile. 2015 was a year of change for many farmers with the abolition of milk quotas and additional pressure from commodity prices. Despite the uncertainty, demand remained strong throughout the country for quality lands. The clear view from members is that with the softening of prices of up to 10% over the last 12 months, that now is a very good time to buy.



Pictured before their meeting in Brussels with Commissioner Phil Hogan were (l-r): Andrew Coney, Central Association of Agricultural Valuers, UK (CAAV); Marcin Malon, Polish Federation of Valuers Associations' (PFVA); Eamon O'Flaherty, IPAV President and Marek Wiśniewski, PFVA.

*..The kind of social change set out here is impacting most severely on younger age groups and those with fewer resources. But it is also hurting the economy.*



# Property recovery spreading outside of the capital

BY DONAL BUCKLEY

The spread of the property market recovery into the counties outside of Dublin is shown in Sherry FitzGerald Group's Capital Flows report for 2015. It shows that rising regional house prices combined with increased appetite for regional commercial properties helped to boost the pace of recovery outside the capital. In the regions the value of property transactions across all sectors of the market increased by 28% to €6.9 billion during 2015. While Dublin still accounted for the lion's share with €9.53 billion worth of property deals, in fact this was a drop of 6% on Dublin's 2014 performance.

Regional activity was bolstered by strong performances in key regional centres, most notably Cork, Kildare and Galway. The value of all transactions in Cork rose by 40% to €1.4 billion in 2015 and a 55% surge in Kerry where there were €298 million worth of deals, enabled the south-west to fare best of the regions.

It was followed by the mid-east where the value of deals increased 29% to €1.56 billion. This was largely due to Kildare where a 48% increase in deals to €699 million made it the third strongest county market after Dublin and Cork. Galway was the fourth strongest county with a 23% rise to €578 million.

Considering the hype about the multi-million commercial deals, it may seem surprising that nationally the residential sector recorded the strongest capital flow with €10.7 billion spent on residential property during 2015, an increase of 13%. A substantial chunk of this, amounting to €747m, was accounted for by multi-family blocks and portfolios.

In the provinces increased house buying activity and stronger house price rises combined to boost the value of the regional residential market by 27% to €5.31 billion. In contrast, a slowdown in Dublin house price growth meant that the value of the capital's residential market activity increased by only 2% to less than €5.37 billion.

## Cork performance

"In particular, Cork performed exceptionally well in 2015, with residential price inflation of 9.4% helping to increase total values of transactions by 32% in the twelve months. This brings Cork's total share of residential spend to €1.1 billion or 10pc of the national residential market," says Sherry FitzGerald Group economist Marian Finnegan.

Furthermore, 2015 saw continued strong performances recorded in the Dublin commuter belt counties of Meath, Kildare and Wicklow during 2015. Kildare saw an increase of 36% on its residential deals bringing its 2015 residential total to more than €560m and making

it the third largest market with 5.3pc of the national residential market.

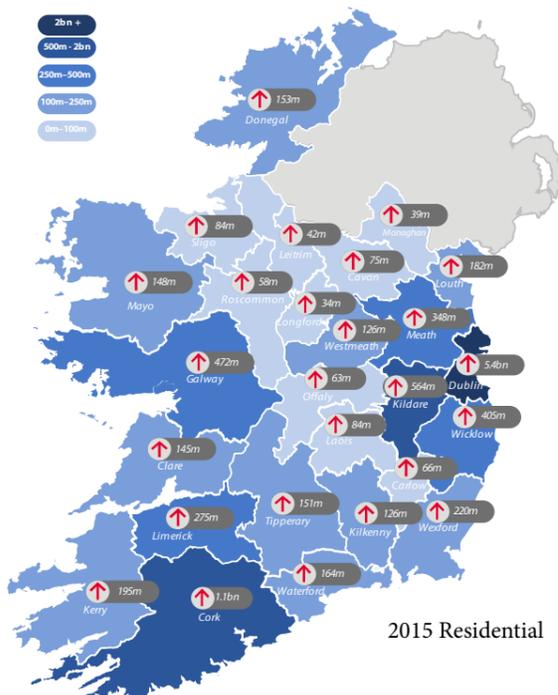
The residential market in the other two mid-east counties also performed strongly with Meath increasing by 15% to almost €347 million and Wicklow by 16% to €405m.

In terms of the volume of transactions, approximately 48,200 residential properties transacted nationally in 2015, representing a rise of 10%. The regional centres led growth with Cork, Galway and Limerick recording increases of 14%, 13% and 18% respectively in the numbers of deals. In terms of value, Galway recorded a 25% increase in residential sales and Limerick a 40% increase.

## Commercial sector

The commercial sector with €5.1 billion invested accounted for almost a third of the market. Analysis of the profile of commercial transactions by location reveals that while the lion's share of activity remains concentrated in the capital, 69%, a shift of investment to the regions was seen in 2015.

The value of spend outside of Dublin rose 32%. Similar to the residential market, the regional centres of Cork, Limerick and Galway were key drivers of commercial investment outside of the capital. Collectively, they accounted for over half a billion or 10% of total commercial spend.



2015 Residential

However not all counties saw increased flows of commercial deals in 2015. Some including Dublin performed better in 2014 and consequently 11 counties saw declines in the value of their commercial deals last year. These include Cork, which, while still the second strongest market outside Dublin saw the value of its commercial transactions fall 2pc to €302.4m.

Ms Finnegan attributes the increase in regional spend to a number of large portfolio sales containing regional assets spread across the country in particular, the Western Portfolio, The National Portfolio, Cornerstone Portfolio, Hazel Portfolio and Harvest Portfolio containing a number of prime shopping centres and retail parks.

"It is also important to bear in mind that activity outside of Dublin was subdued during 2014 and as such, the increases in 2015 are off a low base. There were a few portfolio sales in 2014 with regional assets, namely The Parks, Acorn and Spectrum which explains some of the reductions such as those in Tipperary, Louth and Carlow in 2015," she adds.

In contrast, Kildare recorded a phenomenal 126pc growth to €135m making it the third strongest county also for commercial deals. Kildare's performance "stems largely from an improvement in the development land market. Notable deals boosting activity include the sale of Millennium Park, Naas, Co. Kildare for in excess of €35 million and Tougher Business Park Portfolio, Newbridge Road, Naas, for €18 million. Aside from development land the next biggest deal was the sale of Newhall Retail Park for about €23 million," says her colleague, senior economist Siobhan Corcoran.

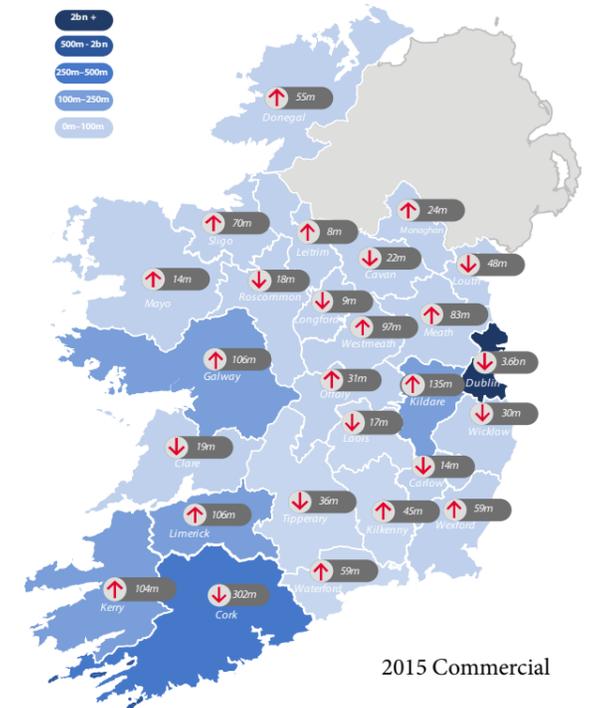
## Galway fourth strongest

Galway with an 11pc increase in the value of its commercial transactions to €105.99m, was fourth strongest of the commercial markets narrowly pipping Limerick's €105.98m. worth of deals.

Kerry, with a 151pc jump in commercial deals to €103.66m, was one of only six counties to top the €100 million level of transactions. "Activity was boosted by some large investment transactions, including the sale of Manor West Shopping Centre, Tralee, for €58.55 million and Deerpark shopping centre in Killarney which formed part of the National Portfolio," says Siobhan Corcoran.

Like most counties including Dublin it is unlikely that the Kingdom will sustain such strong performances. But this is especially true for those counties which lack strong office and industrial employers and demographic activity.

Westmeath almost made it into seventh place in the 2015 commercial league with a 164pc jump to €97m in the value of commercial transactions. "Spend here is off a low base and boosted by portfolio shopping centre sales, namely, the sale of the Athlone Town Centre as part of the Cornerstone Portfolio and Harbour Place Shopping centre in the Harvest Portfolio," Ms Corcoran adds.



2015 Commercial

Westmeath also saw a 23pc increase to €125.8m in residential sales and so its combined property deals totalled €222.8 m. and jumped it to tenth position out of the 32 counties. If it continues to benefit from the expansion of the commuter belt and the recovery of its major towns, Athlone and Mullingar, then the county may be able to sustain a top 10 position.

Waterford showed the strongest growth in the year with a 263pc rise in the value of its commercial deals to €59.4m. This increase largely relates to the sale of City Square Shopping Centre, Waterford for €21 million and the sale of Dungarvan shopping centre as part of the Harvest Portfolio.

The development land market, with over €763 million worth of land transacted accounted for 15pc of the national commercial market but most of this was concentrated in Dublin where the 6.8 acre Project Trinity site in Ballsbridge sold for about €180 million to the consortium which included Irish developer Chartered Land and the Abu Dhabi Investment Authority.

The national hotel market saw 59 hotels sell for €377 million across 59 hotels including the Shelbourne which accounted for around €87 million of this. Demand for hotels was strongest amongst domestic buyers, accounting for 66pc of overall transaction activity and US buyers accounted for 23pc of transactions.

The remainder of commercial activity in 2015 comprised agricultural land sales, public houses and auctions of smaller commercial assets.



## IPAV President calls for review of vulture funds and increased housing incentives

THE FOLLOWING IS A SUMMARY OF INCOMING IPAV PRESIDENT ALAN REDMOND'S ADDRESS TO THE ANNUAL CONFERENCE IN CASTLEKNOCK.

**A**t the outset, I would like at this stage to pay a special thanks to my predecessor Eamon O'Flaherty for his tireless work during his term of office. On behalf of IPAV, I wish to convey a sincere depth of gratitude to him for his efforts on behalf of IPAV and I look forward to his continued support on National Council.

I also wish to congratulate our new Senior Vice-President Brian Dempsey and our new Junior Vice-President Ella Dunphy on their election earlier. Ella is IPAV's first female Vice-President and we all look forward to her election as IPAV's first lady President in two years' time. I also wish to congratulate the members of National Council elected or re-elected and to wish them well. I very much look forward to working with you and I wish to assure you of my strongest support over the course of the next year.

### Proposals for housing

I would like to outline a few thoughts and suggestions of where I think the property industry should be headed.

Firstly, as the representative body for auctioneers and estate agents, IPAV is keenly aware of the abnormally low number of transactions in the housing market. Whether we like it or not, more and more people, notably younger people will continue to live in the capital which will be the major source of employment for the foreseeable future. It is clear from any perspective that in order to facilitate this growing population we have to build upwards as well as outwards. In this regards, I warmly welcome the decision by Dublin City Council recently to allow planning permission for apartment blocks of up to 24 meters in height, the equivalent of eight stories, in many parts of the inner city. In fact I would have supported the view of the Chief Executive Owen Keegan that the blocks should be allowed to go to 28 metres, or nine stories, which is the height allowed for commercial blocks. It is clear that cities around the world that have restrictions on height have high rents and high levels of homelessness. You only need to visit a city like Brussels, the EU capital, to see how people live very comfortably - and at very reasonable rents - in very good quality apartments in high rise blocks. There is no reason why we cannot have the same in many parts of Dublin's inner city, particularly along the lower quays.

Another major hindrance to getting the construction up and running in a meaningful way is the lack of availability of building finance at reasonable rates of interest. The new Government needs to incentivise small and large builders by making building finance available at interest rates of between 1% to 3%. We propose that the new Department

of Housing be empowered to offer finance to builders who wish to participate in an Agreed Price Building Scheme. This would be made available through a separate fund.

Another area that must be looked at in the current crisis is the level of VAT on new homes. It is estimated that the current rate of VAT of 13.5% adds an extra €15,000 to €17,000 to the price of each new property. IPAV has

## Record turnout for 45th AGM and Annual Conference 2016

A record number of IPAV members attended IPAV's 45th AGM and Annual Conference which took place in Castleknock Hotel & Country Club on Saturday, June 11.

The AGM took place on Saturday morning and saw Swords-based Senior Vice-President Alan Redmond elected President. A native of North Dublin, Alan is Managing Director of Redmond Property Consultants, a long established firm on the north side of the city. Alan was first elected to IPAV's National Council in 2002 and has previously served as President in 2008/09.

The new Senior Vice-President is Brian Dempsey of DNG, Stillorgan while Kilkenny-based Ella Dunphy is IPAV's first ever female Junior Vice-President. John Hodnett from the well-known West Cork firm Hodnett Forde was elected a new member of National Council for the Munster Region. Outgoing Council members Dara Furey, Mervyn Lloyd, Tom Crosse and Pat Carroll were re-elected to Council. The new President thanked John Shaw for his contribution as outgoing council member.

The afternoon conference session was officially opened by the Tánaiste and Minister for Justice & Equality, Frances Fitzgerald TD. The theme of the session was "The Role & Reality of Valuations in today's Property Environment" and the panellists included Dr Lorcan Sarr, DIT, Frank Quinn, Blackrock Further Education Institute, Karl Deeter, Irish Mortgage Brokers, Campbell Ferguson, Survey Spain and John Hockey, Editor of the European Valuation Standards 2016. The session was facilitated by broadcaster and commentator Ivan Yates.

The Gala Dinner Guest of Honour was rugby legend Paul O'Connell PINERGY Brand Ambassador. Paul is long recognised as one of the best second rows in world rugby and has captained Munster, Ireland, and the British and Irish Lions.

long argued that a reduction to 9% would further incentivise builders. Such a VAT reduction, which has already proven itself in the tourism sector, could deliver a saving of €7,000 per house in our estimation.

### Long term strategy

In the medium to longer term, I believe that while addressing the immediate housing shortage we also need to take a step back and address the long term strategy for housing. Here the role of the newly established Oireachtas Committee on Housing and Homelessness can play a crucial role and - indeed IPAV has already made an oral and written submission to it. Housing Minister Simon Coveney has clearly stated that its current deliberations will be central to the action he plans to take in the short term and I think its work can then be broadened out to take a more medium to long term strategic look at where we see the residential housing sector in 10 years time, how we want to get there and crucially, how much it's going to cost.

IPAV has also frequently called on the Government to set up a special Property Advisory Council consisting of all stakeholders that can advise the Government on day-to-day property matters and I think today the relevance of such a Council is more relevant than ever. Housing policy is so critical to the social and economic wellbeing of any society, but particularly one such as Ireland with severe legacy effects from the financial collapse, that it needs a 'whole-of-Government' approach.

Central to the speeding up of the housing programme is a review of the planning system. Ireland is almost unique in Europe in providing for a third party objection system. Here I welcome Minister Coveney's recent comments where he stated that large developments of 250 units plus could be fast-tracked through An Bord Pleanála rather than through the local authorities. Far more properties could be built if developers could move more quickly.

In this regard, an issue that Minister Coveney and Minister of State Damien English need to address in conjunction with the Minister for Transport, Shane Ross is the issue of commuter transport. The reasons that thousands of people are still prepared to pay extremely high rents to live between Dublin's canals as opposed to commuting to the suburban towns is because people are still not satisfied with the quality of public transport. The frequency time and speed of these

trains is way off what it should be compared to other cities if we are to make living in the suburbs a realistic option for working people. The same applies to bus services which, while improved, are still very inadequate on many routes.

Yet another area that the Government needs to develop is a longterm strategy on the whole area of renting. The latest rent index from the Residential Tenancies Board shows that while the pace of the rent increase has slowed, average rents in Dublin are now slightly higher than they were at their peak in 2007 before the crash. Recent trends show that Ireland is slowly but surely following the trend of its EU counterparts by having an increasing proportion of the population living in rented accommodation for much, or indeed all, of their lives. While the State can provide part of this need, it is the private sector that has traditionally come to the rescue and filled this gap. However, increasing regulation and the lack of any incentives have seen many landlords drift out of this sector at a very critical time. As part of its Budget 2017 strategy, I am calling on the Government to introduce real tax incentives for ordinary buy-to-let investors to encourage more to enter the sector. These investors, for example, should also be given the same tax latitude as the so-called vulture funds who do not pay income tax on rental income.

### Review of vulture funds

In fact, as part of its review of the housing sector, the Housing Minister should have an urgent review of the future role, if any, of vulture funds in Irish society and whether they are a needless thorn in the side of the industry going forward. Many of these funds are simply driven by greed to flip over the properties as quickly as possible with the result that the existing tenants are often needlessly put out of their homes. As we go forward, Irish society needs to look at the notion of selling many more tenanted properties, much as in the same way that the commercial sector operates. Tenants should have longer fixity of tenure which should only be broken for breach of obligations such as failure to pay rent. Certainly the arrival of these vulture funds in the midst of a housing crisis has seen many people made homeless on the pure basis of a desire to increase profit margins.

These are some initial thoughts I have on current housing issues and which I wish to share with you as I begin my term of office. I wish to assure you of my best efforts for the Institute during my term as President and I look forward to meeting you throughout the year.

## Three IPAV Members elected to Seanad Eireann



Senator Paul Coghlan



Senator Aidan Davitt



Senator Robbie Gallagher

Three members of IPAV were elected to the new Seanad at the recent election. Senator Paul Coghlan (FG) of Killarney was re-elected and is joined by Senator Aidan Davitt (FF) of Mullingar and Senator Robbie Gallagher (FF) from Monaghan. Senator Coghlan was elected the new Leas Cathaoirleach of the Seanad. Senator Davitt was IPAV's nominee on the Industrial & Commercial Panel.

The three senators join two fellow IPAV members Marc MacSharry and Eamon Scanlon who were elected TDs at the General Election. Both are Fianna Fáil Deputies for the Sligo-Leitrim constituency.



## Tánaiste commends IPAV's professionalism in the property industry

THE FOLLOWING IS A SUMMARY OF THE ADDRESS BY THE TÁNAISTE AND MINISTER FOR JUSTICE AND EQUALITY, FRANCES FITZGERALD TD, TO IPAV'S ANNUAL CONFERENCE.

I would especially like to congratulate your organisation on this 45th annual conference since your establishment, a professional organisation which continues to go from strength to strength with over 1,000 members.

As you are all very aware, property transactions are very important in the lives of most Irish consumers. It is the single largest purchase most of us will ever make. It dictates the shape and duration of our working lives and our family time. We have the highest level of home ownership in the EU and I believe we are fortunate in that the majority of property transactions undertaken by the sector, in other words by the members here today, are characterised by high quality service. This can be attributed in no small part to your relationships and empathy with your clients and to the professional standards which the majority in the auctioneering and property services sector operate and who are supportive of, compliant with and I must say fully adhere to the regulations.

### New Regulations

Unfortunately, this is not the experience of all consumers of these services. The enactment of the Property Services (Regulation) Act, 2011 laid the basis for a range of positive provisions which sought to professionalise the sector and drive standards. This is being achieved through tighter provisions with regard to the competence of auctioneers, estate agents, property letting and property management service, including inspection procedures to support the licensing system. The Act also provides important increased protection for consumers and clients' money and offers a mechanism of managing complaints and a redress system. I believe that both the public and industry benefits from the establishment of regulation. On the one hand, a sound regulatory environment will ensure proper standards, systems of control, redress mechanisms and transparency which increase public confidence. While on the other hand, regulation helps shape the growth and development of the industry and provides assurances that it will be seen in a more positive light by the public.

### Modernisation and Professionalisation of the Sector

It is important that modernisation of the sector continues. One of the significant projects developed by the Property Services Regulatory Authority since the commencement of licensing



Tánaiste and Minister for Justice & Equality, Frances Fitzgerald TD with Maeve Hogan, Director of the Property Services Regulatory Authority.

was the introduction of electronic licence renewal and payment. This project facilitated the electronic renewal and payment of over 4,000 licensees. It is clear from the positive level of engagement from you, either by attending one of the nationwide seminars or engaging with the Authority's helpdesk, that there is significant professional commitment to a regulatory licensing system and I commend you for that.

Developing and driving standards in any profession must always be supported and welcomed. Recognising the significance of training, IPAV has developed its own Level 6 educational course in Real Estate and Valuation in conjunction with IT Tallaght. I am very pleased to see this and you are to be applauded for this practical approach to raising standards in your own sector. Through its membership of TEGoVA, a pan European Valuers grouping, IPAV has introduced the European Valuation standards of the "Blue Book" to Ireland. I understand your CEO, Mr Pat Davitt was central to this organisational development. IPAV is again to be congratulated on this achievement whereby it has now trained over 300 Valuers who are recognised European Valuers.

..IPAV has introduced the European Valuation standards of the "Blue Book" to Ireland.



Pictured at the Conference were (l - r): Pat Davitt, IPAV CEO; Rosalind Carroll, Director, Residential Tenancies Board (RTB); Tánaiste Frances Fitzgerald and Dr Loran Sirr, DIT.

As a means of building, and continuing to develop and drive professional standards in your sector, the PSRA is currently exploring the development of a Continuous Professional Development (CPD) programme for all licensees. Such a programme will provide an opportunity to maintain and develop your knowledge and skills. I am deeply conscious that your sector has gone through some very difficult years and such a scheme offers an opportunity to upgrade and reinforce your knowledge. Continuous Professional Development benefits all and should be embraced. It promotes a learning culture which benefits you, your organisation, your customers and drives standards across the sector.

In further driving professionalism and standards within the sector, the PSRA will shortly be outsourcing its compliance audit investigations to a company of qualified inspectors. This development will have a positive impact, not only on the level of resources available to the Authority to further drive compliance, standards and competence within the sector but will ensure consumer interests continue to be protected.

### Housing Crisis

Everyone here today fully understands that we have a housing crisis, which is causing untold social harm and holding back our recovering economy. It is the number one priority for this Government, illustrated by the fact that for the first time in the history of the State, the Taoiseach appointed my colleague Mr Simon Coveney as Cabinet Minister for Housing, Planning and Local Government. The problems are manifold, ranging from lack of private and social housing supply, to an inability among first-time buyers to purchase their first home.

I know that IPAV presented its views to the Special Oireachtas Committee on Housing and Homelessness, and I note the points made regarding: A Consultative Property Council, Building Finance, the Development Contribution Rebate Scheme, Taxation and Mortgage Lending rules.

The Special Committee has finished its hearings and is due to submit a final report to the Dáil shortly. This Report will in turn inform the first ever Action Plan for Housing, which is being drafted in close co-operation with all of the key Departments under a Cabinet Committee chaired by the Taoiseach. I believe this engagement can and will deliver the appropriate and relevant solutions in addressing our housing difficulties.

### Conclusion

I would like to acknowledge the work of your outgoing President Mr Eamon O'Flaherty for his unstinting work over the past year and to wish your new President Mr Alan Redmond every success during his term of office. I hope you all enjoy the rest of the AGM and of course I am sure you will enjoy tonight along with your guest speaker Mr Paul O'Connell who is an ambassador for sport and ethics, something which we all admire him for.

## Meath IPAV Member presents portrait to Paul O'Connell

Co Meath IPAV member and artist John Fitzgerald is now one of Ireland's leading equine, sporting and portrait artists. John, who runs a busy auctioneering and estate agency practice based in Ratoath, originally studied industrial design in Letterkenny RFC and in the University of Wales. It was while studying that he developed a strong understanding of drawing and design and the different techniques used from the initial concept sketch to three-dimensional format. In his mid-thirties, John also went to study for a period at the National College of Art & Design. John has painted some of our top equine heroes as well as portraits of leading jockeys such as A.P. McCoy, Barry Geraghty and David Russell.

In 2013 he was asked to be Artist in Residence to the Curragh Racecourse where he has a gallery/studio open on race days.



John Fitzgerald presents Paul O'Connell with his portrait at IPAV's Gala Dinner.

# 2016 Conference Picture Special



Speakers at the Annual Conference were (l – r): Ivan Yates, Facilitator; John Jockey, TEGoVA; Tánaiste Frances Fitzgerald TD; Alan Redmond, IPAV President; Frank Quinn, Blackrock Further Education Institute (BFEI) and Dr Lorcan Sirr, Dublin Institute of Technology.



The audience at the Annual Conference in Castleknock.



At the 45th IPAV Annual Conference (l –r): Ronald Duff, Ratoath, Co., Meath; Pat Carroll, Kilmallock, Co. Limerick; John Hockey, TEGoVA, the Association of European Valuers and John Hodnett, Clonakilty, Co. Cork.



Cork estate agents at the Annual Conference (l – r): Brian McCarthy, Clonakilty; Andrew Donoghoe, Clonakilty; Jeremy Murphy, South Mall and Liam Mullins, Mallow.



Roscommon IPAV members at the Conference with IPAV President Alan Redmond (l – r): John Kelly, Boyle; Aengus Oates, Roscommon Town; Mike Smith, Boyle and John Callaghan, Castlereagh.



At the Conference were: Paul Gartlan, Re/Max Ireland, Tánaiste Frances Fitzgerald and IPAV President Alan Redmond.



John Gill, Ballinlough (left) and Sean Naughton, The Square, Roscommon with IPAV President Alan Redmond.



Pictured at the Conference where Pat Finn, Ballinasloe and Claire Killen National Association of Realtors (NAR), USA.



Pictured at the Conference were: Keith Anderson, Donegal Town; An Tánaiste Frances Fitzgerald TD, IPAV President Alan Redmond and Don McGreevy, Westport, Co. Mayo.



Dublin 2 Estate Agent Ken MacDonald with Tánaiste Frances Fitzgerald.

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## Clonakilty Agent is new IPAV Council member



John Hodnett, a native of Rosscarbery in West Cork, has been elected to IPAV's National Council. John has over 25 years experience in the property business in West Cork.

Prior to establishing the very successful Hodnett Forde Property Services Company with Ernest Forde in 2009, John previously worked for 35 years with the SWS Group in both their Services and Property Divisions.

Hodnett Forde Property Services offers a broad range of estate agency and auctioneering services, to include: Residential & Commercial Sales and Lettings and also operates a large established Agricultural Sales and Land Letting Division.

John has been a member of IPAV since 2003 and completed the Recognised European Valuer (REV) certification in 2014.



David and Geraldine Reynolds, Dungarvan, Co. Waterford with IPAV President Alan Redmond at IPAV's Annual Conference.



Pictured at IPAV's Annual Conference with IPAV President Eamon O'Flaherty is Guest Speaker Karl Deeter.

## 2016 Gala Dinner



Pictured at the IPAV Gala Dinner were (l-r): Brian Dempsey, IPAV Senior Vice-President; Paddy Sheerin, Swords; Alan Redmond, IPAV President; Paul O'Connell PINERGY Brand Ambassador, Guest of Honour and Paul Lappin, Phibsboro.



IPAV President Alan Redmond with Tom and Pearl Crosse, Limerick.



IPAV National Council member Gerard Hanley, Claremorris, Co. Mayo with Paul O'Connell.



IPAV President Alan Redmond with John and Margaret Fogarty of Re/Max Ireland.



Maura Fenlon, Carlow Property Management and her partner Ian Thomson at the Gala Dinner.



Pictured at the Gala Dinner were (l-r): Senator Aidan Davitt, Eamonn O'Flaherty, outgoing President, Gillian Davitt, Mullingar and Senator Paul Coghlan, Killarney.

# 2016 Gala Dinner



Paul O'Connell is interviewed by Peter Bastable of PINERGY at the Gala Dinner.



Regina Mangan and Maria Clifford of Liberty Blue Estate Agents, Dungarven with Paul O'Connell.



IPAV President Alan Redmond with SCSi President Claire Solan at the Gala Dinner.



Glenn Burrell, Finnegan Menton, Dublin 2 with his wife Yvonne at the Gala Dinner.



IPAV Junior Vice-President Ella Dunphy with Marguerite Stafford, Property Manager, the Property Examiner.



Martin Nolan, Head of the Dept of Accountancy and Professional Studies and Paul Campbell, Course Leader on the Higher Certificate in Business in Real Estate at the Institute of Technology, Tallaght with Eamonn O'Flaherty at the Gala Dinner.

# 2016 Gala Dinner



IPAV National Council member Paul McCartney, Churchtown, Dublin 14 with Paul O'Connell.



Sinead Beggan and Jillian McGuirk, McGuirk Beggan Property, Terenure, Dublin 6 with Paul O'Connell.



Meath IPAV members Ailish Wall, Stamullen and Niamh Giffney, Navan, with Maeve Hogan, Director of the Property Services Regulatory Authority.



Lee Ryan and Noeleen McDonnell Leixlip, Co. Kildare at the IPAV Gala Dinner.



Raymond Smith, Ballyjamesduff, Co. Cavan with Tazmin Warren at the Gala Dinner.



IPAV President Alan Redmond with his parents Shane and Mary Redmond.



## Ireland badly in need of a housing policy

BY DR LORCAN SIRR

It's hard to credit, given the state of housing in recent years and its damaging effect on the economy, but Ireland hasn't had a housing policy since June 2011 under the stewardship of the then Housing Minister Willie Penrose. We've had plans and strategies – which are supposed to implement policy – but no policy. Not having any sense of what kind of housing system we'd like for Ireland in the future – something that could guide any policy – it suddenly makes sense why the plans and strategies have been relatively ineffective to date. Before any new housing policy is forthcoming, there are some bigger background questions to examine.

Firstly, exactly whose responsibility is it to house people? Is it the responsibility of the State to help people to house themselves, sometimes using taxpayers' money to do so (through things like mortgage interests relief, first-time buyers' grants and so on)? The answer to this question depends on what kind of country we want to live in. Mary Harney's famous 'Boston or Berlin' quip applies here too.

The last 25 years or so has seen almost total responsibility transferred to the individual (the Boston approach), and we can see the mess that has created with its attendant knock-on effects on society as a whole with rising rents, high levels of homelessness and no social housing. So the issue really is: can the State afford not to help people house themselves (as they'd do in Berlin)?

### Affordability

The second question is how much control over the housing system does the state really have, and especially over issues of affordability? When we look at the major drivers of housing, affordability it is pretty obvious that the state doesn't have as much influence as you'd think.

Factors like global economic crises, divorce and separation rates, the

cost of credit, changing employment locations and conditions, banking regulation, migration and immigration along with many other issues all affect housing systems and people's ability to house themselves. The State has little influence over these elements, and as globalisation continues apace, whatever influence it has, will be reduced even further.

More specifically to Ireland, the local drivers of demand for housing in general are often under-appreciated. The changing make-up of household size ('headship rate') is the main driver of housing demand in Ireland. More people than ever before are marrying later in life (necessitating separate homes for longer periods), or staying single forever (about one-third of the population). Family breakup or separation is also a big driver of housing demand.

The next cause of housing demand is obsolescence. About 10,000 houses per annum, or 190 houses per week become obsolete for various reasons, which is about one-third of our annual overall housing requirement. This incredible figure shows that managing what we have is as important as building new stock.

### Population growth

Then there is population growth which adds to demand for housing, and finally, there is immediate demand which means we're not building enough units, and half of those we do build are one-off which never reach the market. Last year we completed 12,666 private houses (6,071 of which were one-off) and just 75 local authority units. We'll build even fewer private houses in 2016.

Any housing plan therefore needs to be cognisant of the things outside our control and the things we can control. We can aim to manage what housing we have well, and to provide a consistent supply of state

housing (say, 5,000 houses a year) to counter the cyclical nature of the property market. We can control, and should focus on quality, and also on remedy, as there's no point in striving for quality but having no recourse if it doesn't happen (and quality is a permanent feature of Irish housing).

Although the report of the Oireachtas Committee will go to the Minister for Housing, Planning and Local Government, is it a given that a housing plan should emanate from this Department? I'm not so sure.

Housing is a brief with such far-reaching impacts that it would be interesting and probably beneficial if Departments other than Housing, Planning and Local Government drafted a housing plan (and I'm thinking here of Industry and Employment, Health, Taoiseach and Social Protection in particular) which was then reviewed and refined by the experts in Minister Coveney's own Department. In this way we might get a more holistic approach rather than tinkering around the edges with adjustments to VAT levels and the likes.

The plan should also be ambitious, at least 20 if not 50 years (Lisbon's housing plan is for 100 years). Things will change of course over these years, but the underlying principles should remain the same (management and quality, for example), as should targets (rents to rise by no more than an average of 2.5% above CPI over a decade, for example) and responsibility for delivery.

We've never really done this, but perhaps the way to begin is to ask the most interesting question of all: what kind of housing system do we want for our children when their time comes? Now, that would be a fine start to any housing plan.

• Dr Lorcan SIRR lectures in housing at DIT and is visiting Professor of Housing at URV, Tarragona, Spain.

## Outgoing IPAV President outlines significant achievements of office term

THE FOLLOWING IS A SUMMARY OF THE REMARKS BY OUTGOING IPAV PRESIDENT EAMON O'FLAHERTY TO THE 45TH ANNUAL CONFERENCE.

It has been a great honour and a huge privilege for me to serve as your President for the past year and I wish to thank all members for all their support. In my address to last year's AGM in Carton House following my election, I set out some of the aims and goals I had set for myself during my term of office. Now, at the end of my term, I am glad to report that significant progress has been made on many of those targets.

One of the issues I raised in my address last year was the whole notion of rural regeneration. Last year and many times since then, I called on the Government to introduce a scheme to attract people to live over the shop or on the main streets of these small towns and villages. In this regard, I am glad to say that the new Programme for Government specifically states that the renewal of towns and villages "will be a top priority" for the new Minister for Regional Development and Rural Affairs. To deliver this goal the new Minister "will develop a new and improved Town and Village Renewal Scheme with input from the Oireachtas in time for Budget 2017." Specific funding for this programme is also promised. I very much look forward to the details of this scheme as it is rolled out and IPAV will continue to closely monitor its implementation.

On Tuesday, May 3rd last, I was privileged, along with our CEO Pat Davitt, to make a presentation to the new Oireachtas Committee on Housing and the Homelessness where we outlined a number of proposals. It is our understanding that the report and recommendations of this Committee will play a key part in the formulation of Government thinking in this area.

Another issue I raised at last year's Conference was the unfairness and inequity of the rates of Inheritance Tax. Many ordinary people were finding that they are being hit with large tax bills after inheriting a home from a parent. Here again I am delighted to report that progress has been made. In Budget 2016, the Minister for Finance increased the tax free threshold for asset transfers from a parent to a child by 24 per cent to €280,000. The increase in the inheritance or gift tax threshold is expected to be the start of a process that will see the main threshold increase to €500,000 over a three to five year period. This is a welcome start and I look forward to increased reduction in the level of CAT.

For the past few years IPAV has also been to the fore in promoting the notion of a Vacant Site levy which we believe is a major hindrance to increasing the housing output. This has also been agreed by Government and from 1 January next year all local authorities will be obliged to keep a register of vacant sites in their area. The annual charge, which will be 3% of the market price of the land, will be introduced from 2018 and is designed to force landowners and developers to utilize land for housing.

Over the past 12 months IPAV's close association with TEGoVA, The European Group of Valuers Associations, continued to gather momentum. IPAV was the pilot body for



IPAV President Alan Redmond is congratulated by his predecessor Eamon O'Flaherty.

the introduction of the new Residential Property Valuation Standard (TRV) with the first group undertaking the prescribed course in the Institute of Technology Tallaght in September 2015. This group was subsequently followed by two more and further courses are planned this autumn and into 2017.

Wednesday, 4 November 2015 was also a very special day for IPAV when over 300 IPAV members, along with many European guests, gathered in Chartered Accountants House on Dublin's Pearse St. for IPAV's first Valuation Summit. This was a record historic gathering of IPAV members and a second is planned for 21st October this year.

The recent upturn in construction activity has seen an increasing shortage of skilled people for the property industry. Indeed many of our members are finding it increasingly difficult to recruit appropriately qualified staff. I am delighted to report there has been a major take-up in the Institute's Higher Certificate in Business in Real Estate (Valuation, Sale & Management) course which is run in conjunction with the Institute of Technology, Tallaght. On 3 November 2015, I was delighted to be present at the special awards for excellence.

The Third President's Charity Lunch took place on Friday, December 4th when the Lord Mayor of Dublin, Críona Ní Dhálaigh; the Rose of Tralee, Elysha Brennan and Professor Mary King from Temple Street Children's University Hospital were our Special Guests. IPAV's chosen charity in 2015 was Temple Street in appreciation of the magnificent work carried out there and I was delighted to subsequently present a cheque to them to help with their work.

Before I finish I want to thank our Senior Vice-President, Alan Redmond and our Junior Vice-President Brian Dempsey and all the members of National Council who were a huge support to me during my term of office. I also wish to pay special tribute to our CEO Pat Davitt for his ongoing work and dedication which has seen the Institute grow and expand beyond our wildest dreams.



## South African investors are looking for opportunities to invest in the Irish property market

ANNE PORTER, CHAIRMAN OF KNIGHT FRANK RESIDENTIAL, CAPE TOWN SOUTH AFRICA, SAYS THAT OFFSHORE INVESTMENT HAS BECOME A BUZZ WORD AMONGST SOUTH AFRICANS LOOKING TO DIVERSIFY THEIR INVESTMENT PORTFOLIOS.

**A**s a result of exchange control restrictions being eased, South Africans are now entitled to an investment allowance R (South African Rand)10 million per annum plus a discretionary allowance of R1 million (1 Rand = €0.059).

A growing number of people are using this opportunity to buy small properties as investments. Companies who are able to offer a full service package are capitalizing on this market. Buyers in this category are looking for a secure investment, with a market related return. They are not the high flier risk takers, but people who are looking for an investment as a buffer against local risk factors.

Ireland is an appealing solution. There are no language barriers and many South African have Irish roots. The investment is flexible in terms of use – buy-to-let, holiday accommodation or own use. The excellent schools and universities, infrastructure, culture and rich history, low crime rates, good rental returns make Ireland an excellent choice.

Over and above this R11million foreign capital and discretionary allowance, investors are able to make application to the South African Revenue Service to externalize larger amounts provided their tax affairs are in order. Positive reports being released about the state of the Irish economy make Ireland an excellent choice for South African investors.

### Irish investors

For Irish investors looking to diversify their portfolios, the property market in Cape Town is a very attractive option. Prices for properties on the Atlantic seaboard have, in some instances risen by over 30% in the last 18 months. Areas like Constantia, the Southern Suburbs and Franschhoek continue to attract buyers from all over the world.

The highest price achieved for a property in South Africa to date is R290 million for an exceptional home in Clifton, on the Atlantic Seaboard. Designed by renowned architect Stefan Antoni, this mansion boasts the most spectacular views of the Twelve Apostles, the ocean and is on over 2800 square meters of prime real estate.

At the other end of the spectrum, a buyer can purchase a modern 2 bedroomed flat in the-buy-to let category



close to the University for R2.5million bracket. These offer excellent returns and a guaranteed tenancy as there is a pool of over 30,000 students always looking for accommodation.

For buyers looking for a country lifestyle, Franschhoek is the place to buy. Beautiful boutique wineries, small holdings or quaint cottages are all to be found nestling in the valley under the majestic mountain ranges. The prices range from R5 million to over R200 million.

Despite an uncertain economic environment, with a number of bleak predictions for both the economy and the residential property market for the year ahead, savvy investors can look to capitalize on the very real opportunities that the current market conditions present. Residential property demand flourishes when stock markets and other sectors are under pressure. South Africa continues to remain an attractive and affordable property destination for overseas buyers and we are likely to see more activity in this sector.

Foreigners can own immovable property in South Africa without restriction. All foreign funds remitted to the country must be declared and documented to enable the funds to be repatriated, together with all profit realized, less withholding tax, when the property is sold. Demand for property continues to outstrip supply, especially in urban areas. There are still more buyers in the market than sellers and what the end of 2016 may well introduce is a shift in the market we have experienced in past years to a more balanced market.

Property in South Africa is now dramatically less expensive for foreign buyers than four years ago. Foreigners own around 3% of all South African properties. Most foreign owners are based in Europe, predominantly from the United Kingdom, as well as Germany, Italy, Holland and France. There are also buyers from African countries such as Mozambique, Zimbabwe, Angola, Cameroon and Nigeria. There are an increasing number of buyers from China and Dubai.

Despite the significantly cheaper property prices for foreign currency buyers, there has been no major rise in home buying by foreigners. Although this can be attributed to declining investor sentiment towards South Africa it is MORE likely the weaker performance of residential property GLOBALLY, influencing its popularity as an asset class. South African rental yields are good especially on smaller apartments in its large cities.

### Cape Town

Cape Town is the most popular tourist destination in South Africa. It has sublime beaches and weather and is ideal for retirees and foreign property buyers. The Atlantic Seaboard remains the most sought after due to the beauty of the beaches, cliffs and the now well-known suburbs of Bantry Bay Clifton, Camps Bay, Bakoven, Llundudno, Fresnaye, Green Point and Seapoint. Many of these houses and blocks

of apartments are nestled on cliffs and have sweeping views of the Atlantic Ocean. The City Bowl area, which includes the CBD, is another upscale residential suburb, with many developers flocking to redevelop and “new build”. Gross rental yields on apartments in Cape Town range from 5% - 8.3%.

Bond approval rates statistics show that bond approval rates are down by -3.9% year- on-year, although there is a 0.8% increase month-on-month. First-time buyers are showing less activity, this too is a global trend. There is an emerging trend towards homebuyers entering the market with some form of deposit. April 2016 statistics show that the local banks have increased their average pricing from 0.27% above prime in April 2015 to 0.43% above prime now, which coupled with interest rate increases has further impacted on consumer affordability for South Africans.

Foreigners can obtain bond (mortgage) finance locally up to 50% of the purchase price. With the high interest rates charged in South Africa, prime is currently 10.5%, most foreigners prefer to borrow off shore to finance their purchase.

The lifestyle, standard of living, excellent local government, world class sporting facilities, schools and universities, wines, restaurants, beaches, infrastructure, and the multicultural and cosmopolitan communities make Cape Town the investor’s destination of choice.

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Pictured at the presentation of TRV Certificates in the Louis Fitzgerald hotel were: Alan Redmond, IPAV Senior Vice-President; Mairéad McGuinness MEP and Eamon O'Flaherty, President.

## Mairéad McGuinness MEP presents TRV Certs

The new TRV valuation standard guarantees a minimum level of education and experience and enables valuers to demonstrate professional competency and independence when conducting residential valuations, Leinster MEP Mairéad McGuinness told IPAV members when she co-presented TRV Certificates with former IPAV President Eamon O'Flaherty at a function in the Louis Fitzgerald Hotel in Dublin on Monday, 16 May.

In total, Mairead McGuinness and the IPAV President presented Valuation Certificates to 57 valuers who have successfully undertaken a course of study to achieve TRV qualification as residential valuers from TEGoVA, the European Group of Valuers Associations.

The qualification is recognised as a reliable international standard by the Central Bank of Ireland and the European Central Bank and arose as part of the implementation of the Mortgage Credit Directive recently transposed into Irish law.

Ms McGuinness said a Single European Market for mortgages doesn't yet exist which means that Irish mortgage holders don't benefit from the low interest rates that their European counterparts enjoy. "This must be addressed by the new Irish Government," she said.

The certificates awarded recognise the work of the Residential Valuer who completes valuations to the European Valuation Standards of what is termed the 'Blue Book'. Irish Financial Institutions will only accept Valuers who demonstrate professional qualifications.



Aine Lee, Tormey Lee Estate Agents, Ashbourne, Co. Meath who received a TRV Cert with Mairead McGuinness MEP and Eamon O'Flaherty.



Billy Heffron, Billy Heffron Business Services, Ballina, Co. May who received a TRV Cert with Mairead McGuinness MEP and Eamon O'Flaherty.



Eugene Berry, Kinsealy, Co. Dublin who received a TRV Cert with Mairead McGuinness MEP and IPAV President Eamon O'Flaherty.



Lesley Kennedy, RE/MAX, Celbridge, Co. Kildare who received a TRV Cert with Mairead McGuinness MEP and IPAV President Eamon O'Flaherty.



Galway IPAV members Gerry Bracken, Atheryn (left) and Alan Loughrey, Ballybane Industrial Estate, Galway City who received TRV Certificates pictured with Mairead McGuinness MEP and IPAV President Eamon O'Flaherty.



Cork IPAV members (l - r) John Singleton, Mallow; Michael Pigott, Middleton and Catherine Kearney-Looney, Blackpool, who received TRV Certificates pictured with Mairead McGuinness MEP and IPAV President Eamon O'Flaherty.



Co. Louth IPAV members (l - r) Paddy Watters, Collon; Joanne Lavelle, Dundalk and Fintan Sullivan, Drogheda who received TRV Certificates pictured with Mairead McGuinness MEP and IPAV President Eamon O'Flaherty.



David Reynolds, Pearse Road, Sligo, who received a TRV Cert with Mairead McGuinness MEP and IPAV President Eamon O'Flaherty.



Paul Tobin, Main St., Blanchardstown, Dublin 15 who received a Certificate from Mairead McGuinness MEP and IPAV President Eamon O'Flaherty.



Pictured at the presentation of Certificates ceremony were (l - r); Pat Davitt, IPAV CEO; Mairéad McGuinness MEP; Genevieve McGuirk, IPAV Education & Office Manager and Eamon O'Flaherty, IPAV President.



Eddie Tormey, Tormey Auctioneers, Mullingar, Co. Westmeath, who received a TRV Cert with Mairead McGuinness MEP and IPAV President Eamon O'Flaherty.

# Full house for Rural Affairs Seminar

**T**here was a full house at the Hodson Bay Hotel on Wednesday, May 4 when over 90 IPAV members attended a Rural Affairs Seminar.

The attendance heard presentations from Darryn McDowell and Niall O'Toole of the Irish Forestry Unit Trust (IForUT). IForUT is a forest investment fund facilitating Irish pension fund and charity investment in forestry. Its unit holders represent most of the major Irish pension funds. Current investment is almost €200m of forest assets in Ireland & the UK and a further \$50m of timberland assets in North America.

The second presentation was from Declan Lavelle, who is Head of Valuation Services in the Valuation Office. Declan has in excess of 30 years' experience in the valuation of property for statutory purposes and is a member of the Society of Chartered Surveyors Ireland (SCSI), the Royal Institute of Chartered Surveyors and a number of other professional bodies. The final speaker was Maeve Hogan, the Director of the Property Services Regulatory Authority who updated members on the new online registration process for auctioneers and estate agents. IPAV President Eamon O'Flaherty welcomed the attendance and a Question & Answer session as facilitated by CEO Pat Davitt.



Guest Speakers at the Rural Affairs Seminar pictured with IPAV President Eamon O'Flaherty were (l - r): Declan Lavelle, the Valuation Office and Darryn McDonnell and Niall O'Toole of the Irish Forestry Unit Trust (IForUT).



A section of the audience at the Rural Seminar in Athlone.



Pictured at the Rural Seminar with IPAV President Eamon O'Flaherty were Patrick Callanan Athenry (left) and John Joyce, Chapel Lane, Tuam.



Roscommon Agents at the Seminar were (l -r): John Kelly, the Crescent, Boyle, David Diffley and Joe Naughton, the Square, Roscommon Town.



At the Seminar were (l-r): David Diffley and John Earley, Property Partners Earley, The Square, Co.Roscommon; IPAV President Eamon O'Flaherty and Fintan McGill, Ballymahon St. Longford.



Picture at the Seminar were (l - r): Eddie Tormey, Mullingar, Co. Westmeath; John Farrell, Killashee St., Longford; Eamon O'Flaherty, IPAV President and Fintan McGill, Ballymahon St., Longford.



Pictured at the Seminar were (l - r): Billy Johnston, Donegal Town; Eamon O'Flaherty, IPAV President; Keith Anderson, Donegal Town and Paul Reynolds, Letterkenny.



Pictured at the Seminar with IPAV President Eamon O'Flaherty were Limerick GVM agents Tom Crosse, Declan Barry and John O'Connell.



At the Seminar were Roscommon members (l-r): John Gill, Ballinlough; James Kilcoyne, Ballaghaderreen; Eamon O'Flaherty, IPAV President and Cathal O'Brien, Ballintubber.



Stephen Gunne, Property Partners Laurence Gunne, Dundalk, Co. Louth pictured with IPAV President Eamon O'Flaherty at the Seminar.



## North Wicklow Agent spreading his wings to Bray

NORTH WICKLOW IPAV MEMBER RORY FENELON IS SPREADING HIS WINGS HAVING RECENTLY OPENED A NEW OFFICE IN BRAY. TIM RYAN CAUGHT UP WITH THE BUSY AGENT AT HIS NEW OFFICES.

The economic recovery and the increased growth in the property market provided the impetus for North Wicklow estate agent Rory Fenelon to broaden his traditional based in Newtownmountkennedy by opening an office in the busy seaside town of Bray.

Situated about 20 km south of Dublin on the east coast, Bray boasted a population of almost 32,000 in the 2011 Census, a figure likely to increase significantly in the 2016 Census. Rory Fenelon strongly believes that opening an office in the town is a strategic move which places him in a pivotal position to generate more business in the town and surrounding areas.

Like many IPAV members, Rory Fenelon came to auctioneering by a circuitous route. Born and reared on the family farm close to Newtownmountkennedy, Rory grew up in a strong agricultural background and having finished secondary school in Bray went on to study for a degree in Agricultural Science at UCDC. Having graduated, his first job was with the Kerry Group and he later moved to the Kepac Group. When his father became ill, he took the opportunity to work with a local Wicklow agricultural supply company, the Clarke Group and remained with them for four years until they sold out.

But Rory Fenelon always had it in his head to enter the property business IPAV course in the early noughties while securing a job with a local firm which had a number of offices in North Wicklow. Rory quickly gained experience and was appointed manager of the Enniskerry office where he remained until the group ceased trading in the recession.

### Out on his own

Although it was now the midst of the economic recession, Rory decided the time had come for him to take up the challenge of working for himself and opened his own business in 2007, working mainly from his home office in Newtownmountkennedy.

"When others were leaving the industry, I decided it was time to get in and I have no regrets," says Rory. Using his farming contacts he quickly established a rural base in North Wicklow and slowly added residential and commercial sales and lettings. Four years ago he recruited local graduate Sarah Parker. A native of Greystones, Sarah graduated from DIT Bolton Street with a degree in Auctioneering, Estate Agency and Valuation.



Today, the firm specialises in all aspects of the auctioneering professional other than property management. The principal focus is on residential sales and Rory and Sarah are now concentrating on carving out a portion of the large Bray market while very conscious of retaining their North Wicklow presence. To do this, they are using a variety of marketing tools, including the new office location, high impact boards, their website [www.fenelonproperties.ie](http://www.fenelonproperties.ie), and property portals Daft.ie and MyHome.ie.

Business is brisk and the major problem for them, as it is for most other agents is to source good properties. Three-bed semis in Bray and surrounding areas now fetch between €280,000 and €350,000 depending on location and standard while 2-bed terraced houses achieve in the region of €250,000. The rental market is also strong with 2-bed apartment commanding rents of €1,200 per month and 3-bed semis €1,400 per month.

Agricultural land sales are also vibrant and although not quite as dynamic as in other parts of the country, prices of €10,000 per acre are normal. Upland, which is more suitable for forestry, achieves prices in the region of €4,000 per acre.

'Once a farmer, always a farmer' holds true to some extent for Rory Fenelon and during his spare time he still likes to do some part-time farming with his brother on their home farm. He also likes to spend time with his wife, Therese and their two young children, Katie and Conor as well as keeping in touch with his local GAA Club in Newtownmountkennedy.



## New Director Appointed To Residential Tenancies Board (RTB)

From last April, the Private Residential Tenancies Board (PRTB) has changed its name to the Residential Tenancies Board (RTB), bringing Approved Housing Bodies under its remit.

Approved Housing Bodies are not for profit housing providers, often referred to as housing associations, who provide accommodation for those in need. This new change will ensure that both tenants and landlords of these properties will be afforded protection under the Residential Tenancies Acts and will be able to access the disputes resolution services of the RTB.

According to the 2011 Census, nearly 1 in 5 households in the country were renting their accommodation in the private sector, and that number is estimated to have increased since then. In addition, there are over 30,000 tenants in the Approved Housing Body Sector.

Ms Rosalind Carroll has been appointed as the new Director of the RTB. Ms. Carroll, was formerly Head of Regulation of Approved Housing Bodies at the Housing Agency, which was set up in 2010 by government to support local authorities; approved housing bodies, and the Department of the Environment, Community and Local Government, in the delivery of housing and housing services.

Ms Carroll has considerable experience in the housing sector, having previously worked in the Department of Environment, Community and Local Government and Dublin City Council.

She holds a Master's from the London School of Economics and has qualifications in Regulation. She takes up her new post on April 4th next, and the appointment is for a period of five years. Ms Carroll succeeds Ms. Anne Marie Caulfield, who had served as Director since July 2008, and recently decided to step down to

take up a position at the Department of Public Expenditure and Reform. Dispute Resolution

The RTB has replaced the Courts for the vast majority of Landlord and Tenant disputes. There are two methods of Dispute Resolution available initially.

**Mediation:** This is the simplest and most efficient option. The independent trained Mediator helps both sides of the dispute to reach an agreement. The RTB now offer Telephone Mediation as a convenient way to address disputes quickly and effectively. If the Mediation is not successful, one or both parties can apply to have the dispute dealt with by a Tenancy Tribunal. OR

**Adjudication:** At Adjudication, both parties present their evidence to an Independent Adjudicator who makes a determination on the issues in dispute where no agreement can be reached. The Adjudicator's decision is binding unless there is an appeal to a Tenancy Tribunal.

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## Young Professionals Network (YPN)



Following the Young IPAV AGM it was agreed by the committee to rename Young IPAV to IPAV 'Young Professionals Network', an initiative created to expand educational, networking and social opportunities for young Auctioneering Professionals.

"This network will connect the next generation of Auctioneers," said Ray Smith, Chairperson of the IPAV Young Professionals Network.

"It is an exciting new offering, and demonstrates IPAV's commitment to our young professionals. It will expand the knowledge and share opportunities within our industry with colleagues at other firms and learn from distinguished industry leaders and experts, as well as the IPAV Council".

The YPN Calendar of Events will include educational seminars, networking events, and Social events. The first event is a BBQ at IPAV on Friday 8th July at 6.30pm and YNP welcomes all young colleagues to this informal networking event.

Further events are planned in September and December. Details will be circulated to members in due course.

*Chair: Raymond Smith, Padraig Smith Auctioneers; Vice Chair: Niamh Maguire, Sherry Fitzgerald; Secretary: Ailish Wall, DNG Ailish Wall. Steering Committee: Niamh Giffney, DNG Royal County; Jack Long, Vincent Finnegan Auctioneers; Steven Blanc, Sherry Fitzgerald Blanc and William Bradshaw of DNG.*

## IPAV Education Programme 2016/17

### Estate Agency Courses

#### Higher Certificate in Real Estate Valuation, Sales & Management – in collaboration with ITT Dublin

- Level 6, 120 ECTS credits – approved by the National Property Services Regulatory Authority (NPSRA)  
Lectures held at ITT, Dublin on Saturdays over two consecutive years.

#### Former IPAV Graduates can also do a Top-Up module to attain the above Level 6 Certificate

#### Valuation Course TEGoVA Residential Valuer (TRV) (For IPAV members only).

- IPAV are the awarding body for TRV status in Ireland. On completion, successful candidates qualify to Blue Book valuation standard, recognised by the European Central Bank. Registration is now open.
- **Course Dates:** Friday's 2nd September and 30th September 6pm-9pm  
Saturday's 3rd & 10th September and 1st & 8th October 9am-5pm
- **Course Location:** IT Tallaght, Dublin 24  
Registration forms are available to download [www.ipav.ie](http://www.ipav.ie)

### Fine & Decorative Arts Courses

#### Diploma in Fine & Decorative Arts (1 Year)

- Lectures held on Mondays and Tuesdays (10.00am – 3.30pm)  
IPAV Headquarters, 129 Lower Baggot St., Dublin 2

#### NEW: Certificate in Fine & Decorative Arts (1 year)

- Lectures held on Tuesday evenings (6.30pm – 9.30pm)  
IPAV Headquarters, 129 Lower Baggot St., Dublin 2

#### 20th Century Irish Art Lecture Series (16 weeks)

- Lectures held on Wednesday of each week  
IPAV Headquarters, 129 Lower Baggot St., Dublin 2

#### Genius of Germany – Art and Design from the Renaissance to today (16 weeks)

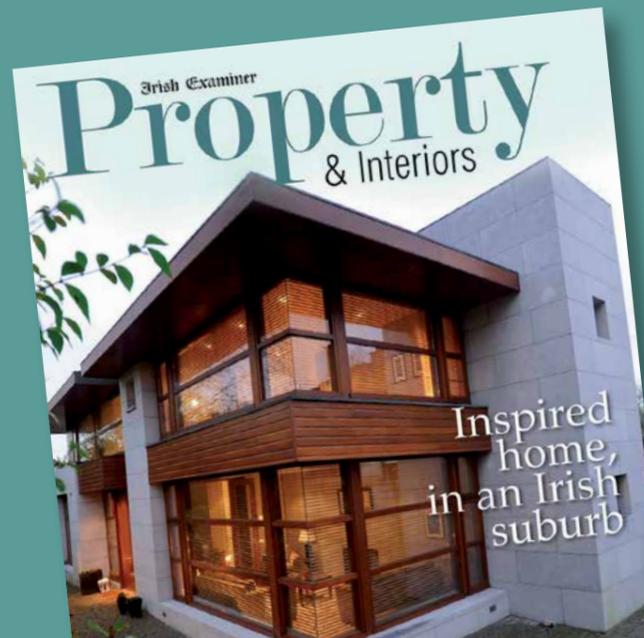
- Lectures held on Monday evenings (6.30pm – 9.30pm)  
IPAV Headquarters, 129 Lower Baggot St., Dublin 2

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Jennifer Downey, Leixlip, Co. Kildare who received a Diploma in the Fine and Decorative Arts.



Gemma Brazil, Killiney, Co. Dublin who received a Certificate in the Fine and Decorative Arts presenting Course Director Roxane Moorhead with a bouquet of flowers on behalf of all the participants.



Marie Gorman, Athleague, Co. Roscommon who received a Diploma in the Fine and Decorative Arts.

## Presentation of Diplomas and Certificates in the Fine & Decorative Arts

The annual presentation of IPAV's Certificates in the Fine & Decorative Arts courses took place at a special function in the Stephen's Green Hibernian Club on the evening of Thursday, May 19th.

IPAV President Eamon O'Flaherty, in what was his last official function in office, said he was delighted to welcome guests, including many luminaries from the world of the Fine & Decorative Arts world. He paid tribute to Roxane Moorhead and all the lecturers for their wonderful efforts and dedication over the years.

Over the past 29 years, he said IPAV's courses in the Fine & Decorative Arts have developed an excellent reputation both in Ireland and also overseas. During that time it has seen students from every county in Ireland and every Continent outside. The list of names and addresses on our files was a virtual trip around the entire globe!

"On numerous occasions former students have dropped a note, or an email, to Head Office to say how much they enjoyed the course and how it has benefitted them in their life either as a hobby or in building a career path," he said.

The President added that he was always amazed how news about the courses circulates primarily by word of mouth!

External examiner Dr Paul Caffrey complimented the class on their work.

All Fine & Decorative Art courses begin again this autumn and anybody interested in participating should contact IPAV Headquarters without delay. For further information [www.ipav.ie](http://www.ipav.ie) or e-mail: [info@ipav.ie](mailto:info@ipav.ie)



Julia Browne, Dún Laoghaire, Co. Dublin who received a Certificate in the Fine and Decorative Arts with her parents Vincent and Jean.



Members of the Certificate in the Fine and Decorative Arts class with Course Director Roxane Moorhead



Dr Paul Caffrey, External Examiner addressing the audience at the presentations.



Andrew Nangle, Kilmainhan, Dublin 8 who received a Diploma in the Fine and Decorative Arts.



Anna McManus, Trim, Co. Meath who received a Certificate in the Fine and Decorative Arts.



Darragh Murray, Dublin 2, who received a Certificate in the Fine and Decorative Arts.



## Leadership: Turning Crisis into Opportunity?

BY PETER BRADY, CHAIR, IPAV EDUCATIONAL ADVISORY COMMITTEE

**I**t was the American comedian and film maker Woody Allen who said of President Obama in a deadlocked political situation: "It would be good...if [Obama] could be dictator for a few years because he could do a lot of good things quickly."

And isn't there something in us all that long for some form of benign political dictatorship to cut through the muddle of modern political life to solve the problems of homelessness, poverty, healthcare and even water!

Oh to dream! What a pickle we are in and all we can do is hope that the new political dispensation will provide the opportunity to learn, at last, from our past and move to a new invigorated and dynamic Republic.

But recent political developments have the tendency to make me despair that we will never learn from the mistakes of the past. It seems the same old arguments and the same old opportunistic opposition predominate in spite of all the talk of new political realities.

So, let us indeed hope that the days of the large political parties and (maybe) the political dynasties are in their final death throes; but forgive me dear reader, if I lapse into melancholy at the state of the political discourse in this time of change.

I realise it takes time to move from the opportunism that characterises politics as we know it. On the one hand, we have the old parties asserting their differences and bent on gaining power no matter what it takes. The party above all – *partie uber alles*. On the other hand, we have those in the ranks of the independents and smaller parties/groups who assume the monopoly on empathy and social justice, but strangely appear to be willing to allow those they oppose to assume power in the belief that any contact with establishment parties would contaminate them. They choose to wait for the day the public will deliver them a majority. It is a position I fear, that is strangely like Vladimir and Estragon waiting for Godot.

### A positive thing

Taking politics to the streets can be a deadly dangerous game. And here let me say that public demonstration of anger and frustration can be a very good and positive thing; but let no one doubt it can also be exploited by those with a political agenda. In the absence of strong public leadership, public demonstrations like we have seen recently can give rise to very bad decision making. Further, it can create social and political tensions that make decision making challenging, to say the least. And we have been provided with a good example of that with the creation of Irish Water and the disastrous attempts to sell it to the public.

In circumstances of strong public protest, strong political leadership is required. And here I would like to quote the words of Hugh White a columnist and professor of Strategic Studies at the Strategic and Defence Studies Centre Australian National University: "Weak politicians

*allow their policies to be dictated by public opinion. Political leadership changes public opinion to support good policy."*

The tragedy for this country is that the idea of strong political leadership is seen in very narrow terms. And ambition is often viewed with suspicion. Perhaps this is because many people perceive ambition to be self-centred and self serving in nature.

Ambition for your country is a different thing. It will inevitably involve conflict with prevailing attitudes and beliefs. It requires moral strength and courage to persevere in the face of prevailing public opinion. Strong political leaders do not allow public opinion to dictate policy, rather they rely on persuasion and argument to achieve their ends.

I fear that such leadership is not evidenced in Ireland today and it is not for want of historical examples. This is the country that produced Grattan, O'Connell Parnell and Davitt to name a few. Perhaps, it might be argued, it was easier in their time to offer the kind of leadership alluded to above. In the modern world with 24/7 news and talk radio filling the air, it is inevitable that a backlash of some form or other will follow on any policy announcement; so much so that it is almost impossible to make the radical decisions often required to achieve change.

### 'Noise'

It appears there is a pressure or advocacy group for every cause and individual, and no sooner is a policy discussed or in prospect than the air waves hop with protestation. There is considerable 'noise' as they say, and it can be difficult in such situations to obtain clarity.

Let the hare sit, is the frequently adopted reaction.

Confronted by an angry public, our politicians frequently bow to the pressure in an attempt to hold on to power. Public awareness of issues has never been higher given the coverage afforded by the various radio and television media. Talk radio is a convenient outlet for the general public and is a means by which awareness of issues is often brought to the attention of the listeners. It is frequently the main source of information for them.

The fact is what we call public awareness is often shaped by the media. The issue is not necessarily one of censorship, but an awareness of the conventions followed by the media in presenting information to the public. Very often the medium itself is the message – to quote Marshal McLuhan. Messages are constructed to appeal to mass audiences and are therefore presented in a form not normally experienced by the individual in his/her daily life. The use of technology in constructing the message has as much to say about understanding what is presented rather than what is said.

Is public awareness then a media construct? This I think is a very interesting question because it challenges our perceptions about people places and events.

Now while I don't want to sound like an alarmist, or worse, some kind of media Luddite, I think there are issues to be addressed here. The big question for me is, if the media is the means by which public awareness is created, how does the presentation of the message colour that perception? How significantly does it add to our understanding of issues?

And that brings me back to the issue of leadership. It is the Governments job to govern, to conduct the business of the state. How individuals behave is one thing, but the larger issues that determine our health safety and security are the real business of government. While the public may shape what our politicians think and what they can do, just how far they can or are willing to go is another thing. I suppose it depends on the politicians and their ambition for the country.

The weak politician will always bend to public opinion and very often the result is not very good for the country. Short term gain is often the option taken rather than what is in the best interests of the nation as a whole.

### A different approach

Good political leaders will take a different approach. They will use their position to change public opinion to advance good policy. They will be erudite in their arguments and have the detail and passion to promote their policies which will be supported by argument and evidence. In this way they will contribute to the shaping of public opinion and set the terms for the media presentation.

While it may be possible to change individual behaviour by means of the carrot and the stick (as with the smoking ban and other such regulations), it is not necessarily the means by which a country is governed. There has to be a buy in and that can only be achieved by the kind of leadership that, alas, I believe is absent from the political landscape at the moment.

One of the authors of the American Constitution Thomas Jefferson remarked in 1774: "It behoves you, therefore, to think and act for yourself and your people. The great principles of right and wrong are legible to every reader; to pursue them requires not the aid of many counsellors. The whole art of government consists in the art of being honest. Only aim to do your duty, and mankind will give you credit where you fail."

The question remains: Is our political class up to the challenge and can crisis be turned into opportunity? There's the crowd, I'm the leader, I'd better follow them. Let us hope that this form of political leadership once observed by the political columnist John Healy is no more. It is a big challenge and I will watch while holding my breath!

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