A large, high-contrast, black and white close-up portrait of Paul O'Connell's face, looking directly at the camera with a serious expression. The lighting is dramatic, highlighting the texture of his skin and the intensity of his gaze.

**RUGBY LEGEND  
PAUL O'CONNELL  
JOINS IPAV'S  
NATIONAL  
CONFERENCE  
GALA DINNER  
AS SPECIAL GUEST**

Blue Book Valuation  
Standards Lead the Way

Pat Davitt

History of Architecture  
and Interiors at IPAV

Christopher Moore

Agricultural Land Finds  
a New Pricing Level

Shirley Busteed

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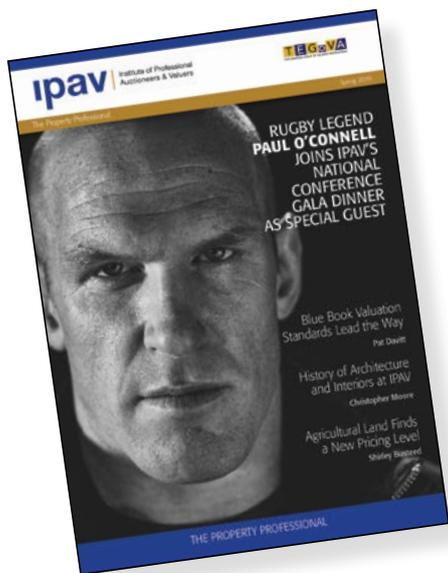
\*Source: JNRS 2014/2015



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# Message from the CEO

The year is already well advanced and plans are in full swing for IPAV's National Conference 2016 which takes place in Castleknock Golf and Country Hotel, on Saturday, June 11 where I hope there will once again be a large turnout of members from the four corners of Ireland. The Annual Conference is the flagship event in our annual calendar and the location on the outskirts of Dublin this year should make it very convenient for those who wish to visit the capital and enjoy a weekend away from the office. We have many foreign guests this year from TEGoVA, NAR and Spain.

We are delighted - and thanks to Pinery's sponsorship - to have as our Guest Speaker at our Gala Dinner Irish rugby legend Paul O'Connell. Paul has been an inspirational sportsman for every Irish person and we are truly looking forward to welcoming him on this occasion. Details of the Conference and of some of the major IPAV events for the remainder of the year are on page 7 of this issue and I would ask all members to make a note of them. The day before the Annual Conference we will be running another CPD day which many members can combine with the National Conference.

Monday February 15 last was the date for our Spring Seminar when over 100 IPAV members attended at Dublin's Ashling Hotel. The theme was the changes to the legislation governing residential tenancies and we were delighted to host the Director and Assistant Director of the Private Residential Tenancies Board (PRTB) along with Eversheds solicitor Keith Underwood. There is a centre spread picture special from the event in this issue along with an interview with the outgoing PRTB Director. Our Agri-Committee are hosting our Summer Seminar in the Hodson Bay Hotel, Athlone, on Wednesday, 4 May. Details will be sent to members shortly.

In this issue we also give a summary of IPAV's proposals on tackling the housing crisis which we have sent to every newly elected TD in Leinster House. These proposals include a reduction in the VAT rate on new homes from 13.5% to 9% and an easing of the Central Bank lending restrictions providing the Government makes available building finance at low rates to builders and, in turn, they would cap the building price of new homes. We are also calling for the appointment of a full Cabinet Minister for Housing. IPAV believes these are all very logical and deliverable suggestions which I hope the new Government will take on board. The proposals also include the vacant site levy which was introduced in 2015, and in this regard, on pages 10 and 11 Dublin City Senior Planner Kieran Rose gives the background to the Urban Regeneration and Housing Act which was enacted into law last year.

In our member profile section, we feature two IPAV members, Dublin's Ray Cooke who has recently opened his third office in Terenure and Cork's Sonya Irwin who faces the challenges of balancing life and work in a busy practice.

I look forward to meeting you in Athlone and Castleknock.

Best wishes  
Patrick Davitt  
CEO

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THE PROPERTY PROFESSIONAL  
IS THE MAGAZINE OF  
THE INSTITUTE OF PROFESSIONAL  
AUCTIONEERS & VALUERS  
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PROPERTY PROFESSIONAL  
SPRING 2016

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# President's Message

Welcome to the Spring 2016 edition of the *Property Professional*.

The year is already well advanced and I am now into the final months of my term as President. To date, I have immensely enjoyed the privilege of representing IPAV members at various meetings and functions and I look forward to the remainder of my term with great enthusiasm. I have been particularly delighted to see members turn up in such large numbers at our seminars, TRV and other courses and it is clear that the Institute is on the up and moving forward rapidly.

Nowhere is IPAV's progress more obvious than in our affiliation with TEGoVA, the Association of European Valuers where the Institute is now leading the way in many areas of activity. The European Valuation Summit, which IPAV organised in Dublin on 4 November last and which explored the whole concept of Mortgage Lending Value (MLV) saw the greatest ever turnout of members and was a major landmark occasion for the Institute. I am already looking forward to this year's Summit which will take place in Malahide, Co. Dublin on 21 October.

I am delighted to say that the Institute now has almost 250 qualified and trained Valuers to either TRV or REV standard. And more are being trained this year. I look forward to the day when virtually all IPAV members will hold a TRV qualification which will be a great achievement for IPAV.

The recent upturn in construction activity has seen an increasing shortage of skilled people for the property industry. This was borne out in a recent survey by the Association of Consulting Engineers of Ireland, Engineers Ireland and the Society of Chartered Surveyors who all pointed to the distinct lack of graduates which will be a critical concern for the country's future economic development.

A career in auctioneering and estate agency is now one that offers a very rewarding career to our young people and those finishing second level schooling and looking at their options. In this regard, IPAV runs an extensive education programme and I would urge all members to inform family members and other school leavers, or those seeking a change in career, to consider undertaking one of our courses. Hopefully, some of those who abandoned the profession during the recession and moved abroad will now consider returning home again and re-entering the property industry, but this time on a more sustainable basis.

On the broader front IPAV continues to be active in representing members' interests in all aspects of matters that are of concern to the industry. One of the areas of particular concern to me is the revitalisation of our rural towns and villages and while some progress has been made, it is a matter I will be taking up again with the new relevant Government Ministers. Indeed, one of the failures to date in the economic recovery is to reduce construction costs to a level that is viable for builders and developers to start building again. While there are numerous cranes on the skyline of our capital and major cities, most are engaged entirely in commercial projects and this is an issue that must be addressed urgently.

Finally, I wish to remind members that our Annual Conference takes place in Castleknock Hotel and Country Club on Saturday, 11 June and I look forward to a major turnout for what promises to be an enlightening and enjoyable weekend.

Best wishes

*Eamon O'Flaherty FIPAV MCEI*  
President



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# Blue Book Valuation Standards Lead the Way

BY PAT DAVITT, CEO, IPAV

I am delighted to report IPAV currently has 237 qualified and trained Valuers to either TRV (TEGoVA Residential Valuer) or REV (Recognised European Valuer) standards. And we'll have a further 70 trained before the European Mortgage Credit Directive is transposed into Irish law this year.

Members often ask me about the differences between the Blue Book and the Red Book. The main difference is the Red Book is underpinned by International Valuation standards and the Blue Book by European Valuation Standards (EVS). While sharing many definitions and concepts with the other books, the Blue Book standards are strongly and systematically predicated on EU law. EU real estate and valuation policies increasingly impact and shape the valuation profession and a high purpose of EVS is to ensure that this EU regulatory backdrop is transposed into Blue Book valuation standards.

The Central Bank of Ireland and the European Central Bank recognise and accept both books but the ECB goes a step further. It emphasises that if other valuation standards are chosen by Valuers, in the event of conflict arising, the Blue Book EVS prevails above all other standards. This gives the Blue Book EVS prominence and default status in Europe which is very important for IPAV and TEGoVA, IPAV's partner in Europe, which publishes the Blue Book.

## TEGoVA Spring Conference

The newest Blue Book EVS 2016 will be launched in May this year at the TEGoVA Spring conference in Brussels. It will be much larger than EVS 2012, with new chapters on Mortgage Lending Value and Greening Values, as well as the new European definition of Open Market Value.

However, neither the 2012 nor the 2016 Books provide practical information on how to conduct a property valuation or provide associated training materials. In each of the last two years, IPAV, as lead country, along with five of our European colleagues, applied for funding for such training and it has now been granted from the Erasmus Plus programme of the European Commission for this year. It is intended to support the development of learning materials to be used both in a training context and as a guide for professional practice in the industry. The project will develop:

- A general training manual and modules to support new EVS work based on training modules produced by the partners in the project;

- Support for partner countries to undertake their own modifications to the material to enable them to comply with local national standards and requirements;
- Dissemination procedures and training sessions on EVS using developed training modules and templates;
- An appropriate infrastructure to enable updating of the outputs from this project;
- Consideration will be given to existing, new and proposed European Directives and other relevant legislation.

Longer term, the training pack developed will be available to each IPAV and TEGoVA member, reaching a potential audience of over 140,000 individual Valuer practitioners across Europe. IPAV will ensure that training encompasses those who commission valuations: banks. From June this year, IPAV will offer a short training course to all bank managers in Ireland on the new Blue Book 2016 standards. This element is critical to the success of the whole programme since those seeking valuations from our members need to have knowledge of the standards.

## May 2016

By May 2016 the Department of Finance Statutory Instrument (SI) defining National Valuation Standards is expected to be in place in Ireland. We understand this will set out the standards of all three books Blue, Red and White, and it will provide for IPAV/TEGoVA to regulate our Valuers. IPAV's regulation system of the Blue Book can ensure 100% compliance with the highest standards. Every Valuer who holds a TRV or a REV qualification will, each year, have one Blue Book valuation and other documents examined by the IPAV compliance dept. and must complete 20 hours of Valuation CPD. IPAV and TEGoVA take high standards very seriously. It is in all our interests that our Valuers are professionally competent and sufficiently independent, which is the corner stone of the new European Mortgage Credit Directive.

So into the future it will not be unusual for Valuers to receive an instruction from a financial institution asking for a property valuation to (NVS) National Valuation Standards, and the valuation must be completed by a competent professional Valuer named on the bank's panel of Valuers.

This is a very positive step for IPAV as it professionalises the valuation side of our business like the PSRA regulation did on the auctioneering side. I am proud that our organisation has taken such a clear lead in the industry in this regard. Enhancing qualification standards means better qualified Valuers and better quality valuations in Ireland.

# IPAV Proposes Series Of Measures To Tackle Housing Crisis And Slash New Home Prices

**T**he new Government needs to incentivise small and large builders by making building finance available at interest rates of between 1pc to 3pc, IPAV has stated in a new document entitled *'Tackling the Housing Crisis'* and targeted at the new Government. The organisation says mezzanine finance currently available at exorbitant rates of 15pc to 20pc, is prohibitive and all such costs are passed on to the house buyer.

IPAV is also calling for the Department of Environment, Community & Local Government to be empowered to provide such finance to builders who may wish to participate in an Agreed Price Building Scheme (APBS), which would be in the region of €100 per sq. foot, excluding site costs and works. The organisation estimates that the combined measures could slash €25,000 from the cost of a typical home.

It says the measures would be fail-safe since the Government could readily borrow from the ECB at historically low interest rates, and the monies would be repaid to the Government as the properties are sold.

Among the other measures in the document are:

- A VAT rate reduction from 13.5pc to 9pc cutting an additional €7,000 approx. from the price of a home with no loss to the Exchequer since it would benefit from an increased volume of house sales
- A full Cabinet post for the housing sector
- An easing of the Central Bank mortgage lending restrictions by increasing the loan to income ratio from 3.5 times income to 4 or 4.5 times income
- Increasing the number of areas of operation of the new Development Contribution Rebate scheme beyond Dublin and Cork to prevent the kind of acute shortages currently being experienced in these cities reaching regional centres in the next 18 months. The scheme during 2016 and 2017 offers, subject to certain conditions, between 80pc and 100pc rebate on development levies paid
- Extending the scope of this scheme to include developments of less than 50 units
- A review of the recently introduced Vacant Site Levy of 3pc to ensure it is sufficient to serve its intended purpose of preventing the hoarding of sites by speculators and bringing more land in city centres into production

Pat Davitt, Chief Executive of IPAV said the series of measures are intended to "release the stubborn impediments that are central to deepening and exacerbating the current housing crisis.



Choice is diminishing and social change is being foisted upon people. Those who can't rent are falling into homelessness, are being temporarily housed by the State in hotels or are staying longer with their families. Those who can't buy are renting longer or are being pushed out into the suburbs. Cohorts who feature less frequently in the current public debate are those who build properties but who have become 'can't builds' as a result of non-viable building costs."

He said house prices nationally are still 35pc to 40pc behind the peak of 2006. Second-hand homes in many areas of the country are being sold for substantially less than the cost of new builds. In the Greater Dublin area, he said the majority of building is happening in areas which can command higher sale prices.

"Social change of the nature currently happening as a result of the housing crisis should not happen as a by-product of policy or lack of a policy direction or even undue influence of specific sectors but rather as a definitive policy formation arising from planning cohesively and thoroughly for a sustainable property market," he added.

IPAV's document questions the policy of NAMA in continuing to sell large numbers of residential units to foreign investment funds and says consideration should be given to NAMA supporting Irish governmental institutions such as housing agencies in acquiring properties.

It also calls for a full Cabinet position for housing and states: "The prolonging of the housing crisis is not helped by the current 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. We would encourage the new Government, whatever form it takes, to appoint a full cabinet minister with responsibility for the housing sector."

It also recommends the setting up of a consultative Property Council, comprised of all stakeholders to advise the new Minister.



# The European Professional Card (EPC) for Estate Agents

BY JANET K. GRIFFITHS, POLICY DIRECTOR, CEPI-CEI

**O**n 18 January 2016, it became possible for estate agents to use a new way to have their qualifications recognised if they want to work elsewhere in the EU. This is the purpose behind the EPC. The new procedure is intended to be a simpler and quicker way of enabling professionals to exercise their right of free movement to offer services. It does not replace the existing system of recognition of qualifications in the EU, but complements it by providing a more up-to-date and transparent alternative procedure. It has been introduced initially for five professions: nurses, pharmacists, physiotherapists, real estate agents and mountain guides.

Despite its name, the EPC is not a physical card, it is an electronic certificate. It is also voluntary, it will be up to the individual professional to choose to use it. It was introduced by the European Commission as an initiative in the modernised Professional Qualifications Directive<sup>1</sup>. That Directive sets out the rules to be followed when professionals want to offer services in an EU Member State other than that in which they are already based, and in which the profession they want to practice is regulated.

There had been concerns that the system for the recognition of qualifications was slow and uncertain and could work better. The EPC is intended to address those concerns. It does so by making some innovations. Instead of having to identify the relevant authorities in the country he or she wants to work in, and then contacting them, the professional can go to a dedicated website ( [http://europa.eu/youreurope/citizens/work/professional-qualifications/european-professional-card/index\\_en.htm](http://europa.eu/youreurope/citizens/work/professional-qualifications/european-professional-card/index_en.htm) ) and make an online application for the EPC. That application will be checked first by the authorities in the country in which the professional is based. This should be easier because the authorities in the professional's home country will be familiar with the qualifications and experience presented. Also, it cuts down on language difficulties. Once the home authorities are satisfied, the information is transferred via a secure network known as the Internal Market Information System to the authorities in the host Member State.

*..the EPC is not a physical card, it is an electronic certificate. It is also voluntary, it will be up to the individual professional to choose to use it.*

## Host Member State

The national authorities in the host Member State will check the application. If they consider that there is a substantial difference in the level of education, training and professional experience of the professional and their

own national requirements, they can impose conditions such as an aptitude test or traineeship. There are strict deadlines to be complied with. The application must be acknowledged within a week with information about any missing documents and fees. It must be reviewed within one month by the home authorities, the host country must then make a decision within three months. Reasons must be given for any rejection. Once the application has been approved, the professional can then generate the electronic certificate which serves as proof that qualifications have been recognised for that particular country.

When making an application for the EPC, a professional can apply on a temporary or permanent basis. There is no strict definition of what is meant by temporary provision of services, it is looked at on a case-by-case basis, but it relates to the short term or occasional provision of services, and the requirements for the professional in that case are simpler. If the EPC is granted for the temporary provision of services it is normally valid for eighteen months. If it is granted for permanent establishment in another EU Member State it is valid indefinitely.

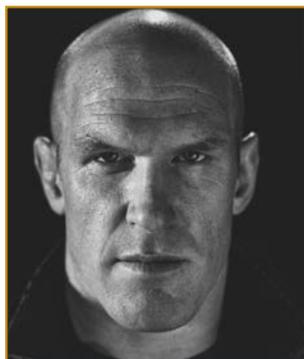
## Reference number

The online nature of the procedure will also make it easier to track the progress of an application. An application has to be made for a particular country, but if, in the future, the professional wants to make an application for another country, the file will already exist in the system which should make the process quicker. The EPC will have a reference number, which may be used by employers, professional organisations, or other interested parties, to check its validity.

The regulation of estate agents varies greatly throughout the EU. In some countries (as in Ireland) they are regulated, in others they are unregulated. There are differences in levels of regulation. The hope is that the EPC will prove to be an effective tool enabling estate agents to have their qualifications and experience recognised more simply than before, putting them at the forefront of developments in the recognition of professional qualifications in Europe. If successful, the EPC will be extended to cover more professions in the future.

*1: Directive 2013/55/EU of the European Parliament and of the Council of 20 November 2013 amending Directive 2005/36/EC on the recognition of professional qualifications.*

*The CEPI-CEI group represents over 30 national associations and represents more than 250,000 real estate professionals in the EU and EFTA countries. Its objective is to voice the interests of the real estate sector and professions to the European institutions, improve market knowledge, strengthen working relationships between professionals and oversee their professional ethics, professional practices and quality of education. See [www.cepi-cei.eu](http://www.cepi-cei.eu)*



## Rugby Legend Paul O'Connell to be Guest Speaker at IPAV Annual Conference

**I**rish rugby legend Paul O'Connell will be the Guest Speaker at IPAV's Annual Conference Dinner which takes place on Saturday, 11 June in the Castleknock Hotel and Country Club.

The AGM will take place in the morning as usual with an Afternoon Seminar featuring speakers on topics of interest and relevance to IPAV members. The Seminar will carry CPD points for REV and TRV members.

IPAV Senior Vice-President Alan Redmond is set to take over the chain of office from outgoing President Eamon O'Flaherty and will address the afternoon seminar on his priorities for the year ahead.

Paul O'Connell is Ireland's third most-capped player and the joint-twelfth most-capped international player in rugby union history. O'Connell has captained Munster, Ireland and the British and Irish Lions. On 9 February this year he announced that he was retiring from all professional rugby based on medical advice, following the injury he suffered during the 2015 Rugby World Cup with Ireland. "Again this year IPAV has decided to confine the Conference to one day, making it more affordable and accessible for members throughout the country," said IPAV CEO Pat Davitt. "Castleknock Hotel & Country Club is an award-winning modern 4-star hotel, located beside the Phoenix Park in Dublin and thereby very convenient for members who wish to extend their weekend in the capital. The hotel is just 15 minutes from Dublin city centre and 20 minutes from Dublin Airport but feels like a world away from the bustle of the city with its tranquil countryside setting. I hope we will have a very large turnout of members for the weekend."

Full details of the Conference will be sent to members in the coming weeks.



Incoming President  
Alan Redmond



Ivan Yates



Castleknock Hotel and Country Club.

## AGM & Conference

Saturday, 11 June, 2016

Castleknock Hotel & Country Club

### Schedule:

11.00 am	AGM
12.00 noon	IPAV National Council Meeting
12.00 noon	Trade Stand Exhibition
12.30 pm	Lunch
2.00 pm	Photo opportunity
2.30 pm	Annual Convention – Facilitator: <i>Ivan Yates</i>

### Opening Address

*Minister (TBC)*

### Address by Incoming IPAV President

*Alan Redmond* FIPAV TRV MCEI

### Property Prices over the past 150 years:

*Karl Deeter and Frank Quinn*

### The new Blue Book, 8th Edition, 2016:

*John Hockey, TEGoVA*

### A day in a Spanish Valuer's life:

*Campbell Ferguson*

### Closing Address: IPAV CEO

*Pat Davitt* FIPAV REV MCEI

5.00 pm	Recess
7.15 pm	Conference Reception
8.00 pm	Black Tie Gala Dinner. Guest Speaker: <i>Paul O'Connell</i>



# The Return of the Buy-To-Let Investor

BUY-TO-LET RESIDENTIAL INVESTORS ARE BACK BORROWING AND THEY DON'T NEED CAPITAL GAINS TAX INCENTIVES TO ENCOURAGE THEM. DONAL BUCKLEY REPORTS.

**L**atest figures for buy-to-let mortgages show a 33% increase to 1,370 in the number of Residential Investment Loans (RILs) taken out in 2015. Not a lot by boom time standards but it shows that the turn in the investor tide, which was first seen towards the end of 2014, is now gaining momentum. Furthermore it is not confined to cash rich investors but includes those confident enough to risk borrowing in order to acquire an investment.

This is especially reflected in the increase in the RILs taken out in the last Quarter of 2015. Considering the surge in investor purchases in the run up to the ending of the Capital Gains Tax incentive in December 2014, analysts would not have been surprised if the level of RILs in Q4 2015 were below those in the last Quarter of 2014.

The only ones surprised may have been those who believed that investors were fleeing the market. During the last three months of 2014 investors drew down 395 mortgages and in the same Quarter of 2015 the draw downs increased by 9% to 430 RILs. These figures are provided by the main mortgage lenders to the Banking and Payments Federation Ireland (BPMFI).

When it is considered that cash buyers account for about half of all home purchases and an even higher proportion of investor purchases, the figures nail the myth that investors are shunning the market. Indeed a Savills' analysis of the rental market shows an increase of about 3,000 to 461,000 in the number of rented households during the first six months of 2015. The RIL figures also show an even bigger increase of 36.5% in the value of the mortgages drawn to €157 million in 2015 or an average of €114,600 per mortgage. So investors are also borrowing greater amounts.

## Volatile stock market

A comparison of the latest yields with bank deposit rates and considering the volatility of stock markets, the return of investors to property is not at all surprising. Furthermore, with rents increasing strongly and the rate of price increase slowing down, this means that investors are benefitting from increased yields. Increased yields should be a surprise considering that strong economic and demographic growth usually compresses yields as is happening in the Irish commercial property sector.

In contrast, rising residential yields are seen in many sectors of the market in both Dublin and the regions according to an analysis of Daft's rental report for 2015. Practically all areas of Dublin have seen gross yields increasing for one, two and three bedroom homes. Yields for four and five bedroom homes also increased in the post code areas of Dublin 1, 2, and 4 while Dublin 3 and 6 also saw yields increase for four bedroom homes. But the

yields on five bedroom houses in all other areas of Dublin and in most of parts of the country continue to fall as they have for some but not all four beds.

The capital's highest yields increase in 2015 was seen in Dublin 22 including Clondalkin where one bed yields increased by 200 basis points (bps) to 10.4% on the back of a 13.6% increase in rents to €916 per month.

Nevertheless that area's yields are second to Dublin 10, including Ballyfermot, where yields increased by 150bps to 10.5% on the back of an 8.6% increase in rents to €900 per month.

Dublin 17 which includes places such as Clonsilla, saw the strongest rental increases in 2015 with one bed rents up 17.3% to €979 per month and two beds up 17.1% to €1,113 per month. Consequently yields there rose to 10.1% and 8.6% respectively.

Investors have traditionally considered such areas at the riskier end of the curve but the high level of rents may well help to reduce such risks. Indeed rising rents may encourage professional couples to become tenants in less sought after areas and thus help improve the tone of some neighbourhoods and the value of the properties. Increased rents in areas susceptible to gentrification have seen two bedroom houses in Dublin 7 and 8 reaching yields of 6.8% and similar properties in Dublin 2, 5 and 9 achieving 6.4%.

## Trends not confined to Dublin

The latest Daft rental survey shows that increasing yields trends are not confined to Dublin. With rents trending stronger than prices, yields increased for one bedroom homes in all counties and cities. In Leinster all counties except Wexford saw yields rise for two bedroom houses. Some of those increases brought them into double digit yields. Notably Longford one beds are now yielding 12.1% up 250 basis points (bps). Roscommon one beds still lead the way with an increase of 110bps bringing their yields to 13.1%.

Despite rent increases for two and three beds in all cities and most counties, yields on these types of homes fell in the cities of Cork, Galway, Limerick and Waterford as well as in all the counties in Munster, Leinster and Connacht. This suggests that house prices are rising more strongly in those markets. However, reflecting the increased demand among first time buyers for commuter homes, yields for three beds fell in all Leinster counties except Carlow, Longford and Offaly.

While the investors are increasing their share of the purchasing market, based on the RIL figures they still account for only 5pc of the mortgage market.

Furthermore a recent Sherry FitzGerald report warned that more investors appear to be selling than buying. "During the year 33% of vendors were selling investment properties, while a further 13% of sales were as a consequence of bank repossessions, many of which would be investment properties. In contrast, only 19% of purchasers were investors, an indication of a significant depletion in available rental properties, which will put further pressure on the rental sector. We estimate that this trend will have resulted in a loss of over 40,000 units from the rental market in the period 2011 to end 2015. Based on the 2011 Census statistics this represents a loss of 13% in the private rented stock," said the firm's chief economist Marian Finnegan.

### Patchy market

The patchy nature of the market may also have been reflected in the lack of purchaser interest in seven County Dublin tenanted units when they went to auction last December.

Located at Robswall, Malahide, Co, Dublin, they included four lots whose guide prices suggested gross yields in the 6.5% to 6.9% range. They included two penthouse units with three bedrooms and floor areas of 103 sq m.

Priced at between €186,000 to €415,000 and with the penthouses guiding €320,000, they appear to have been outside the price ranges set by most private investors who are limiting themselves to less than €200,000 in areas outside the strongest rental markets. Subsequently estate agents QRE have included six of them in a portfolio of 27 Robswall units which it offered to the multi-family market for €6.5m.



Mortgage brokers report cautious but growing investor demand for RILs in response to strong demand for rental accommodation and the relatively low mortgage interest rates when compared with loans for other business investments. At the time of going to press, five banks, AIB, Bank of Ireland, PTSB, Ulster and KBC, offered RIL mortgage rates between 4.6pc and 6.4pc, depending on whether the mortgage is variable or fixed and whether the Loan-to-Value level is under or over 50pc.

Most banks set a maximum limit of 25 years to the term of the loan or an age limit to the borrower who will usually have to pay off the loan by their seventieth birthday. So, unless a person is taking a very small mortgage whose repayments are well covered by rental income, then it may be unlikely that over 55 year olds will get a RIL. KBC sets an age limit of 66 for completion of repayments.

Banks are restricted to lending at most 3.5 times income including personal and rental income. Their assessment of RIL applications also takes into account loss of rental income due to vacancies, maintenance costs, taxes, other expenses such as tenants in arrears. And generally they estimate that at most only

*The only ones surprised may have been those who believed that investors were fleeing the market.*

70pc of rental income will be available from which to make annual loan payments. Some mortgage financed landlords may be able to increase their net yields if they agree to rent to social welfare tenants as they will be able to offset 100pc, rather than the standard 75pc, of the interest costs against tax.

With house price growth moderating and housing supply expected to increase, investors cannot bank on substantial growth in the value of their investment in the medium term. This is yet another reason why investors need professional advice on realistic rental returns from property investment.

## Events for your Diary





## All Public And Private Vacant Land To Be Subject To Levy

IPAV WAS ONE OF THE FIRST BODIES TO SUPPORT THE NOTION OF A LEVY ON VACANT SITES IN DUBLIN CITY CENTRE AS A WAY OF MAKING MORE LAND AVAILABLE FOR BUILDING. HERE, DUBLIN CITY COUNCIL SENIOR PLANNER KIERAN ROSE GIVES THE BACKGROUND TO THE RADICAL URBAN REGENERATION AND HOUSING ACT, 2015 WHICH WILL IMPOSE A 3 PER CENT LEVY ON SUCH SITES.

There has been a lot of discussion in the media about the need to increase housing supply and the supply of office space with concerns expressed about rapidly rising rents and negative impacts on our international competitiveness. One of the key delivery agents is a properly functioning, competitive and fair development land market and concerns have been expressed that we do not have such a market.

In a recent report, *Housing Supply and Land: Driving Public Action for the Common Good*, the National Economic and Social Council (NESC) made the interesting and powerful statement that: "Well before the crisis and current logjam, Ireland's system of land allocation and housing supply was dysfunctional". It went on to state that: "ownership of large amounts of building land in some areas was very concentrated, and these landowners cooperated rather than competed, contributing to poor land market performance." (p18). NESC concludes: "public action is needed to reduce the price of land for development". This is a bracing analysis and recommendation from NESC, one of the key bodies advising the Government and chaired by Martin Fraser, Secretary General to the Government.

The NESC analysis is shared by some private sector developers. One proposal to boost supply of student accommodation is a zero Vat rate on construction of student accommodation according to a report in the *Sunday Business Post* (26.7.2015). However, the report quotes Matthew McAdden co-founder of Ziggurat, student accommodation investors in Dublin, suggested such a move could push up land prices. McAdden went on to state "tax breaks are not the solution; increasing the supply of land available is ... we need to see ... more land coming to the market".

*Well before the crisis and current logjam, Ireland's system of land allocation and housing supply was dysfunctional.*

### Oisín Quinn

As regards Dublin, the strange thing is that there are significant amounts of vacant land in the inner city that have remained vacant and undeveloped despite 15 years of economic boom and tax incentives (60 hectares according to a City Council audit). Many of our towns and cities have similar problems with vacant sites. As a planner with a particular interest in the inner city, I was fascinated by this paradox and thought that a levy on vacant land might be the way forward. As he was about to be elected Lord Mayor of Dublin in 2013 I suggested this to Oisín Quinn, he agreed and set up a vacant land taskforce. IPAV, through its CEO Pat Davitt, quickly came on board with its support. The taskforce made a detailed submission to Government calling for a vacant land levy which I drafted. The submission noted that vacant sites damage the economic potential and general attractiveness of an area for residents, workers, businesses, investors, and tourists. Vacant sites are magnets for anti-social behaviour, vandalism, and illegal dumping, all of which place costs on the local authority and community and others.

The submission went on to note that vacant development land is the only property category that pays no Rates or levies of any kind to the city. Because there is no disincentive currently to a landowner for leaving a site vacant for many years, the taskforce recommended a levy which would incentivise and accelerate its development, or foster its sale to those who have the interest and access to resources, to develop it. The levy would increase the supply of development land on to the market and so would moderate price increases in development land and prices to end users.

It is most welcome that the Government has included a vacant land levy in the Urban Regeneration and Housing Act 2015. The levy was strongly resisted by powerful vested interests so it is remarkably rapid progress from policy proposal in 2013 to enactment in 2015. Now every planning authority must, beginning on 1 January 2017, establish and maintain a vacant sites register and make it publicly available. The levy is set at 3% of the market value with the levy to be payable beginning in 2019. One very innovative feature of the Act is that any money received by a planning authority arising from the levy must be spent by it on the provision of housing or on the development and renewal of regeneration land in the vicinity of the site.

The Bill, as initiated, excluded vacant land owned by housing authorities. However, Minister Kelly introduced an amendment to omit this exemption stating: "This will ensure that all owners of vacant sites will be treated equally

i.e. local authorities will have the same responsibilities under this legislation as private land owners”.

There is a range of other ways to make the development land market more efficient such as increasing the availability of public information on who owns what and where, data on market valuations under the vacant land levy etc., and making all this information available on-line.

### Kenny Report

In their recent report, NESC referred to the 1973 Kenny Report on the price of building land which advocated measures to capture the land value uplift, or betterment, arising from economic and social development. In one of the great ‘what ifs’ of contemporary Irish history, the Kenny report recommendations were never implemented. As NESC puts it: “To some degree, we are facing the same issues and challenges within the housing market over 40 years later.”

I think the vacant land levy could be a real ‘game-changer’ in achieving a cultural or ‘mind-set’ shift that says it is not acceptable for owners to leave their properties vacant and in so doing, damage the common good. Good practice corporate governance will mean that private and public organisations will have to justify why they are paying the levy and placing a cost on the organisation, what practical proposals they have for developing the site/s, and if there are none, why the site/s are not being disposed of. One can imagine, for example, Audit Committees asking searching questions.

The vacant land levy has huge potential to significantly improve our towns and cities and as such this Act is one of the most powerful pieces of planning and development legislation introduced in recent years.

- *Kieran Rose is a Senior Planner in Dublin City Council and drafted the vacant land taskforce submission to Government. The full submission is available on [www.dublincity.ie](http://www.dublincity.ie)*



## Death of former IPAV National Council member

IPAV CEO Pat Davitt has expressed his sympathy on the death of former IPAV National Council member Pádraig Lynch who died on 7 November 2015. Pádraig was an active member on IPAV's National Council for many years and took a particular interest in the Education Committee which he regarded as a core part of the Institute's activities.

As well as being a well-known auctioneer in West Kerry, Pádraig was also very involved in the Fine Gael party locally and played an important role within the GAA as Chairman of Na Píarsaigh. He also served on the West Kerry Board.

He is survived by his wife Máire Clár, his children Pádraig and Róisín, grandchildren Eoghan and Ava, brothers and sisters.

# Irish Farmers Journal Property



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# Private Residential Tenancies Board (PRTB) Director prepares to bow out



ANNE MARIE CAULFIELD HAS BEEN DIRECTOR OF THE PRTB FOR THE PAST SEVEN AND A HALF YEARS. DURING THAT TIME SHE HAS OVERSEEN MANY MAJOR CHANGES TO TENANCY REGISTRATIONS NOT LEAST OF WHICH WERE A NUMBER OF CHANGES INTRODUCED IN DECEMBER 2015 AND JANUARY OF THIS YEAR. SHE SPOKE TO PROPERTY PROFESSIONAL EDITOR TIM RYAN.

## *Q. Tell me a little about your background?*

A. I am from Co. Mayo, from just outside Ballyhaunis, a little village called Tooreen, where I grew up on a farm. I was the second youngest of six children. I went to primary school in Tooreen, and then to an Irish secondary school, Colaiste Muire in Tourmakeady. My third level studies were all completed by attending night classes, as I started working full-time at 18. I completed a Bachelor of Commerce in UCD in 1995 and an MBA in the UCD Smurfit School of Graduate Business in 1999.

## *Q. Where did you work before joining the PRTB?*

A. I've been very fortunate in that I have been given wonderful opportunities in the Public Sector and have been assigned varied and challenging work. I've worked in the Departments of Environment and Finance in areas as diverse as Banking, HR, Public Expenditure and Heritage Protection. In July 2008, I was appointed Director of the Private Residential Tenancies Board, following a Public Appointment Service competition. The Department of Environment granted me a secondment from my Principal Officer position in order to take up the post.

## *Q. How did the recession affect the PRTB?*

A. The recession hit the PRTB in a number of ways: the size of the sector doubled in just five years and demand for our services increased exponentially. At the same time, like all of the other public sector bodies, we had to cope with staffing and financial cuts. The PRTB had to find ways to "do more with less" in the national interest, just like everyone else.

We used to employ 30 Agency staff and sadly we had to let them all go over three years, ending in November of 2011. In addition, our core PRTB staff numbers reduced from 40 to 33. With the support of the DECLG we also moved over a number of years to a self-financing position in 2010, from an annual exchequer grant of nearly €6m in 2007. PRTB staff took the same salary cuts as all other public sector workers. Our Board members, Adjudicators, Mediators and Tribunal Members took cuts in their fees also and the registration fee increased by €20 for Landlords.

The size of the private rented sector doubled in this time, between the Census of 2006 and 2011. One in five people now live in the private rented sector and just under one third of tenancies are socially supported. One side effect of the economic downturn is the nearly four fold increase in the number of Dispute applications. We also saw a change in the nature of those Disputes. "Rent Arrears" has become the single biggest category of Dispute now, following

closely by "Overholding" with "Deposit Retention" the third biggest category.

Another side effect was that when the PRTB Determination Orders were made (ie the outcome or judgement), it was necessary to seek Court enforcement in an increasing number of cases. For example, in 2008 only 100 people did not adhere to their Determination Order but last year enforcement was sought in relation to 638 such cases.

## *Q. What were the major changes you have seen during your tenure as Director?*

A. The staff of the PRTB have implemented a major modernisation programme during my time as Director, with the support of the Board, our Adjudicators, Mediators and DRC Panel Members and our Stakeholders. The Department and a number of other public sector bodies gave us the benefit of their experience in terms of expert advice and practical assistance. We are also fortunate to engage some excellent consultants / companies to assist us also. So it has been a joint effort!

The changes have included:

- The implementation of a major ICT programme with 12 sub-projects. The most visible ICT projects are on-line registration and dispute applications, the website and the Rent Index but a lot more happened inside the PRTB in terms of software to detect unregistered landlords, tracking delivery of legal documents, robust infrastructure etc. We were shortlisted twice for Irish software awards.
- Outsourcing of back-office support to SouthWestern in Clonakilty. They provide support including post handling, data entry and call centre services. We now have 31 staff working on our account!
- The roll-out of a modernisation programme within the PRTB with Business Planning and Performance Management. We introduced processing targets for every staff member and Service Level Agreements (SLAs) for Adjudicators, Mediators, DRC (Tribunal) Members and contractors.
- Improvements are ongoing, for example the more recent very successful Telephone Mediations and we are about to embark on a second ICT Strategy.

The results are:

- Despite concerns that the introduction of regulation might cause an exodus from the sector the opposite has happened and the size of the Sector has doubled. We now have over 319,000 tenancies registered, with over 170,000 Landlords and nearly 700,000 Tenants (not counting all minors).



*PRTB outgoing Director Anne Marie Caulfield with Assistant Director Janette Fogarty, Eversheds Solicitor Keith Underwood and IPAV President Eamon O'Flaherty at the IPAV Spring Seminar in the Ashling Hotel, Dublin.*

- In 2015 alone PRTB processed 105,566 new registrations, we detected and contacted over 15,000 unregistered Landlords, handled over 108,000 telephone queries, in addition to over 60,000 letters and E Mails. It's a high volume operation.
- Our Dispute Resolution service (Adjudications / Mediations) handled 4,023 Disputes in 2015 (or 6,808 alleged breaches of the Act) of which 573 appealed to Tribunal. 41% of our cases are resolved in 1-2 months, and the average is 14 weeks. Telephone Mediations can resolve less complex matters in 8 weeks. In 2008 we had 1,116 Adjudications / Mediations and 106 Tribunals, but it took 12 – 18 months to process a case.
- For the past 6 years we have been self financing, (although in 2016 the Deposit Protection Scheme will require initial set up funding.)

**Q. What are the major changes to tenancies as contained in the new Residential Tenancies Act?**

**A.** The Residential Tenancies Amendment Bill has brought about significant changes including:

- Rent certainty measures, whereby the duration between rent review has increased from 12 to 24 months, with 90 days notice of a rent review.
- Further security of tenure measures with notice periods of up to 224 days now required and stricter procedures for terminating Part IV tenancies.
- Increased tax reliefs for Landlords who are providing accommodation to socially supported Tenants.
- Changes to Notices of Termination, Fast Tracking for Rent Arrears cases and enforcement through the District Court to address Landlord concerns
- The remit of the PRTB has been extended also.
- The Approved Housing Bodies will come under the remit of the PRTB from April '16.
- The Act provides for a Deposit Protection Scheme, which we expect will begin operations in the first half of 2017.

**Q. Does the PRTB engage in outreach to the various stakeholders?**

**A.** The PRTB has a very active Stakeholder Group, with representatives of Landlords and Tenants. We meet quarterly, but we also run a number of talks and seminars during the

year and try to make those as interactive as possible. We also have an outreach programme through the Citizens Information Bureau, USI, FLAC and others.

**Q. How important a role do lettings agents like IPAV members play?**

**A.** 86% of Landlords registered with the PRTB own just one or two properties. Around one third of Landlords in a recent Red C survey reported that they were “accidental Landlords”. Therefore, Landlords engaging Agents are looking for expertise in the Residential Tenancies Act as much, or perhaps even more, than expertise in the business or management aspect of lettings.

However, that Red C survey also found that 50% of Tenants were not asked for any identification or for references and 40% reported their rental property was never inspected at any time during the tenancy. In the PRTB we sometimes find that a minority of Agents are not familiar with important aspects of the law like Notices of Termination or the interaction between leases and the Act. This indicates the need for CPD for Agents and they will play an extremely important role in professionalising the sector. The private rental sector is now home to one in five households and it is intended that it will play an increasingly important role in the provision of housing generally, for example as part of the Social Housing Strategy. Accordingly, it is reasonable to expect regulation and monitoring of the sector, in order to protect the families that live there and to make it an attractive investment.

**Q. What are your own plans for the future?**

**A.** I am on secondment from the Department of the Environment, where I am a Principal Officer, so I'll return to the mainstream Civil Service and I look forward to the next chapter in my Career!

**Q. And a final word?**

**A.** It has been a great privilege and honour to be the Director of the Private Residential Tenancies Board for over seven years. I would like to take this opportunity to congratulate the new Director. I'd also like to say that I'm very grateful for the support and co-operation that I've received from the PRTB Stakeholders, including IPAV. I wish the PRTB President Eamon O'Flaherty, CEO Pał Davitt and all members the very best in the future.



Pictures at the Dublin Seminar were (l – r): Pat Davitt, IPAV CEO; Maeve Hogan, Director, National Property Services Regulatory Authority; Eamon O’Flaherty IPAV President and Brian Dempsey, IPAV Junior Vice-President.



Pictured with IPAV President Eamon O’Flaherty were Desmond Daly, Desmond Daly Property Options, Kanturk, Co. Cork and Charlene Patton, Charlene Patton Auctioneers, Stranolor, Co. Donegal.



Pictured at the Seminar with IPAV President Eamon O’Flaherty were Paul Tobin, Paul Tobin Estates, Blanchardstown, Dublin 15 and Frank Moore, Doora, Ennis, Co. Clare.



JJ O’Sullivan, Beara Estate Agent, Castletownbere, Co. Cork (left) and John Buggy, Property Partners Buggy, Parliament St., Kilkenny with Eamon O’Flaherty at the Seminar.

# IPAV Spring Seminar

Recent changes to the Residential Tenancies Act were the subject of IPAV’s Spring Seminar which took place in the Ashling Hotel, Dublin on Monday, 15 February. A team from the Private Residential Tenancies Board (PRTB) which included Director Anne Marie Caulfield, Assistant Director Janette Fogarty and Eversheds solicitor Keith Underwood made presentations to the very large attendance of IPAV members and staff who travelled from all parts of the country.

Topics addressed included the new period of notice, fixed rent periods, terminating a tenancy and mediation services. A Question and Answer session, moderated by IPAV CEO Pat Davitt, followed the presentations during which agents sought clarification on a number of issues.

The Seminar was also addressed by Maeve Hogan, Director of the Property Services Regulatory Authority on the issue of online registration for licences which comes into effect from next July.

Photos by Kasia Wasiak



Pictured at the Seminar with IPAV President Eamon O’Flaherty were (l – r): Jean Shanahan, DNG Murphy Condon, Glanmire, Co. Cork, Tom McCaughey, Citywide Auctioneers, Aughrim St., Dublin 7 and Catherine Kearney-Looney, DNG Kevin Condon, Blackpool, Cork.



A section of the attendance at the Ashling Hotel for the Dublin Seminar



Pictured at the Seminar with the IPAV President were Raymond Smith, Ballyjamesduff, Co. Cavan (left) and Stephen and Marie Peters, Chazey Properties Ltd., Clonfower, Lanesboro, Co. Longford.



IPAV President Eamon O'Flaherty with Brian Gleeson, Brian Gleeson Property Ltd., Ardmore, Co. Waterford.



Patrick Carroll and Patrycja Nowak of Carroll Auctioneers, Kilmallock, Co Limerick with IPAV President Eamon O'Flaherty.



Gerard Hanley and Mark Togher of Gerard Hanley Auctioneers, Claremorris, Co. Mayo with IPAV President Eamon O'Flaherty at the Seminar.



## Well-known West Dublin IPAV member opens his third office

WELL-KNOWN DUBLIN IPAV AGENT RAY COOKE HAS RECENTLY OPENED HIS THIRD OFFICE IN THE CAPITAL. PROPERTY PROFESSIONAL EDITOR TIM RYAN VISITED HIM IN HIS NEW TERENCE OFFICE.

The year 2016 is a significant one for IPAV agent Ray Cooke. As well as opening his third office in Dublin, he is also celebrating 15 years in the property profession, including 10 of those running his own company. The opening of his new office in Terenure marks his arrival in the affluent South Dublin commuter belt where he sees a major opening for his particular services.

A native of Rathcoole in West Dublin, Ray Cooke began his career in hotel management after leaving school before leaving Ireland to see Australia and the wider world. However, he always had a career in the property industry in mind and returned to Dublin to join the firm of Noel Broe & Sons in Tallaght in 2001. In 2005 Ray decided to take the chance and set up on his own in Clondalkin Village. With just one employee, Hannah Cunningham, the business quickly took off as the firm specialised mainly in residential sales. Within a short time he was employing four staff and the fruits of the economic boom were evident all round.

However, the economic recession saw a quick downturn in sales and Ray Cooke had to quickly restructure in order to survive. "Up to that time ninety-eight per cent of our business was in residential sales, so we quickly diversified into lettings and property management," says Ray. "Michael McDowell made his infamous comments about abolishing stamp duty and sales totally stalled as people waited for the general election to see what would happen. But at that stage the market was dead."

### Two-man operation

The staff numbers were reduced and it was once again back to the two-man operation. To see out the recession, Ray developed a niche business in lettings and management and by the time the market recovered this side of the business was firmly established and expanding. Now rated by property portal Daft.ie as one of the leading letting agencies in the capital, Ray Cooke reckons it is all down to the quality and style of service the firm provides. Today the company is involved in the management of over 500 units and has let over 1,000 residential units. In 2015 after nearly ten years they moved their head office to a much larger premises, the old EBS Bank in Clondalkin Village. This office is under the stewardship of Ross McHugh who is with the company since 2008.

Meanwhile, as the economic recovery continued, Ray Cooke opened his second office in 2009 in Tallaght Village which continues to grow and expand, catering for a largely south/west Dublin clientele. In addition, a second company, Ray Cooke Financial Services, which offers Mortgage and



Life products, was set up in 2010 which also continues to expand.

The recent move to Terenure came after a lot of planning and soul-searching. "Obviously, location is key and in order to break into the south Dublin postal areas of Dublin 6W, Dublin 8, Dublin 12 and 16 we need to have a physical presence in the area," says Ray. As the business has grown dramatically, selling over 200 homes last year compared to 30 five years ago, now was the time Ray felt was right for such a move.

The move co-incides with a strong rebranding of the firm's logo and a huge promotion campaign in the south Dublin area which involves everything from leaflet drops to hand-outs of Ray Cooke's now famous air fresheners.

"This is all closely interlinked in with our website which is also being actively upgraded and our Facebook and twitter feeds," says Ray. "Being a young firm, we place a great emphasis on being active on social media and our weekly team meetings are constantly feeding in ideas to this end." Ray has been supported by the other director of the firm, his wife, Niamh, with whom he has two young children.

The website [www.raycooke.ie](http://www.raycooke.ie) receives hits of up to 400,000 per month and the Facebook page is also hugely popular for social interaction.



*The staff at Ray Cooke's offices who did 'Movember' in 2015 and raised €3,000 for Mens' health.*

### Central Bank guidelines

On the broader front, Ray Cooke is very happy with the current Central Bank guidelines and feels they have kept Dublin house price increase in single digit figures. "If we did not have these guidelines, I fear we would have had double digit growth in Dublin last year and this year and we would soon be heading for another crash," he says. "We now have stability and what we should aim for is a modest level of growth each year."

The only problem Ray seems to have is finding new staff. "Over the past year we have doubled our staff to 15 and to be honest we could do with another 2-3 sales agents in our branches. What I am looking for are hungry sales people that want to succeed with a growing company and have a long career in the business".

Ray Cooke is delighted to see regulation introduced into the auctioneering profession which at last, he says, has seen the exit of some well-known cowboy operators from the profession. He was delighted to undertake IPAV's TEGoVA course in 2015 and recognises that the era of Continuous Professional Development (CPD) is here to stay for auctioneers and all other property professionals.

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# Personal Tax Update for Auctioneers – Post Finance Act 2015. What's in it for me ?



IN THIS ARTICLE SHAY O'BRIEN, TAX MANAGER WITH PKF O'CONNOR, LEDDY & HOLMES LTD, LOOKS AT SOME CHANGES INTRODUCED IN THE FINANCE ACT 2015 WHICH IS EFFECTIVE FROM THIS YEAR AND HOW THEY CAN BE USED TO BENEFIT AUCTIONEERS.



*Additional research by  
Emer Geoghegan*

**W**hile the reduction in the USC rates may have grabbed headlines for the Government on Budget day last year, there were some positive changes for Auctioneers following the publication of Finance Act 2015.

I have picked out seven positive relief's which Auctioneers should consider:

## 1. Capital Gains Tax relief for Entrepreneurs

The reduction in CGT to 20% may well appeal to Auctioneers who have been thinking about selling their businesses but were put off by the CGT rate of 33%. This special relief was introduced to reward business owners who successfully built up their businesses.

### The key points are:-

- Introduction of new 20% Capital Gains Tax rate for gains realised by entrepreneurs on the disposal of business assets
- Lifetime cap of €1 million
- Business assets must be owned for at least 3 years prior to sale
- You must own at least 5% of the shares in the company being disposed of for 3 years prior to sale
- You must have worked as an employee or a director, spending at least 50% of your working time with the company for a continuous period of at least 3 of the last 5 years prior to sale

### Why should I be looking at this relief?

Auctioneers seeking to reduce their Capital Gains Tax liability should utilise this relief, achieving a saving of 13% in their Capital Gains Tax bill i.e. the difference between 33% at present and the new provision of 20%. Auctioneers who would have a substantial gain on the sale of their businesses and are thinking about selling their business, should review this relief.

## 2. Earned Income Tax Credit

Business owners are not entitled to claim the special PAYE tax credit of €1,650. As a compromise an Earned Income Tax credit has been introduced for directors and the self-employed which has been capped at €550.

## 3. Mortgage Interest Relief

This was introduced to encourage investment residential property owners to let their property to one of the following:

- A tenant in receipt of rent supplement or housing assistance payments
- A local authority for social housing

An incentive is now given to landlords to allow 100% of their mortgage interest as a deduction as opposed to the penal 75% interest restriction. Unfortunately while the relief is welcome, it does require a landlord to let the property under a qualifying lease for a continuous period of 3 years and the relief can only be claimed at the end of the 3 year period which means that landlords will have to wait a considerable period of time before realising the extra mortgage interest relief on their personal tax submissions.

### Who should consider availing of this relief?

- Investment property owners with a high level of mortgage interest
- Investment property owners looking for a continuous cashflow stream for a period of three years



#### 4. Home Renovation Incentive (HRI)

The Home Renovation Incentive (HRI) has been extended to the end of 2016, the relief was due to expire on December 2015.

The type of work that qualifies for the HRI is repair, renovation or improvement work that is subject to VAT at 13.5%.

The Home Renovation Incentive (HRI) Scheme provides for tax relief by way of an Income Tax credit of 13.5% on qualifying expenditure of between €4,050 and €30,000 (excl. VAT) paid to qualifying contractors. Landlords will be able to claim the VAT inclusive deduction in their rental accounts.

Agents should familiarise themselves with the relief and when they are engaging contractors to carry out qualifying works to ensure that they are qualifying contractors and provide them with the LPT Property ID number.

##### Checklist

You should also:

- Ensure that the LPT for the property has been paid.
- Check that the contractor has a VAT number and is tax-compliant
- Ensure that the work qualifies for relief
- Keep all supporting documentation – tax clearance certificates, estimates, receipts etc.
- Give the contractor the LPT Property ID
- Liaise with your client and decide who will claim the HRI credit via ROS.

##### Who should consider availing of this relief?

- Landlords/homeowners who have/intend to incur qualifying expenditure on their properties.

#### 5. CG50 Tax Clearance Certificate

The threshold for obtaining a CG50 tax clearance certificate has been increased from €500,000 to €1,000,000 for houses only. The limit remains unchanged for other assets. This should help reduce administration costs and delays in relation to residential property sales.

#### 6. Returns by Lessees and Agents

There has been an amendment made to the provisions which allow Revenue to obtain information on let properties. The new provisions require property agents to include, in a return of information, the tax reference number of each property owner and the LPT number in respect of each residential property. The commencement of these new provisions is now subject to Ministerial Order.

#### 7. €500 Tax Free gift for employees

Auctioneers can now provide a non-cash benefit e.g. one for all vouchers to employees up to an amount of €500 tax free. This together with the generous other salary sacrifice schemes such as the cycle to work, travel pass schemes are very welcome for Auctioneers and their employees.

##### Who should consider this relief?

All Auctioneers should consider the relief together with the other generous tax incentives as mentioned

#### Conclusion

All Auctioneers should keep up to date with the reliefs being introduced and review whether they should be utilised.

While the Finance Act was “nothing to write home about”, there are areas that offer Auctioneers an opportunity to reduce their tax bills!

*Shay O'Brien is a Tax Manager in PKF O'Connor, Leddy & Holmes and oversees the personal tax division of PKF O'Connor, Leddy & Holmes and can be contacted on Office: 01-496 1444 Mobile: 086 8062702 email s.obrien@pkf.ie or e.geoghegan@pkf.ie*

# All the World's a Stage!



HEAVY-DUTY HOUSEWORK PAYS SALES DIVIDENDS WHEN PREPARING A HOUSE FOR SALE WRITES TOMMY BARKER, IRISH EXAMINER PROPERTY EDITOR.

I'm loathe to be cocky, but having very recently had to practice what I preach (or, more discretely, 'think,' and occasionally put into print) that I reckon the house selling game is a big, easy-peasy piece of pie.

It is if you put in the effort, as a vendor, and realise that, yes, there is a prize to be had when you hit the marks. I'm not one to count my chickens before they are hatched. In fact my nature is to try not to count them until they are rendered into chicken nuggets. But, heck, by then the thrill is gone: we all get battered down in any long, drawn-out process, so it's good to wing it once in a while.

At the very real risk of tempting fate, and of counting same poultry, the week I write this is the third week that a residential property sale I'm involved with (happily, at a slight emotional remove) has kicked off, and after three sessions of open viewings it's already rocking. It's already gone 30% over the asking price, and it could be 'sale agreed' in another week. And, that's for a place you might have run out of in the horrors three months ago.

Recovery in the sales market? I can smell it, can taste it, hope to cash in some chips (and chicken nuggets) on it.

Now, most of those chips won't be mine, as I'm selling vicariously, in the executor sale of an elderly bachelor uncle's home. In his will, he had left his somewhat dishevelled suburban bungalow home to his even-older siblings who live 160 miles away, are advancing in age through their 80s, and are (thankfully) comfortable enough and exceptionally decent-enough, to say they'll share the proceeds of the sale with the next generation/nephews and nieces, yours truly included.

This is when things that seemed like distant concepts, oh, like Inheritance Tax, Gift Tax, CAT exemptions and Group A, B or C thresholds suddenly start to take on meanings that just a few months ago seemed remote and academic, or when, in the worst case scenario, the Tax Man cometh. And with a vengeance! Anyway, in this quite-personal case, the stakes are pretty small fry, but the principles are strong: what goes to family, stays with family, within the strictures of the law.

*Recovery in the sales market?  
I can smell it, can taste it, hope  
to cash in some chips (and  
chicken nuggets) on it.*

## How to maximise gain

How to maximise gain? To maximise gain, sell for as much as possible and let the tax man take his share. 'A gain is a gain,' is the motto. Even if it is a gain to be shared (twice, as it turns out, in a circuitous Inheritance/Gift Tax scenario) with Revenue. It's a slightly bitter pill, but a cure to day-to-day credit woes, nonetheless.

Enter so, Stage Left, "Staging A House for Sale," the cheesy sort of soft features you see in newspaper property supplements and in numerous TV show repeats. Like all clichés, it endures because it describes a familiar reality. Staging works, in my immediate and most recent (ouch, my aching back) experience. Straight after Christmas, this desk-bound property hack rolled up his sleeves, donned old clothes, put on clapped out shoes, strapped on the tradesman's kneepads in his Lidl-sourced work trousers and got to work. Three skips later, and €750 lighter for the carry-outs of much of the sad, accumulated possession of a seemingly lonely life, there was a bit of breathing space creeping into what had been a small home with large holding and hoarding capacity.

Estate agents probably see this all the time in executor sales: what's precious to one generation is a mess and a burden to the next and you'd hardly not be human to realise that the same treasure/trash continuum and conundrum may come around once more when the next (i.e. our) generation shifts and moves on.

I'm a hoarder myself, but I must admit that in the urge to purge, I put things into the skips that normally I'd be looking to take out, on the sly, as a bit of a skip surfer in my day. It was a case of 'needs must' in the bid to follow the 'declutter' mantra of so many TV property-flipping programmes and sales advice features you'd read in print.

Well, I've viewed and read my fair share of them, have trotted out the same lines on occasions in my roles as a property hack and I have to say, after a whirlwind two months of makeover mania...it's good advice. It works!

## A maximum of €5,000

A maximum of €5,000 was spent all-in, on things like a new fitted kitchen with new oven and trendy-looking splashback tiling and that sum included a new bathroom suite (old avocado green switched to pure white: hey, it's not rocket salad...sorry, rocket science), re-tiled, floor and walls, too by yours truly to an almost acceptable degree, and the €5k budget also covered some new carpets and laminate flooring (adjust for comfort/budget, but do you know, mid-range carpet is as cheap as....chipboard).

Everything that didn't move got painted, inside and outside, including chairs, tables, bed ends, wardrobes and garden furniture. We threw out rubbish and brought in a slightly better class of personal tat to decorate walls, dressers, sideboards and bed lockers. Flowers? It was like a gardening club had offloaded their surplus, inside and out.

Fruit baskets? It was like a Harvest Festival, and why not, when luscious squash plants are 50 cents apiece and a fiver fills a bountiful basket. Candles? As abundant as a Gothic religious ceremony, Satanic or for redemption and salvation.

And, cleaning? Steam cleaning, power washing, deodorising, carpet shampooing, windows scraped of paint excess and polished up with newspapers and vinegar. Simple, obvious fixes and tricks? You bet. But clean. Acceptable. You'd not be embarrassed to show it off.

After some professional photography, and a carefully curated six images up on the web, a newspaper ad and some editorial mention, plus a handful of open and further viewings with a fire lit in the grate for each visit (and practically, there's hardly anything else on the market in a one mile radius easily within FTB's grasp.) I'd say that just three weeks into the competitive bidding process we're inching into 'sale agreed' territory....at the risk of counting chicken nuggets before they're battered, and knowing that an engineer's report isn't going to be swayed by vanilla-scented candles.

Upshot? I'd say lashing out €5k between a handful of sale beneficiaries has added €30k to the sale result, and made a

very easy/swift job for the selling agents (hmm, too late to renegotiate fees?), but it has been a learning curve of sorts, too.

Admittedly, if it were my own home, or a parent's home, it wouldn't have been as easy to be as ruthless and swiftly transformative. The fact it was no longer lived in meant once staged, it needed minimal changes between viewings and so no need to squeegee a shower on the way to work and hide away the breakfast ware.

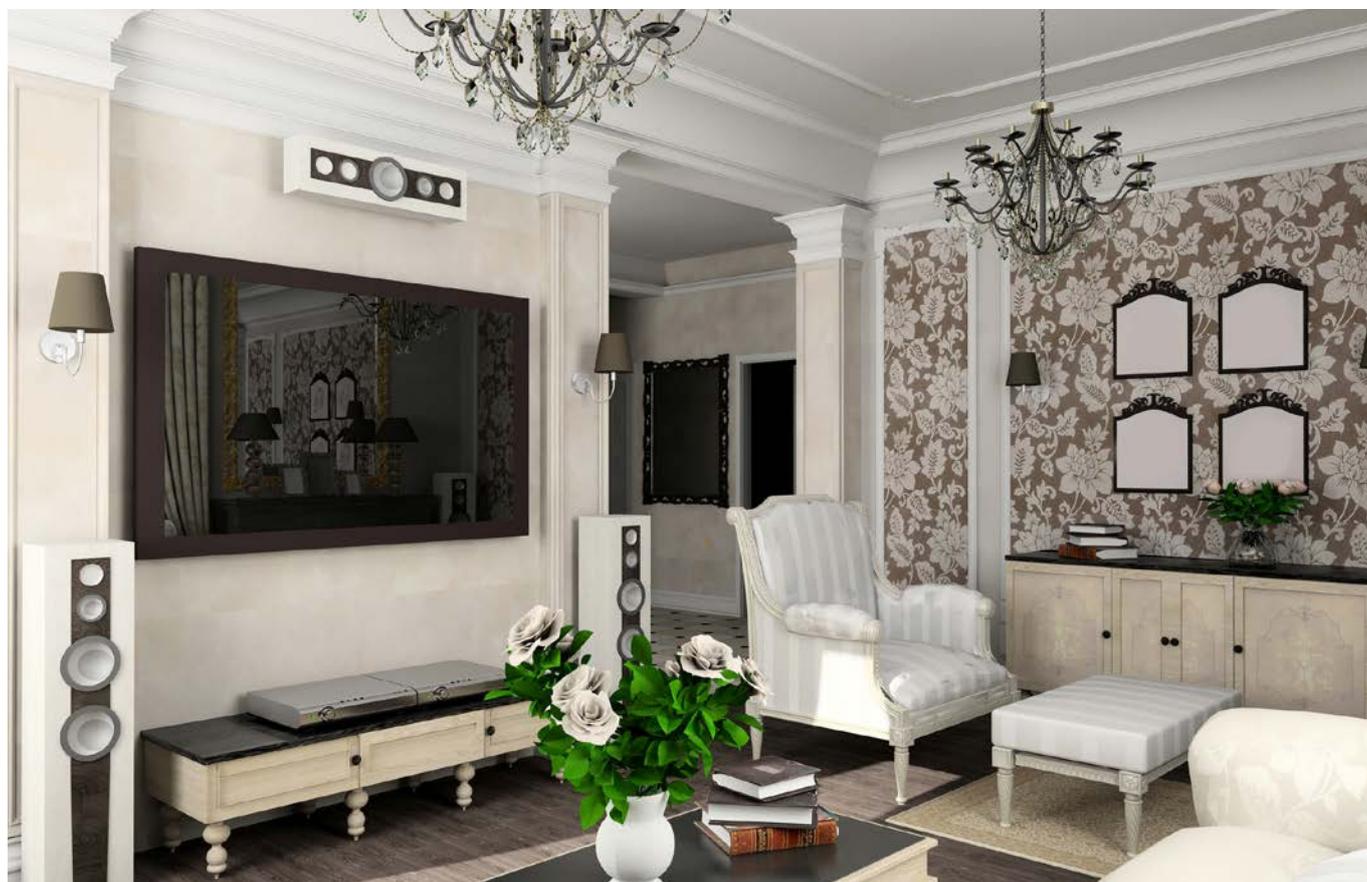
### 'Sale Agreed'

It being a cold February meant the flowers and fruit stacked up and artfully arranged for viewings lasted and lasted. We might go 'Sale Agreed' with a smoothie or two left over (and I don't mean the selling agents.)

The fact a bank wasn't behind the sale and negative equity wasn't piled up behind the property sale added incentive and oomph to the successful staging exercise. I started out with an attitude 'this is easy,' but of course it took a lot of physical input over multiple weekends and winter nights and, as a result my knees are shot and my back is bent.

So, even though I can see the value uplift, I'm not altogether sure if I'd do this as an ongoing career sideline or alternative: a gain is a gain, to be sure, but just as equally, a pain is a pain. Actually, if it does go quids in, I think I'll try just one more (as all the best junkies say) house stage exercise, for family or friends, for a fee, by hook or by crooked limbs.

Donald Trump, watch your back!





# Has the market settled?

## *Irish Farmers Journal* Land Price Report 2015

AFTER SIX YEARS OF CORRECTION, THE AGRICULTURAL LAND MARKET HAS FOUND A NEW PRICING LEVEL, WRITES SHIRLEY BUSTEED.

Exactly a decade ago, the price of farmland in the Republic was at exorbitant levels. Three of the biggest sales of the past 10 years took place in 2006. These included a 207-acre residential dairy with 150,000 gallons in Co Tipperary which sold for €8.22 million (€39,700/acre); a 290-acre residential dairy farm with 262,000 gallons in Co Offaly made in excess of €10 million (€34,400/acre) while the top land sale of the year was a 275-acre residential farm in Co Laois which sold for an astonishing €17.2 million (€62,500/acre). Apart from these top sales, land around the country was freely making €20,000 to €30,000/acre.

By 2009, the price of land had halved. The global financial crisis in October 2008 sent shockwaves around the world causing almost every form of investment to collapse. Although it may have taken slightly longer to filter through, agricultural land was not immune to the global crisis. Within two years, average prices had halved and consequently, the value of equity also halved.

For the past six years, the land market in Ireland has been desperately trying to correct itself. Everybody who owns land, along with those involved in the trading of property, had to come to terms with a major plummet in the value of land. For sellers, the adjustment was enormous and a tremendous level of acceptance was required. There were some hugely challenging moments but the land market remained resilient and deals were done, albeit at much lower levels.

Six years on, we have found a new pricing level - one that perhaps shows a better reflection of the real land market as opposed to the inflated bubble of 10 years ago. It's a pricing level that is primarily driven by farmers and not only better reflects their willingness to buy land but more importantly, their ability to afford land.

The recently launched 2015 *Irish Farmers Journal* Land Price Report reveals that average values fell by 9.9% last year to €8,914/acre – down from €9,890/acre in 2014. To add to this, the supply of land to the market also fell, this time by 13.6% to 74,629 acres – down from 86,408 acres in 2014. This is the sixth year in a row that the national average has failed to surpass the €10,000/acre mark which could suggest that this new price level may be here to stay for some time.

It's clear that regional variation in terms of supply, demand and land quality, can have a significant bearing on market trends, in any given year. But ultimately, affordability and access to funding in the current climate, is having a fundamental affect.



Since 2010, the average price for land across the 26 counties has ranged from €8,700/acre to €9,900/acre – not a huge range by any means. What appears to be happening is that the ground gained one year is completely diminished the following year by a price drop, resulting in annual fluctuation.

However, despite the fall in average values, the land market remained solid throughout 2015 – demand was strong particularly in the first half of the year, auction rooms were busy and plenty of deals got across the line.

### Main findings from 2015 report:

#### Supply of land

- The amount of land brought to the market last year actually decreased by 13.6% to 74,629 acres compared to 86,408 acres in 2014. This is the first decrease in supply since the low of 41,300 acres in 2011.
- Cork topped the table with the most land offered for sale at 7,458 acres followed by Tipperary at 5,868 acres, Wicklow at 5,510 acres, Roscommon at 5,133 acres and Galway at 4,552 acres.

#### Average prices

- Kildare recorded the highest average price at €13,886/acre followed by Dublin closely behind at €13,736/acre, Meath at €11,861/acre, Wexford at €11,214/acre and Kilkenny at €10,883/acre.
- Leitrim had the lowest average at €4,869/acre followed by Clare at €5,391/acre, Mayo at €5,699/acre, Roscommon at €5,801/acre and Sligo at €6,089/acre.

- Leinster recorded the highest average at €10,271/acre followed by Munster at €9,190/acre, Ulster at €8,093/acre and Connacht at €6,183/acre.

#### Method of sale

- Of the 1,654 farms that went to the market last year, 1,147 farms (69.3%) were offered for sale by private treaty while 30.4% (502 farms) were offered by public auction.
- Farms that sold at auction averaged €10,244/acre while those that sold by private treaty averaged €8,413/acre.
- The success rate at auction made a significant recovery last year following a major fall in 2014. In 2015, 48% of farms that went to auction successfully sold under the hammer while 52% were withdrawn. This compares to a success rate of only 38% in 2014.

#### Farm size

- Small parcels continued to dominate the market in 2015 with 62.6% of holdings comprising less than 40 acres. Farms 40 to 99 acres in size accounted for 29.4% of the market while those ranging from 100 to 199 acres made up just 6.5%. Large farms greater than 200 acres accounted for only 1.6% of the market.
- The average price paid for farms less than 40 acres was €8,974/acre while big blocks comprising 100 acres or more made less at an average price of €8,118/acre.

*\*Shirley Busted is Property Editor with the Irish Farmers Journal*

## IPAV Makes presentation to Temple Street



*IPAV President Eamon O'Flaherty recently presented a cheque to Ger Donnellan on behalf of the Temple St. Hospital Foundation. The cheque was the proceeds of the President's Charity Lunch which took place in Dublin's Westbury Hotel on Friday, 4 December 2015.*

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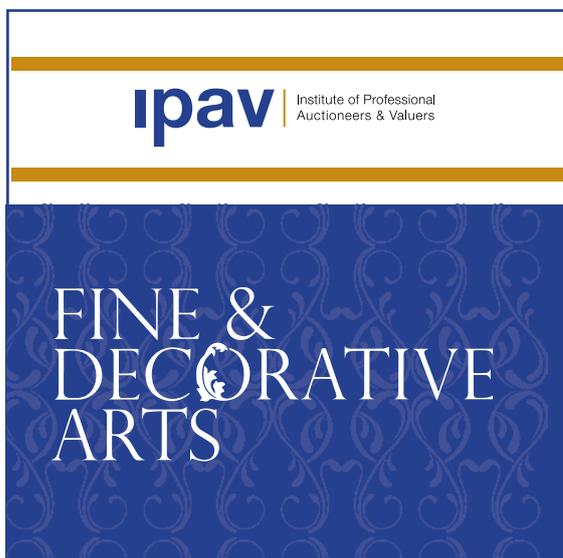


# Twenty five years of lecturing:

## History of Architecture and Interiors @ the IPAV

BY CHRISTOPHER MOORE, BA, MA

**I**t was with something of a shock that I realised recently that a quarter of a century had elapsed since I had begun teaching at the IPAV – first in Leeson, then Fitzwilliam and now in Baggot Street. It seemed an appropriate moment to reflect on the Fine and Decorative Arts Course from my point of view.



In the early 1980's after completing my History of Art degree in TCD I spent time working in the country house curatorial world – first at Castletown, Kildare and then with the National Trust in Northern Ireland. After a decade of this I was in need of change from the museum world of historic conservation. Subsequent years were spent in southern California amongst the decorators of Hollywood which seemed the perfect antidote to living in the North during the troublesome years of the late 1980's. This American phase came to a natural conclusion when family circumstances required that I return to Dublin where I set up in 1990, in partnership with Nat Clements, Clements and Moore specialising in period and historic decoration, gilding and painted furniture. Variety of occupation was necessary to keep the business afloat and almost immediately Dymphna Halpin persuaded me to become involved in the fledgling IPAV Fine and Decorative Arts Course.

The course had been the brainchild of Liam O'Donnell who with Dymphna, Paul Caffrey and Roxane Moorehead developed a Dublin format which was complimentary to the Victoria and Albert, Christies and other fine arts courses which had become popular in the UK. The IPAV formula was clever - by having both day

and night classes, a large cross section of students were catered for and as a result numbers were and have been pretty consistent over the decades. All ages, from those in their early twenty's to retirees in their seventh decade, have attended – almost always with total dedication. Not surprisingly the night course students mainly came along after a working day and consequently it was no easy task for them to sit through three hours of intense course work - but their dedication always lent these classes a great dynamism.

### Wide subject range

The day course was slightly more leisurely: initially four and a half then three and now two days per week – the additional time allowed for greater depth of lecturing and more class outings. The real secret of the IPAV success seems to have been that the courses have been pitched at a level just slightly below that of third level institutions but with a wider subject range than conventional history of art programmes. All the lecturers are specialists, some are academics, others practitioners and this combination gives a liveliness to the courses. The term format is that of a university and the day course requirement to write a thesis in order to be awarded a diploma – always has given an edge to the classes.

Well over 200 of these theses are filed in the IPAV office and are a fascinating chronicle of over 25 years of student study – covering china, fine art, furniture and a lot of interesting architectural topics. Obviously the best theses concern subjects in which the students have a personal interest and as a result in the architectural field there are important documentations of areas not covered in wider academia - for example St Werburghs Church, Dublin, Old Bawn House, Tallaght and the 1830's development of Wellington Road in Ballsbridge.

Although the day course is now a shorter two days a week and the night course one evening – the structure and format have remained the same: a core of lecturers covering the main topics, guest lecturers and outings to historic properties to gain first-hand experience. I suppose it is a tribute to the course that the core lecturers tend to remain – Roxane has been the rock of the course since its inception, as has Paul Caffrey. Douglas Bennett was an

*Variety of occupation was necessary to keep the business afloat and almost immediately Dymphna Halpin persuaded me to become involved in the fledgling IPAV Fine and Decorative Arts Course.*

iconic lecturer for many years, William Gallagher, Paula Murphy, Sarah Donaldson and an array of other passionate specialists from universities and other institutions loyally continue year after year. After Dymrna retired, I organised the courses alongside Roxane for a period and we found it remarkable that we never had any problem recruiting eminent guest lecturers to give one-off lectures: the charismatic and sometimes eccentric lectures of well known personalities like Anne Crookshank, the Knight of Glin and Derek Hill, punctuated the course timetable.

### Outside Dublin

Conscious that the courses were overly Dublin-based - for several years Roxane and I ran courses in Limerick, Kilkenny, Drogheda and Athlone. These were always popular and fun for us but it was hard work heading out of Dublin in the late afternoon in those pre-motorway days, grabbing a hasty supper before an evening's lecturing and then a return to the capital in the early hours. The logistics of these country courses made them expensive and they have not been run in recent years. However, we find that a growing number of students travel weekly from all over the country to Baggot Street facilitated by the improved national transport network. For the past decade, or so, Roxane has been the course director which, along with the vital office back-up of Laura (now retired), Val and Genevieve has created an efficient educational programme.

Only youthful energy made it possible for me to juggle daytime hard-graft working on building sites followed by a hasty scrub-up and an evening's lecture for two and a quarter hours. Actually this mixing of tough physical work and the cerebral activity involved in lecturing- especially during my 'day off' lecturing to the day class - was my saving: not only did it keep the brain active but deepened my knowledge and gave a credibility to my site work, colour schemes and judgement of historic buildings.

The conservation of Irish historic houses is a passion and the lecture room has always been a good venue to open student's eyes to our heritage and how it might be saved. It is interesting how attitudes have changed: I always start the academic year with a general lecture on understanding Irish buildings and what makes them identifiably part of our make-up : in the early years I think there was a lack of comprehension - especially when I showed them run-down and aged structures : nowadays everyone seems to understand the patina of age and atmospheric rooms. As a country, we are coming of age and there is a better appreciation of our indigenous built heritage.

### Stepping Stone

The Fine Arts courses have acted as a stepping stone for students returning to third level education and many have gone on to under and postgraduate studies at TCD, UCD, Maynooth and NCAD. In the years 2013-15, former students Emma Culliton and Stephen Odlum won the Purser Griffith Scholarships whilst attending the Diploma in the History of European Painting at TCD with the annual Prize being awarded to Mary Martin.

Perhaps the most remarkable fact about the Fine Arts Course is that it has survived and prospered - many similar courses in other institutions have come and gone but at IPAV under the stewardship of Pat Davitt, it forms an important part of the Institute's educational programme : despite approaches from third level institutions - it has remained educationally independent, low-key but with its own strong identity. Long may it prosper.

Full details of 2016/17 courses are available on the IPAV website.

*Christopher Moore is currently chairman of the Castletown Foundation and an historic buildings advisor.*

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# Balancing Life between Work and Family in a Busy Cork Practice

CORK AGENT SONIA IRWIN IS A FORMER IPAV STUDENT WHO IS NOW A PARTNER IN THE THRIVING SOUTH MALL FIRM OF BEHAN IRWIN GOSLING. SONIA TOOK TIME OUT TO ANSWER SOME QUESTIONS FROM THE PROPERTY PROFESSIONAL.



*Sonia Irwin outside the offices of Behan Irwin Gosling on Cork's South Mall.*

*Q. What schools and colleges did you attend?*

**A.** Primary School was my local St Catherine's National School, Secondary School was Mount Mercy College and Third Level was Cork College of Commerce. Having been schooled in all girl primary and secondary schools – the nuns would have preferred me to become a nurse, teacher or secretary – that was all the careers guidance had information on!!

*Q. Why did you choose on a career in estate agency?*

**A.** I fell for auctioneering at a Woodward's furniture auction with Joe Woodward and Billy Casey auctioneers. I repeated the Leaving Certificate as I had back problems the first time round and it was in the May when I was studying around the clock that my mum was at the auction – we have a house full of antiques – and she wanted me to go to lunch for a break as she was worried that I would burn out. I was to call in to collect her but we stayed for a few lots. I went for lunch but went back with her until the auction was finished. It was there that I decided to look into a career as an Auctioneer.

*Q. How did you find the IPAV course? High points/ Low Points?*

**A.** I found the IPAV course very diverse and gave a great basis to all aspects to the business. It certainly helps to have studied the basics in law when dealing with solicitors, engineers, etc. Just the ability of reading a set of plans is so important. I have to admit that there was also a great sense of satisfaction when you were sent out to measure an office building and your boss has to ask you what you mean when you ask him is it the NIA or GIA he is looking for!

*Q. What year did you graduate? Was it hard to find work when you graduated?*

**A.** I graduated in September 1997 but had worked part-time for the third year in Thomas J. O'Driscoll and Co. Ltd so I was in a very lucky position to walk into a full-time position straight away. After 2 years, I moved to Liam Mullins in Mallow where I gained experience in land leases, milk, sheep and suckler quota. Unfortunately, this position was cut short but I really enjoyed the change. However, I was offered a job back in the city within a few months and knew that it was a better career move to join Don Murphy and Associates in Glanmire. Here, I was selling new and second-hand houses and also mortgages as the office had an EBS agency. It was another two years before Jim Coughlan asked me: "What was a good Catholic girl like me doing in Glanmire" and with very little persuasion I was on my way to the Grand Parade where I spent almost 13 years in land sales, house sales and mortgage valuations until the recession hit in 2008. At this stage James G. Coughlan & Assoc needed someone to run the property management and letting side of the business and that was where I had to turn my hand to next.

*Q. When and why did you decide to go into a partnership?*

**A.** There comes a time in everyone's career when you have to decide, are you happy to stay as you are for the rest of your career or would you prefer to work for yourself. Put three like-minded people in a room with a bottle of wine and you end up with a Partnership. We were lucky we each had experience in three different aspects of the property market and were all hard workers and recognised within our own field.

*Q. What are the advantages of having a partnership?*

**A.** It is great to have someone to bounce an idea or a value off, someone to share the day-to-day issues with and to know that someone else is having a sleepless night too. We are now nearly two years in business and the sleepless nights are getting fewer and the celebrations more frequent.

*Q. You specialise in property management? Tell me a little about your work? How many blocks? How do you organise it?*

**A.** Property management and Block management organises you! I may start a day with a list the length of my arm but if there is a gate broken down or a person trapped in a lift then that has to take precedence. I currently have 18 multi-unit developments and circa 75 individual properties under my management so we are a busy department.

*Q. Property management is very detailed and time-consuming? How do you balance it with your own personal life?*

A. What personal life?, I have barely found the time to complete your questions – but I don't think that this is just Property Management, I think this is a problem for anyone who deals with the general public – after all we have become a very demanding race.

*Q. Has the RTA Act of 2004 and the PRTB helped matters?*

A. The RTA Act and the PRTB has been a huge help in my job as it streamlines things for both the tenant and the landlord. Unfortunately, in my experience, the PRTB leans towards the tenants more so than the landlord, as more people can empathise with a tenant as they have been in their position.

*Q. Has the MUD Act helped in your work?*

A. The MUD Act has added to my work load more than helped, so far, again it is great to streamline the multi-unit developments but unfortunately there are no consequences for a builder who doesn't comply. There was also nothing in the Act for developments which were of poor design or build. An apartment block as a whole should be snagged by an engineer before it is handed over to a management company but this never happens and this should have been included in the Act. When a person buys an apartment he/she effectively buys the "box of air within the apartment" and if an apartment owner hires an engineer to check their apartment, then the roof and common areas are never checked structurally.

*Q. What are the biggest difficulties you have in your work?*

A. Debt collection is the hardest part of Block management, especially in this day and age where people have gone through huge reductions in their wages – the cost of living has increased with property charges, water charges and if they are investors then they are only allowed to use 70% of the interest on the mortgage off their earnings. Then when you add service charges to the mix they are the last bill that anyone wants to pay, especially if they don't understand what they are paying for. This is the case with a lot of people – they don't know what the service charges cover.

*Q. What is your view of the Longboat Quay issue and do you think there are many more Longboat Quays in Cork and elsewhere?*

A. The situation in Longboat Quay could easily be avoided if, as I already stated, all multi-unit developments had to be snag listed by the managing company before the builder hands the common areas over. Unfortunately this is not the case. No one can blame

the Developers/Builders as they are only as good as the guy who is inserting the cavity closer on a Monday morning or Friday afternoon, and when no one is going to be checking it why worry.

I saw it myself on a building site 10 years ago, Friday evening and two 4-inch pipes just wouldn't connect correctly so the guy pulled the rubber that sealed the pipes from between them and threw it away. When I checked him on it he told me that there would be very little water seeping out of it to worry about. I explained that if a water pressure test was done on the joint the pipes would fail and the sale possible would fall through in 10 years, when it might be for sale.

*Q. Has the introduction of the Property Regulator helped the profession?*

A. The Property Regulator was needed and is a help to our profession because let's face it, things had to be streamlined. However, maybe the Regulator should spend some time in the field before making the rules for the profession. When we were opening our business it was one of the most difficult times of our lives and I must say the PSRA made it more so. We obviously had to keep it quiet as we were leaving other companies and we were told that we would have to hand in our existing licence in order to apply for our new company one – this kept us from earning for almost 2 months and it took lobbying IPAV, the Taoiseach office, the Minister's office to get things done. We were lucky that we had the connections to do so.

*Q. What are your ambitions for the future?*

A. To be the BIGGEST auctioneers in Cork – well in the top three at least.

The only problem I can see in achieving this is the fact that we have been looking for two staff recently and we can't find anyone suitable.

*Q. Outside of work what are your interests and hobbies?*

A. Time for hobbies or interests – are you kidding? When I have spare time I clean my house. I also enjoy baking so I bake a cake or read a chapter of a book – I nearly always have one or two on the go. But more importantly I spend time with my husband and my parents. Christy is interested in hurling, football, rugby and golf and luckily, these are usually on at the weekend. While I don't play golf, I have the patience to watch it and enjoy going to the British Open as long as it doesn't clash with a match.

## Death of well-known Cavan IPAV member

The beginning of the New Year was marked with sadness with the announcement of the death of well-known Cavan IPAV Member Liam Reilly. Liam, who ran a successful auctioneering practice on Main Street, Ballinagh, was a regular attender at IPAV events over the years and both he and his wife Lupita attended numerous Annual Conferences.

Liam, who was a native of Kilsaran, Loughduff, Co. Cavan died peacefully at Cavan General Hospital on 5 January. He is survived by his wife Lupita, sons Lionel and Leon and daughters Lindsey and Lisa.

There was a large turnout at his funeral in St Josephs Church, Loughduff where the IPAV members present included President Eamon O'Flaherty and CEO Pat Davitt. The Requiem Mass was conducted by Fr Delaney PP after which Liam's remains were buried in the adjoining cemetery.





# Ethics How Are Ya!

BY PETER BRADY, CHAIR, IPAV EDUCATION ADVISORY COMMITTEE

**D**uring the recent General Election the airwaves and the news print were full to capacity with promises, earnest pleas and dire warnings for us all. There were grand stands and grand statements and the occasional slip revealing the faces behind the masks.

It was a time when the Irish character in all its splendour was revealed. And so it is also a coincidence that at this time I happen to be reading Sean Moncrieff's book *The Irish Paradox* – a birthday gift from my daughter. The book is an attempt by Moncrieff to understand the Irish character – one that is 'contradictory and mutating' – according to the author.

It is an entertaining read and personal though it may be, it contains some observations on the Irish psyche that might be regarded as uncomfortable when considered in the context of our recent history.

We've been clever and stupid, principled and corrupt. We can be kind and cruel, guilty of dopey optimism and chronic fatalism. We're friendly, but near impossible to get to know. We're proud to be Irish but often crippled with self-loathing. We think we are great, but not really. We find ourselves fascinating. Of course we do. We're a paradox.

This is the contention of the author and the book attempts to explore and explain the inherent contradictions in Irish people. What makes us think the way we do? Now there's a challenge and I must admit the book is a great read and comes highly recommended.

Amidst all of this election fever and frantic debate about power and commemoration, my own mind is focused on the issue of behaviour and the feeling that maybe, in this centenary year of the 1916 Rising, we are presented with a unique opportunity to explore some of the more endearing qualities that we ascribe to ourselves. If these are manifestations of Moncrieff's paradox or if they ever existed at all, I really can't tell; but I sense that fatigue and disillusion is quite a striking feature of modern Irish life and despair is never far away in spite of all the talk of recovery and reform.

## 1916 commemorations

If the 1916 commemorations provide an opportunity for us to hold the mirror up to nature, then perhaps the real benefits of celebrating this historic event may indeed prove revolutionary. That brings me on to the idea of ethics and ethical behaviour. It seems to me that the behaviour of those who were entrusted with the economic and political leadership of the country has seriously dented (and I hope not fatally) the notion that honesty and high moral principles are the essential requirements for a healthy state. The history of the economic crash is the history of the collapse of ethical behaviour and standards.

Ethical behaviour is characterised by honesty, fairness and equity in interpersonal and professional relationships. It

respects the dignity and rights of people as individuals and /or as groups within society. To adopt an ethical approach to business practice is to establish a reputation for trust and honest dealing. It is all about doing the right thing – acting in such a way that those involved are treated in a fair and equitable manner. Those who behave ethically in business consider decision making from the point of view of impact and fairness. They take into account those who the decision will affect and also if the decision will be considered fair by them.

While this may appear pie in the sky by some, it is important to remember that image is important and bad publicity attracts a poor reputation leading to a loss of business. On the other hand, those who espouse the cause of ethical behaviour often develop a very strong brand image as a result. Consequently, it is possible to charge more for the service or products provided and repay work with a decent wage and civilised conditions. People very often are willing to pay more if they perceive that the price sought is fair and ethical in nature. Take for example the willingness of people to pay for products that are environmentally friendly, or where the profits from the sale of products are used to provide a better lifestyle for those involved in production guaranteeing them a fair price for it in the first place.

Life is not always about the bottom line if it involves exploitation on a grand scale.

## Otherness

That may appear to be a paradox in itself; but what of the Irish Paradox referred to earlier? In his book Moncrieff refers to the sense of 'Otherness' in Irish culture. This, he argues, is the tendency to see those in authority – politicians, the arms of the state and outsiders such as the British – as 'other' and therefore not to be trusted. It is an attitude that allows us to act in a selfish way. As he writes: Why should I be conscientious if you are not? He refers to the economic crash in this context and observes that when the crash happened we didn't blame ourselves for it, we blamed each other. We became a very fractious society where everybody else was blamed in some way for the catastrophe, be they civil servants, politicians.... even those on the dole were not spared.

So what – you may well ask. Get on with it, and stop this meandering. What is the point of all of this rambling nonsense?

My point is quite simple. We are all individually bound to act in an ethical way and this should not be confused with the notion of acting in a moral way. Morality refers to the standards adopted in a society at a particular point in time. Ethics on the other hand is bigger than morality. It is the application of ethical standards that influences what we call morality. Ethics may be classed as the rules for deciding proper conduct. Ethical principles vary little over

time and can call what we term morality into question at any time. It is in this way that our understanding of moral behaviour changes.

This process may be seen at work in the recent referendum on marriage rights which witnessed the overturning of the previously held moral view of same sex relationships.

It seems that people are now thinking a little more globally and as the election looms there is a growing opinion that the country needs to be fixed before any money is squandered in a bid to attain power. This is a good thing and perhaps at last we may be able to use the economic collapse as an opportunity to begin the process of healing and reform. If this is to happen we need to understand that by applying the principles of ethics to correct behaviour, we are more likely to effect that change. It is a journey that must be undertaken by each individual and not just by 'others'.

In this scheme of things we are all challenged to act in a way that will benefit society and not just our own specific or sectional interest. It may well mean putting an end to the notion that all politics is local and considering instead what is in the country's interest. Should it matter if a particular area is blessed with a Minister who can get things done, while those that do not have such representation, suffer?

### Local social worker

It is a huge task for a society where the local politician is not perceived as legislator for the country but rather as a kind of local social worker who will get things done for us. If we are to adopt an ethical approach to this issue we should insist that those responsible for delivering a public service are available to provide it in an efficient and competent manner. It should not be necessary to resort to politicians to get this work done. In this I find myself in total agreement with Mr Moncrieff.

The fact of the matter is that each of us has a responsibility to act in manner that is beneficial to society and not just for ourselves. It is said that the late Terry Wogan was so successful in his career because he had the ability when talking to millions of listeners, he had the rare gift of being able to use the occasion as if he was speaking to one.

As individuals, we may ask what our society would be like if everyone acted as we as individuals do. Would it be better or worse? Perhaps that is the secret to changing our country. The philosopher Emmanuel Kant suggested that we should only act in ways we want everyone else in the same situation to act.

Rather than talk of 'others' we ought to ask the question posed by a young son of an Irish emigrant on becoming President of the United States – Ask not what your country can do for you, but what you can do for your country.

Amen to that!

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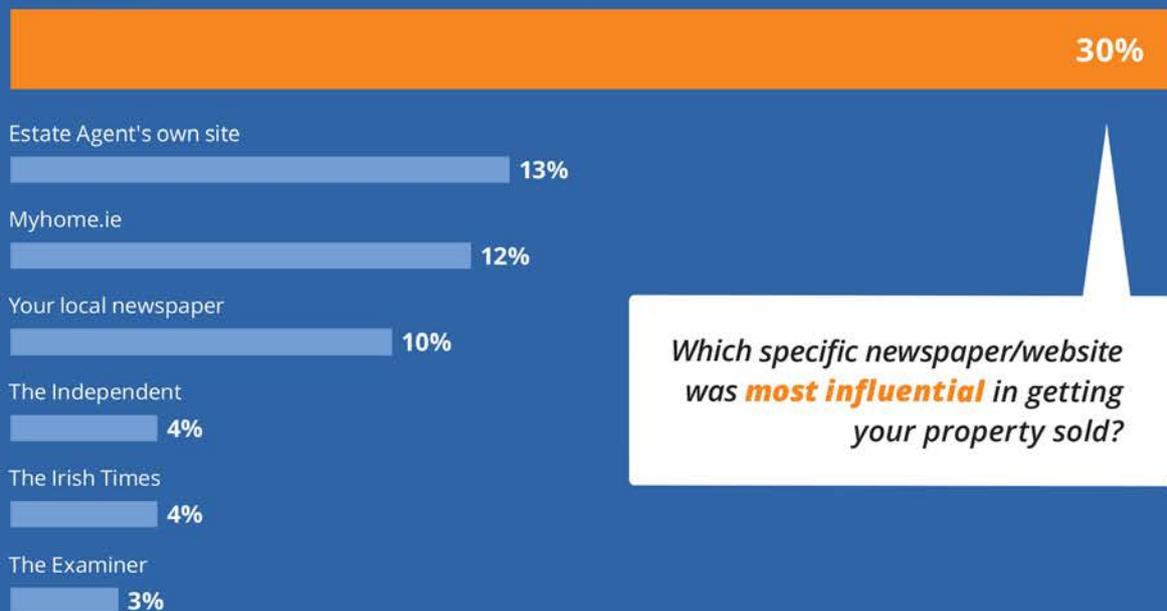
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