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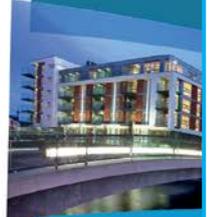
QUARTER 3 2019



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DAVID MCDONNELL**

THE PROPERTY PROFESSIONAL

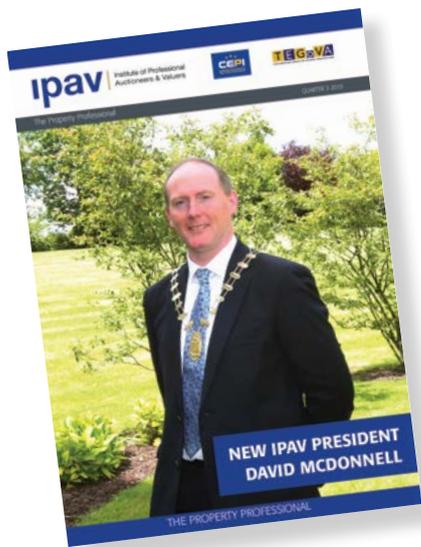
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MESSAGE FROM THE CEO

Welcome to the Quarter 3, 2019 issue of the *Property Professional* magazine.

Firstly, I would like to thank the huge turnout of members for attending our recent CPD, Golf Classic, AGM, Annual Conference and Gala Dinner in Mullingar on Saturday the 14/15th June.

This year's AGM saw IPAV's first ever female President Ella Dunphy stand down from office after a very successful year. While Ella blazed a trail, I know she will not be the last female President, I would encourage other female members to run for the office in the future and to help broaden the Institute appeal as some 26% of membership is made up of female members for the first time ever. I wish to extend my sincere thanks to Ella who was an excellent ambassador for the Institute both at home and abroad. I also congratulate her and fellow IPAV member Gordon Hughes on their recent appointment to the Board of the Property Services Regulatory Authority.

Congratulations to our new President David McDonnell who has already got off to a fine start, representing IPAV at the National Economic Forum in Dublin Castle on the 26/27th June, our Senior Vice-President Tom Crosse and our new Junior Vice-President Paul McCourtney. I look forward to working with them and all members of National Council in the future. I also congratulate the co-opted member of Council, Declan O'Leary, son of the late Michael O'Leary. I was delighted he could accept the co-option on National Council and wish him the very best in his year representing Wexford and Leinster members.

We were particularly delighted to welcome our guest speakers to our Annual Conference, notably builder and developer Michael O'Flynn who delivered an in-depth analysis of the current property market.

Special guests, too, at the Conference were 17 members of Mainstreet Organisation of Realtors led by their President, Mike Gobber and CEO John Gormley when an Memorandum of Understanding (MOU) was signed by both Institutes. We have now established close ties with Mainstreet and look forward to building on them. We also welcomed newly appointed Global Ambassador to the UK and Ireland, James Kinney.

Full coverage of IPAV's AGM, 48th Annual Conference and Gala Dinner is contained on pages 8 -19.

Elsewhere, on pages 6 and 7 property journalist Donal Buckley looks at the need to incentivise refurbishment schemes, which are an obvious solution to help solve the current housing shortage while on pages 24 & 25 *Irish Examiner* Property Editor Tommy Barker speculates if current climate change could see Cork city becoming the new "Venice of the North"!

In our Member's feature section, Editor Tim Ryan talks to new IPAV members, Denis, Nicola and Sara Bergin of Bergin's estate agency in Dublin 4.

IPAV's Annual presentation ceremony for participants in the Fine & Decorative Arts courses took place on May 21st and there is photographic coverage of the event on pages 27. In our education slot, Frank Quinn looks at the importance of work experience in education.

Finally, I hope all members get time to enjoy our Irish Summer and to recharge for a hopefully busy autumn season.

Best wishes

Patrick Davitt

CEO

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PRESIDENT'S MESSAGE

“I would like to help agents in any way I can and I look forward to meeting many members over the course of the next 12 months..”

Dear Member,

It was a great honour for me to be elected President of IPAV at our recent AGM and Annual Conference on June 15th. It was also a great occasion for my wife, Joanna, and for all my family who were present on the day. It was a particularly special occasion for my father Jimmy McDonnell and I was delighted as my first duty as President to present him with an auctioneer's gavel to mark his unbroken membership of IPAV since its foundation in 1971.

I wish to thank everyone who attended for some, or all, of the day and I hope you all had a very enjoyable visit to Mullingar.

I wish to congratulate Tom Crosse on his election as Senior Vice-President and Paul McCourtney on his election as Junior Vice-President. Congratulations, too, to our re-elected members of National Council and newly co-opted member Declan O'Leary. I look forward to working with Tom, Paul, all the members of the National Council, our CEO Pat Davitt and staff at head office during my term.

I wish to especially thank Ella Dunphy my predecessor, for the trail she blazed over the past 12 months as IPAV's first female president. She did a truly wonderful job and set a very high standard for me to follow. I wish her and her husband Pat the very best for the future and I know I can call on Ella for support and advice at any time during my term in office.

For those of you who do not know me very well or were not present in Mullingar, I am a native of Mullingar and Managing Director of Property Partners McDonnell, a firm set up by my father, Jimmy in 1970. He is a very well-known name in the property industry in the Midlands. I was elected to IPAV's National Council in 2014 and have served as both Junior and Senior Vice-President before being elected President on June 15 last.

In my address to the Annual Conference I made a number of comments and suggestions on the current state of the property market and these are summarised elsewhere in this issue. As we all know, the recent local and European elections saw the emergence of the 'Green Wave' and IPAV, too, must play its part in the current fight against climate change. Among the suggestions I put forward in my address was a proposal that when sale prices are published in the Property Price Register of the Property Services Regulatory Authority website, they should include the BER rating of the property so that people can see the difference in price when a higher rating is achieved. I am also proposing to add the eircode as well. These I feel would be simple steps which would, in IPAV's view, contribute to enhancing the environment and the use of the PPR. I intend to write to the PSRA Regulator on this issue as I understand a legislative change may be necessary to implement this.

During my term of office I would like to help agents in any way I can and I look forward to meeting many members over the course of the next 12 months. Our industry is changing year on year and we, as a professional body, must be open to changing too. But by supporting each other in solving problems of common interest we can make IPAV even stronger and more influential.

In conclusion, I wish all members an enjoyable summer and hope you get time for a holiday and some relaxation before the busy autumn period sets in once again.

Best wishes

David McDonnell

President

TWO IPAV MEMBERS APPOINTED TO PROPERTY SERVICES REGULATORY AUTHORITY



Ella Dunphy.



Gordon Hughes.

Two IPAV members, former President Ella Dunphy and Gordon Hughes have been appointed to the Board of the Property Services Regulatory Authority (PSRA).

Ella Dunphy is a well-known estate agent in Kilkenny where she operates the DNG franchise, DNG Ella Dunphy. She has been a member of IPAV's National Council for a number of years and prior to being elected President, she served as both Junior and Senior Vice-President.

Gordon Hughes has over 20 years' experience in the property industry. Having previously worked for a large Property Management Company in Dublin, he returned home to Ballinamore, Co Leitrim in 2001 and established his own practice. A member of both IPAV and SCSI, he is also a former County Councillor and was previously on the board of HSE West, the Border Regional Authority and Leitrim Enterprise Company. In 2017 he acquired the successful practice of John Fitzgerald Auctioneers in Ratoath, Co Meath and rebranded the company as Fitzgerald Hughes.

The PSRA supervises the Property Services Providers (PSPs) (Auctioneers, Estate Agents, Letting Agents and Management Agents). It works to protect the interests of the public by ensuring that high standards are maintained in the delivery of property services.

The PSRA is also responsible for three Public Registers, namely the Property Price Register, the Commercial Lease Register and the Register of Licensees.



IPAV MEMBER APPOINTED TO VALUATION TRIBUNAL

Ray Finlay.

Well-known Athlone IPAV member Ray Finlay has been appointed to the Valuation Tribunal. The Tribunal is an independent body set up under the Valuation Act 1988, and continued by the Valuation Acts 2001 – 2015, to determine appeals against decisions of the Commissioner of Valuation on the valuation of commercial properties for rating purposes.

An appeal to the Tribunal under the Valuation Act may be on grounds of the quantum of the valuation of a property or the rateability of a property. The Tribunal may disallow an appeal and thereby affirm the decision of the Commissioner; allow an appeal and amend the valuation of the property and decide that the property under appeal should be included in or excluded from the valuation list. An appeal to the Tribunal under that Act may be on grounds that relate to the market value determined by the local authority.

Subject to a right of appeal to the High Court on a point of law, the decision of the Tribunal is final.

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EXPECT THE FLOW OF PRIVATE LANDLORDS FROM THE MARKET TO CONTINUE

BY PAT DAVITT, CEO, IPAV

In a recent Focus Ireland report on homelessness, it came as no surprise that one of the primary reasons those experiencing homelessness left their last stable home was because their landlord was selling the property. One of the main reasons landlords have said they are selling out is because of the divergence in the treatment for tax purposes of private landlords versus that of the so called 'vulture fund' investors in residential property. Focus Ireland says the divergence is so great that it is a foregone conclusion that private landlords will continue to exit the market.

Traditionally it is private landlords largely who provide accommodation for the less well-off. Despite the relatively high profile of the investment funds in the media, the most recent figures from the Residential Tenancies Board (RTB) show that 70% of private landlords own just one investment property while a further 16% own two. However, all that could soon change. The amount of properties owned by investment funds continues to increase and, while it is still a small portion of the market, it is largely concentrated in the large cities and at the higher end of the market and it is rapidly on the increase.

The preferential tax treatment of the funds, sometimes termed 'cuckoo' funds, is vastly disproportionate. There is now so little reward for the private landlord but mega incentive for the funds industry such as the controversial Irish Collective Asset Vehicle, or ICAV. While the area is complex, it often means that while many private landlords pay tax rates of 55% on rental income and are subject to stamp duty and capital gains taxes on sales, many of the funds pay little or no tax at all. This is clearly grossly unfair but is something the government has been happy to allow to continue in successive budgets.

There is a much bigger problem coming down the road here with property ownership rates falling from just over 80% to over 60% due to the Government policy of encouraging people to rent instead of buying. Has the Government carried out any surveys to see how this can be afforded when their renters reach pension age?

Recent Banking & Payments Federation Ireland figures for buy-to-let mortgages show a 30% year-on-year drop in mortgage approvals. These figures are very worrying in the current housing crisis.

At IPAV's recent Annual Conference in Mullingar, well-known builder/developer Michael O'Flynn said that while the Government is busy promoting policies to support the build-to-rent model, it is recklessly pushing the traditional smaller landlord out of the market. "Taxation and regulation have resulted in 8,000 traditional landlords exiting the



market in the past 12 months," he continued. "Restrictions on rent increases have penalised the landlords who have been fair to their tenants in the rents they charge. Tenant protections introduced to deal with a minority of rogue landlords have created a class of rogue tenant who can cause serious financial difficulty for the smaller landlord. If we do not urgently revise relevant policies, smaller urban areas which are of no interest to the large-scale landlords will be left with an even greater deficit of rental properties."

IPAV's own member survey last year found that for every landlord entering the market, more than two were leaving. High taxes and onerous regulation were among the top reasons cited in the survey.

This trend is going in one direction only. We will continue to see the flight of the private landlord from the market, unless the tax situation changes and changes rapidly.

Institutional investors are needed in the property market and were necessary at the end of the recession to help rekindle the market and provide accommodation for rent. However, there must be a level playing field. Such funds should be part of the solution, not be facilitated by such extraordinarily favourable incentives that they are now starting to dominate residential property activity.

The warning signs are there and have been there for some time now. The upcoming Budget 2020 provides an ideal opportunity for the government to restore balance and provide tax incentives for ordinary landlords to encourage them to remain in the marketplace. The increasing monopoly status on investment funds spells danger for Irish society as a whole.

HOUSING IN IRELAND: THE A – Z GUIDE

Housing expert and lecturer Dr Lorcan Sirr of TU Dublin has recently launched an A – Z guide to housing in Ireland.

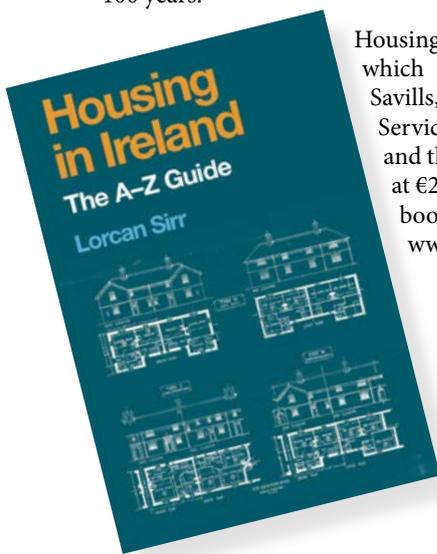


Pictured at the launch of *Housing in Ireland* were (l-r): Pat Davitt, CEO, IPAV; Dr Lorcan Sirr and John Leahy.

The topic of housing is not the straightforward subject it is often perceived to be. As the world becomes more complex, so too have all the aspects of housing. At the same time as practices and issues evolve, so do the language and terminology around them. Understanding the terminology is not merely important for the developers, planners, policy-makers and other high level experts, but also for the homeowner, renter, students and representative groups.

From 'Abhaile' to 'zoning', *Housing In Ireland: The A – Z Guide*, sets out over 600 entries on all aspects of housing from the practical to policy, and from the theoretical to the technical. It is the comprehensive guide to understanding the most important issue to consistently face Ireland over the last 100 years and which will most likely be with us for the next 100 years.

Housing In Ireland: The A – Z Guide, which was sponsored by IPAV, Savills, the SCSi, the Property Services Regulatory Authority and the Housing Agency is priced at €20 and is available in all good bookshops, or online from www.OrpenPress.ie.



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GOVERNMENT NEEDS TO RELOOK AT REFURBISHMENT SCHEMES

BY DONAL BUCKLEY

The Government has introduced yet another reason for private investors to avoid buying older houses and revamping them for the residential rental market.

The move could well reverse a trend which had seen a recovery in demand for bed-sit properties among investors who were willing to upgrade them. With rents rising in response to demand, investors had come to recognise that they did not need tax incentives to cover the cost of major refurbishment work on old houses. More importantly, from a supply perspective they were giving them a new lease of life, contributing to urban renewal and also helping to meet rental demand in urban centres where demand is highest.

However, Minister for Housing Eoghan Murphy recently decided that these were not valid enough reasons to listen to concerns about the amendments to the regulations on rental properties which he introduced on June 4.

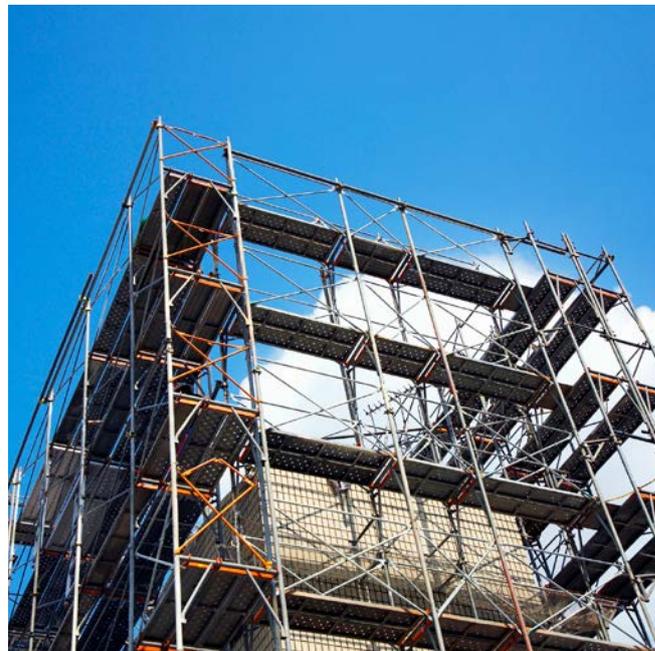
The new regulations are designed to more clearly define what type of refurbishment work will allow a landlord an exemption from the 4pc cap on rent increases in rent pressure zones. Since June refurbishments will only qualify for the exemption if they include most of the following: A permanent extension to the dwelling that increases the floor area by 25pc; considerably improves the building's energy performance; permanently alters the internal layout and adapts it for disability use and, or, increases the number of rooms.

Pre '63 properties

The Minister said that he was aware of a "particular concern around carrying out structural alterations to pre-1963 properties and has received representations on this issue. In response to this, the additional criterion of a seven BER rating improvement in and of itself qualifying for the exemption was introduced."

A spokesman said that if the planned refurbishment works are substantial and 'much needed', it is likely that the dwelling was not capable of being rented during the two years before the completion of the works" and would therefore be exempted from the 4pc cap.

However, agents point out that it is extremely difficult to improve the energy rating in period buildings by as many as seven grades and at the same time meet the conservation standards required by the local authorities.



Indeed for protected structures, as applies to many of the Pre63 buildings, Dublin City Council's conservation department will not permit insulated plasterboard to be applied to outer walls; will not permit high ceilings to be lowered and will demand sash windows which are not double-glazed windows.

But it's not just very old properties that are affected. IPAV chief executive Pat Davitt also points out that extending the floor area by 25pc is a no-go in many properties particularly apartments and is an unrealistic proposal for most landlords.

"If the Minister wishes to prevent properties being sold under the guise of substantial refurbishment in rent pressure zones (RPZs), then he should just say so and stop it altogether rather than trying to prevent it by setting unrealistic conditions as we will be left with these in the Act...Overall result will be even more landlords fleeing the market than heretofore."

"In relation to apartments, clearly an owner cannot do any repairs on his/her own or extend the floor area so the measure makes no sense in relation to them, so BER ratings will remain the same. Therefore, I think it will dampen interest in second-hand apartments for investors."

Mr Davitt welcomed the Minister's requirement about adapting buildings for people with disabilities and incentivising an increase in the BER rating for refurbishment of houses. However, he pointed out that increasing the rating by three from D1 or lower means a huge refurbishment and total insulation make-over. Even two is difficult.

"At the end of the day the biggest reason landlords will refurbish properties is if they see extra rent or extra value if they go to sell," he added.

It has to be acknowledged that the scale of rent increases in recent years are among the factors which make it difficult for first-time buyers to save for a deposit and a mortgage. These rises may also be contributing to the curtailed disposable income which tenants can afford to spend on their leisure and retail activities.

New lease of life

On the other hand, it must also be acknowledged that rent increases have given a new lease of life to parts of Dublin city bringing more upmarket apartments to areas where no major new residential development is feasible such as Rathmines and between the canals.

Many of these refurbishments have been underway without any help from the Government by way of the Living City Initiative tax incentive scheme which has failed to entice investors and developers to refurbish old properties in the cities of Limerick, Waterford, Kilkenny, Galway, Cork and Dublin.

Between 2013 and last November only 168 applications had been made for the tax relief for residential refurbishments in those cities. There were 61 in Dublin, 51 in Cork, 27 in Waterford, 16 in Limerick, 11 in Kilkenny and only 2 in Galway. Dublin City Council recently told a meeting of landlords that it had received about 80 applications of which only 40 were approved.

Investors complained that the scheme is so cumbersome and bureaucratic it is not worthwhile making an application. Many agents don't know about it and don't bother to include it in promotional brochures when selling properties which could qualify. The scheme is due to end in May 2020 and only refurbishment and conversion work that is carried out before then will qualify for the tax relief.

The other question that arises from the new refurbishment regulations is the effect it will have on investing in refurbishment in order to improve health and safety including fire safety regulations. Some landlords who may not be able to recoup these costs within a reasonable time scale without rent increases may be forced to sell. On the converse side prospective buyers who may be daunted at the timescale it may take to recover the cost of such refurbishment, may be discouraged from buying.

In regional cities like Cork, Limerick and Waterford such refurbishments of old buildings are even more necessary because new apartment developments are not financially viable. So, if the Government is serious about bringing residential populations back into city centres it needs to look again at encouraging rather than discouraging refurbishment projects.

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CHICAGO REALTORS ATTEND IPAV'S ANNUAL CONFERENCE



The group of Mainstreet Organisation of Realtors from Chicago who attended IPAV's Annual Conference pictured with Ella Dunphy, outgoing IPAV President:

Front Row (l-r): John Gormley, CEO Mainstreet; Karen Irace; Ella Dunphy; Mike Gobber, President of Mainstreet; James Kinney, National Association of Realtors Global Ambassador to UK and Ireland and Linda Dressler, Junior Vice-President, Mainstreet.

Back Row (l-r): John Le Tourneau, Louise O' Connor, Terri Jeffries, Kathy Nosek, Candy Smith, Maribel Salgado, Debbie Pawlowicz and Kinga Korpacz.

(Missing from photograph: Theresa Muller, Kathy Harper and Marsha Collins.)

CHICAGO REALTOR AMONG PRIZE WINNERS AT ANNUAL IPAV PRESIDENTS GOLF OUTING

IPAV's Annual Golf sponsored by Celtic Media Group took place on the eve of IPAV's Annual Conference on Friday, June 14 at Mullingar Golf Club. The winners were as follows:

1st Place: Raymond Smith, Mike Gobber (USA) and Tom Crosse.

2nd Place: Billy Johnston, Audrey Johnston and Pat Davitt. 3rd Place: Mark Gosling, Jim Delaney and Liam Mullins

Closest to Pin: Patrick Davitt Jnr. Longest Drive (Men): Patrick Davitt Jnr. Longest Drive (Ladies): Ella Dunphy



The winning team (l-r): Tom Crosse, Mike Gobber and Raymond Smith.



Pictured at the start of the golf outing were (l-r): David McDonnell, incoming IPAV President; Paula Davitt; Brendan Ganly, Captain of Mullingar Golf Club; Pdraig Martin, Celtic Media Group (Main sponsors), Ella Dunphy, outgoing IPAV President and Pat Davitt, IPAV CEO.



Second place winners Billy and Audrey Johnston pictured with Ella Dunphy and Pdraig Martin.



Third place winners Liam Mullins, Jim Delaney and Mark Gosling with Ella Dunphy, Pdraig Martin and David McDonnell.

MINISTER OF STATE HIGHLIGHTS IPAV'S ROLE IN EDUCATION AND TRAINING

THE FOLLOWING IS A SUMMARY OF THE REMARKS BY MINISTER OF STATE KEVIN 'BOXER' MORAN TO IPAV'S ANNUAL CONFERENCE.



Minister of State Kevin 'Boxer' Moran addressing the Annual Conference.

The Institute of Professional Auctioneers & Valuers which was founded in 1971 now has in excess of 1300 members. I know that you are looking forward to celebrating the 50th anniversary in 2021. I understand that last year IPAV elected its first female President, Ella Dunphy who has just finished a very successful term in office. I wish to congratulate Ella and to wish her the best in the future.

Ella has handed over the chain of office to a well-known local estate agent and a constituent of my own – David McDonnell who I know will do an equally good job during his term. David comes from a very well-known estate agency family in Mullingar, Property Partners McDonnell where his father, Jimmy, who is still active in the firm, and whose name has long been associated with the property industry in the Midlands. Congratulations David and I wish you the very best in your term of office.

Among IPAV's main aims are to maintain the highest professional standards among its members and to be a guarantee to members of the public of a top-class professional service. For many years now, the Institute has run its own regular Continuous Professional Development or CPD courses which are now mandatory in virtually every profession. Today, it also delivers mandatory courses on behalf of the Property Services Regulatory Authority, the body which oversees auctioneers and estate agents.



Outgoing IPAV President Ella Dunphy presenting a certificate to Claire Killen to mark her retirement as NAR's Global Ambassador to Ireland.

I am pleased to note the Institute places a very strong emphasis on education both in the training of young estate agents and in the provision of ongoing assistance to established members. The Institute also makes regular submissions to Government and Joint Oireachtas Committees on various issues relevant to the property industry.

The Institute has been the main driver behind the introduction of the 'Blue Book' valuation system to Ireland. The international nature of real estate markets today, particularly at times of economic uncertainty, highlights the need for co-operation between valuers, ensuring they possess the awareness and knowledge required to enable them to provide accurate and informed advice to clients right across Europe. The Recognised European Valuer Scheme and use of the letters REV provides such a European-wide assurance to investors of all types by setting a high standard of ability and experience. Here in Ireland, the Central Bank of Ireland has endorsed 'Blue Book' standards, recommending them as best practice. To date IPAV has trained in excess of 400 members to Blue Book standard and this number continues to increase.

The Institute also plays its role at European level through its membership of the European Association of Real Estate professionals, CEPI, which represents 24 national associations and more than 30,000 real estate agents across Europe. Indeed, I note that your CEO Pat Davitt is a board member of the Association where Ireland's voice is very well represented.

The training of young estate agents is critical in today's property market and in recent years the Institute has set up its own networking group, its Young Professional Network. Last January I understand the network organised the very first competition for Novice Rostrum auctioneers. The event saw some 14 competitors from all over the country going head-to-head to show their skills and highlighting the role that the institute can play in helping young auctioneers and estate agents setting out on a career path.



Pictured at the signing of a Memorandum of Understanding (MOU) between IPAV and Mainstreet Organisations of Realtors were: (front row l - r) : Ella Dunphy, outgoing IPAV President and Mike Gobber, President, Mainstreet; (Back row l - r): John R. Gormley, CEO, Mainstreet, John Le Tourneau, Treasurer, Mainstreet and Pat Davitt, CEO, IPAV.

MUCH MORE ACTION NEEDED TO GET HOUSE-BUILDING UP TO SPEED.

The following is a summary of the remarks by incoming IPAV President David McDonnell to the 48th Annual Conference.



Minister of State Kevin 'Boxer' Moran is welcomed to the Annual Conference by IPAV President David McDonnell.

Firstly, I wish to thank my predecessor, Ella Dunphy, for the truly wonderful job she did as President. As our first – and most certainly not our last – female President, Ella blazed a trail that will be hard for me to follow. I wish to thank Ella for all her hard work during the past year and to wish her, her husband Pat, and their family the best for the future. During my term of office I know I will be able to rely on Ella for any help and support I may need during the year.

I also wish to congratulate Tom Crosse on his election as Senior Vice-President and Paul McCourtney on his election as Junior Vice-President. Congratulations, too, to those members re-elected to National Council. I look forward to working with them and all the members of National Council during my term.

Review of IPAV activities

I am taking over the reins of office of President of IPAV in a period of continued growth and expansion for the institute. We now have in excess 1,300 members nationwide, applications continue to come in as property professionals see the real value in joining IPAV can bring to their business. Whether it is licencing issues, compliance issues, education, upskilling or even adapting to new technology, now more than ever, we all need to be members of a professional body.

From any perspective, IPAV is a very busy organisation and its range of activities continues to expand with each passing year. IPAV, as you are all aware, was one of the bodies appointed to deliver the National CPD programme on behalf of the National Property Services Regulatory Authority. This was a major achievement for the Institute and would not have happened without the hard work of our CEO and his team.

The Institute has also seen a full compliment for its education courses run in association with TU Dublin, formerly the

Institute of Technology, Tallaght. This Level 6 course now produces 50 plus new auctioneers every year which is a great achievement and graduates from this course can look forward to very rewarding and successful careers.

I was delighted to see our Young Professionals Network, YPN, chaired by Niamh Giffney and her team again undertake a very interesting and diverse programme during the past year including the Novice Rostrum Auctioneer Competition. I wish to assure YPN that I will be lending them all the support I can during my term of office.

On the broader front, I am delighted to see our relationship growing with NAR, the National Association of Realtors in the United States and delighted to welcome to our Conference Jimmy Kinney, NAR Global Ambassador to Ireland and the UK; Claire Killen, former NAR Ambassador to Ireland and John Le Tourneau, newly appointed Treasurer of Mainstreet Realtors.

Our role within TEGoVA has grown hugely and IPAV now has over 400 Valuers trained to European Valuation Standards. This is another get achievement which has put our institute at the coal face of valuations going forward.

Overview of the property market

As you are aware, Ireland continues to have major supply issues, particularly in the capital and urban areas. While the Government has made some efforts to get property building moving, an awful lot more needs to be done to meet the huge demand for our growing population in the years ahead.

The most recent figures from the CSO show that there were 4,275 new dwelling completions in the first Quarter of 2019, which, while an improvement, is nowhere near enough to meet the demand out there. Every agent here knows how their local market is performing and how the shortage of supply is affecting them.

Residential property prices are now slowing down in many areas and many agents here today will tell you that the market is remarkably quiet for this time of year. Recent CSO figures show that prices rose by 3.9% nationally in the year to March compared with an increase of 4.3% in the year to February. So the trend is clearly slowing down. Of course, there are still many rural counties and towns where it is still difficult to sell property at any reasonable price.

As an Agent involved in Valuations, Commercial and Residential Sales and Lettings in Mullingar, I see first-hand the major problems facing the property industry on a daily basis. We all have opinions on the property market and how issues should be solved and IPAV has been pro-active in putting the views of members forward to government at every available opportunity.

One of the areas in which IPAV has been continuing lobbying for change is the whole area of conveyancing which still takes far too long in many cases. Back in 2016 IPAV made a submission to a review which was undertaken by the Department of Justice and Equality. Three years later it has still not been published. Today IPAV is calling for the transfer of responsibility for conveyancing to the Property Services Regulatory Authority and the setting up of an independent panel of conveyancers across the country who would

be specifically responsible for processing all property sales. For too long successive governments have been dragging their heels on this issue and it is now time to bring conveyancing into the 21st century with a far more streamlined and transparent process.

IPAV has also long advocated that the VAT rate on construction needs to be reduced to 9 per cent, even temporarily, to incentivise builders to start building and to be able to sell houses at reasonable prices. To date the Government has ignored this request. We have all seen how well this worked in the tourism sector in the past but yet the Government appears reluctant to apply it to the construction sector. There will be yet another opportunity for such a move in the 2020 Budget this autumn.

IPAV has also been pointing to the need for a building fund to provide finance for small builders at very reasonable interest rates to get them building. After all, small and medium-sized builders were the back bone of our building strategy for years. There are still only a small number of large builders currently building and as long as that continues, there will be very little competition in the marketplace. Much hype was generated surrounding the setting up of House Building Finance Ireland with a €750m fund following the passage of new legislation last year. This was supposed to provide finance to small and medium-sized builders but we have heard little about it since.

Rental Sector

Turning to the rental sector, we see rents continuing to rise due to the ongoing lack of available units to let, notably in our cities. With one in every five people now renting, we can expect this crisis to continue and to worsen. Increasingly, as figures from the Residential Tenancies Board show, the private landlord who has been the mainstay of the rental market is being forced out by onerous regulation and lack of any incentives.

It is IPAV's view that current rental laws are skewed totally in favour of Tenants, leaving Landlords with little comeback from the State's regulatory infrastructure when faced with irresponsible tenants. Current laws are now, in fact, so disproportionate that they facilitate irresponsible and anti-social tenants who know that if they push hard and long enough, they can live rent free for extended periods. Again, the Autumn Budget will provide a key opportunity for the government to introduce realistic tax incentive for small-time landlords so that they can reap some reasonable return from their efforts.

Today in the property market as elsewhere there is an onus on all of us to play our part in protecting the environment. Increasing emphasis is being placed on the BER ratings of properties both for sale and for renting. This afternoon I wish to put forward two simple ideas in this area. The first is that when sale prices are published on the website of the Property Services Regulatory Authority, they should also show the BER rating of the property so that people can see the difference in price when a higher rating is achieved. This would be a simple step which would, in IPAV's view, make a major contribution to enhancing the environment.

Secondly, it is currently being proposed that estate agents will in the future have to ensure that all residential units advertised to



IPAV President David McDonnell with his wife Joanna and their children Rory (12), Lydia (10) and Greg (9) and his parents Jimmy and Catherine McDonnell.

let comply with the 2017 Housing Standards for Rented Houses. We do not think this is a realistic proposal as estate agents are not qualified to check all these requirements. Instead, we propose that it should be the obligation of the landlord who owns the property, to provide a certificate of compliance from the relevant local authority confirming the property is fully compliant with the housing standards regulations. Furthermore, we do not think local authorities are the correct bodies to issue these certificates and instead responsibility should be transferred to the Sustainable Energy Authority of Ireland, or SEAI, which is the body charged with responsibility in the whole energy area. IPAV will be outlining these proposals to the relevant ministers in the near future.

Conclusion

My main objective as President for the next 12 months will be to work with you, the members around the country, and to help you in any way I can. In particular, I want to help agents grow and develop their business so that all our members can earn a decent living and provide for their families. By working together under the IPAV umbrella, we can be strong and support each other going forward.

In conclusion, let me say how much I am looking forward to my year ahead as IPAV President and to having your full support. I wish to thank our CEO Pat Davitt and all the staff at Head Office for their commitment and dedication not least in organising this AGM and Annual Conference.



IPAV President David McDonnell presenting his father Jimmy McDonnell with a gavel to mark his unbroken membership of IPAV.

EDUCATION A PRIORITY FOR OUTGOING PRESIDENT DURING TERM OF OFFICE

In her final address to members, outgoing President Ella Dunphy said the welcome that was given to her at every event she attended both at home and abroad was a tribute to the status that the Institute now holds.

She paid tribute to the former President and National Council member Michael O'Leary who sadly passed away on the 27th of January following a long illness. Most members knew Michael and the always good-humoured and delightful individual he was. "He contributed a great deal to IPAV over many years and his passing was a very sad day for our institute", she said. She also paid tribute to the former Director of the Property Services Regulatory Authority, Tom Lynch, who was a regular attendee at IPAV events and annual conferences and who died at the St Patrick's Day weekend in a road accident.

She said the theme for the 2018 Conference was "Evolution through Education" and during her term of office she tried to make furthering the education programmes one of the main aims as President. Last year and this year, she said she was delighted to see IPAV continue to provide the new 5-hour CPD courses for all auctioneers and estate agents nationwide. This course would improve the standards in the industry even further, making it a profession respected and appreciated by all. In addition to the PSRA modules, IPAV continued throughout the past year to provide its own ongoing series of Continuous Professional Development for members.

IPAV's close association with TEGoVA, the European Group of Valuers Associations again continued to grow over the past year, she said. In this regard, the highlight of the year was Thursday, 25th of October, when IPAV hosted the Fourth IPAV European Valuation Conference & Trade Exhibition in Castleknock.

Also IPAV's close association with CEPI, the European Group of Auctioneers property managers and professionals again continued to grow over the past year. "It is a great honour for IPAV to have our CEO Pat Davitt a board member," she said.

"And, of course, we must not forget IPAV's very successful Certificate and Advanced courses in the Fine & Decorative Arts which continue year after year, thanks to the wonderful efforts of Roxane Moorhead and her team of lecturers. I was delighted to



IPAV outgoing President Ella Dunphy and incoming President David McDonnell with David and Geraldine Reynolds, Dungarvan.

present their award certificates on Tuesday, 21st of May in the Stephen's Green & Hibernian Club."

The outgoing President said the past year also saw IPAV's Young Professionals Network undertake a range of activities and she wished to congratulate YPN chairperson, Niamh Giffney and all her team on their achievements, not least for organising the very first Novice Rostrum Auctioneer Contest which took place in Tattersalls last January when some 14 competitors from all over the country went head-to-head to show their skills in the Rostrum.

On the broader front, during the past year IPAV once again lobbied government on issues of concern to members, notably on the need to adopt a much more dynamic and innovative approach to increase housing output. As the Irish economy continues to grow, albeit at a slower rate than in recent years, the demand for a much greater supply of homes for both rental and purchase increases, she said. Conservative estimates reckon there is a need at least 35,000 new homes each year between now and 2025. Clearly, this figure would not be met.

Ms Dunphy thanked the CEO, all the members of National Council and staff at national office who were a huge support to her during her term of office. She wished her successor David McDonnell the very best during his term of office.



At the IPAV Gala Dinner were: (l - r) James Kinney, NAR Global Ambassador to the UK & Ireland; Marsha Collins, Mainstreet; Ella Dunphy, outgoing IPAV President; Maribel Salgado, Mainstreet and John Gormley, CEO, Mainstreet.



MC Shane Coleman of Newstalk Radio welcomes the members to the Annual Conference.



IPAV incoming President David McDonnell with outgoing President Ella Dunphy and Senior Vice-President Tom Crosse and Junior Vice-President Paul McCourtney.



Former IPAV President Donal Hynes (1976 – 78), Athlone and his son Healy with Minister of State Kevin 'Boxer' Moran at the Beagle Property portal trade stand.



National Council Member Brian Dempsey and Mike Gobber, CEO of Mainstreet Realtors.



(l - r): Billy Heffron, Ballina; Minister of State Kevin 'Boxer' Moran and IPAV President David McDonnell.



Ciaran Behan and Johnaton Walford at the IPPI trade stand.



IPAV President David McDonnell with Desmond Daly, Kanturk and Peter Barry, Mallow.



James Kinney, NAR Global Ambassador to Ireland and England and Joanne Gill, President SCSl.



Seán and Cathal Douglas of Douglas Displays.



IPAV Incoming President David McDonnell addressing the Conference.



Kevin Brady and Colm Breathnach of OSI.



Frank Moore, Ennis and Seán Naughton, Roscommon.



IPAV President David McDonnell with YPN members (l-r): Nicholas Maher, Cashel; Niamh Giffney, Navan; Maria Lehane, Bandon and Raymond Smith, Ballyjamesduff.



IPAV's New National Council (seated l-r): John Hodnett, Raymond Smith, Joanna Lavelle, Tom Crosse, David McDonnell, IPAV President, Paul McCartney, Ella Dunphy, Declan O'Leary, Mervyn Lloyd, Brian Dempsey.

(Back Row): Patrick Durkan, Pat Carroll, Gerry Coffey, Frank Moore, Pat Davitt, IPAV CEO, Gerard Hanley, Fintan McGill, Alan Redmond, Dara Furey and Eamon O'Flaherty.



Caroline Mooney and Róisín Keenan at the PSRA stand.



IPAV CEO Pat Davitt addressing the AGM.



National Council members Pat Durkan, Limerick and Mervyn Lloyd, Mohill.



IPAV Senior Vice President Tom Crosse and his wife Pearl.



IPAV President David McDonnell with his brother James.



At the IPAV Gala Dinner were: (l - r) James Kinney, NAR Global Ambassador to the UK & Ireland; Marsha Collins, Mainstee; Ella Dunphy, outgoing IPAV President; Maribel Salgado, Mainstreet and John Gormley, CEO, Mainstreet.



Daniel and Karen Lehane, Dunmanway, Co. Cork at the Annual Dinner.



Kevin and Caroline Kirrane, Ballyhaunis at the Annual Dinner.



Brendan Bowe and Maria Lehane from Bowe Property, Bandon at the Gala Dinner.



At the Gala Dinner were (l -r): Paul Crosse, Ken McDonald, Sheila McDonald, Des Donnelly, Louise Lagan and John Farrell.

TOO MANY 'HURLERS ON THE DITCH' TRYING TO FIX THE HOUSING CRISIS

Increasing mortgage limits for buyers, providing Strategic Land Reserves (SLRs) and reducing VAT were just some of the options outlined to help solve the country's housing crisis by well-known developer Michael O'Flynn in his address to IPAV's Conference. Below is an edited summary of his remarks.

I regret to say that in my view the approach we have been adopting simply isn't working and is not dealing effectively with the crisis in housing. There are a number of reasons for this. First and foremost, the causes of this crisis are numerous and complicated and finding a resolution is complex. There is no quick fix and no easy option.

Some of you will be familiar with the term "hurler on the ditch". In the context of the housing crisis, a problem not to be underestimated is that there are far too many hurlers on the ditch. The noise they are making sometimes drowns out the voices of those who participate in the actual delivery and who should be heard.

The current housing strategy is failing the current generation, who are increasingly despairing of a system that is not delivering. It is frustrating to see this happen when one can see obvious solutions that would deliver housing far more quickly than many of the policies being pursued.

Dublin Imbalance

The imbalance between Dublin and the rest of the country did not emerge today or yesterday. The imbalance was simply exacerbated by the fact that the economic recovery began in Dublin long before it began anywhere else but poor planning and imbalance in investment and infrastructure for years before the recession had planted the seed for the situation we have today. I am pleased to see some constructive proposals to address this imbalance in the National Planning Framework.

Tenure

There are those who say that Ireland must move away from its obsession with home ownership. However, we need to ask ourselves whether this is, in fact, an "obsession" or simply a sensible economic and social decision that everyone should have a right to make. Certainly, we need to build more homes to rent but I question many in your own profession who are now cheerleading for a shift in policy towards prioritising home rental over home ownership.

We need to be careful of the herd mentality. The herd ran towards unsustainable numbers of new housing units then and is starting to run towards a model of home rental now without properly examining how this sits in our overall economic model.

To be clear, I am not advocating that rental should not be an option and I agree that we need purpose built rental properties in larger urban areas. However, we must deliver properties suitable for all tenures and provide people with choice.

In fact, while we are busy promoting policies to support the build to rent model, we are recklessly pushing the traditional



(l - r): Paul McCourtney, IPAV Junior Vice-President; Michael O'Flynn, Guest Speaker; Maria Lehané, Bandon; Minister of State Kevin 'Boxer' Moran; David McDonnell, IPAV President and Tom Crosse, IPAV Senior Vice-President.

smaller landlord out of the market. Taxation and regulation has resulted in 8,000 traditional landlords exiting the market in the past 12 months. Restrictions on rent increases have penalised the landlords who have been fair to their tenants in the rents they charge. Tenant protections introduced to deal with a minority of rogue landlords have created a class of rogue tenant who can cause serious financial difficulty for the smaller landlord. If we do not urgently revise relevant policies, smaller urban areas which are of no interest to the large scale landlords will be left with an even greater deficit of rental properties.

If we are to resolve this crisis, we must firstly understand our own social and economic model. We must strive for a housing system which is balanced and fair.

Social Housing

There is a pent-up need for social housing in this country. This results from years of Government abdication of responsibility for the provision of housing for those who cannot afford to buy or to pay market rent.

Social houses must be provided for those who are not in a position to purchase or rent. Rented accommodation must be provided for those for whom that is their preference. And those whose preference it is to own homes must not be deprived of that right by policies which make the development of those homes impossible or unnecessarily difficult or by those who believe that it is acceptable to push up to 50% of our citizens into rental, even if that is not their choice.

Green Agenda

The recent European and Local Government elections sent a clear message that this generation wants us to be environmentally conscious. This extends to every aspect of our lives including our

housing policies. If we are serious about embracing the green agenda, it must be supported with economic policies to support environmentally friendly development. We can make rules that prohibit development which is not conducive to the green agenda but, unless the green agenda is backed by policies which make it viable to deliver, the result is now and will continue to be rising homelessness and economic stagnation.

The National Planning Framework includes objectives relating to brownfield and infill development. This is sensible. But it is also the most costly type of development and is currently not viable for housing. It involves sites which are more expensive, demolition and site clearance costs not associated with greenfield sites, additional costs associated with working on confined sites as well as costs of mitigating disturbance to neighbouring properties. These are just some of the additional costs. The objectives of the National Planning Framework will remain aspirational unless backed by tax incentives and infrastructure investment necessary to support the viability of brownfield and infill development. Possible incentives include:

- Time limited reduced CGT on disposals of vacant urban sites. This will encourage disposal of those sites.
- Stamp duty incentives associated with redeveloping sites for housing within set time frames from the date of acquisition. This will encourage early redevelopment and, coupled with Vacant Site Levy will avoid hoarding of sites.

With the best will in the world it will take time before residential development becomes viable on most brownfield sites. In the meantime, there is a whole generation missing out on the opportunity to acquire their own homes.

Viability

The key issue to be addressed if we are to have sufficient housing delivery is that of viability. Viability is a simple mathematical equation in which the sale price must be equal to the cost of land and construction plus a reasonable profit.

The answer to the control of house prices and residential rents is to have an adequate supply of residential units both for sale and for rent. The answer to supply of affordable units is to ensure their delivery is viability without unsustainable profit. The answer to that is to implement land use policies and fiscal policies to support viability and, in return, requiring delivery at affordable prices as the quid pro quo for that support.

Macroprudential rules & Welfare State

While many are celebrating the fact that the Macroprudential Rules have succeeded in capping house prices, hardly anyone is looking at how this is inhibiting housing delivery and how it risks the creation of a welfare state. While the rules result in private debt being maintained at a level some believe is desirable, the consequence is that people who would otherwise be willing and able to borrow and pay for their own homes over time cannot now afford to buy.

The mortgage market in Ireland was projected to grow by 17% last year. Instead it grew by only 9% and only one in three were

first-time buyers. As rents are often prohibitively higher than the amount of mortgage repayments on equivalent properties, the only remaining option for those squeezed out of the market is to apply for social housing.

Therefore, by refusing to allow a slightly higher level of borrowing, as well as inhibiting supply of new housing, we are also creating a social housing- dependent society. We are replacing one Macroprudential risk with a far greater one.

I have been critical for some time about the harshness and inflexibility of our Central Bank's income multiples relative to those in other jurisdictions. I was comforted recently to hear others, particularly those from the banking and financial sectors, finally beginning to agree with me that over-correcting one problem is having this serious unanticipated consequence. Perhaps these people will be listened to by our policy makers who appear to listen to anyone other than those who are actually front-line in delivering new housing to the private sector.

Zoning and SLRs

Land use planning is to be welcomed but the current model of zoning land is not working. It is simply driving up the cost of land without any public benefit.

I believe that the use of strategic land reserves (SLRs) would be a game changer for housing delivery. SLRs are lands which have been designated by certain local authorities as having potential for residential development.

They are not formally zoned but are assessed under strict criteria including sequential approach, the ability to leverage maximum returns from infrastructural development and the potential for multi-modal transport opportunities for accessing existing public transport facilities and employment areas.

SLRs can only be considered in the context of a partnership or concerted approach between a landowner and a developer, who is in a position to propose a plan to bring forward residential development on the lands in the lifetime of the relevant development plan.

Accordingly, unless the land price facilitates delivery of affordable housing within the short term, planning permission will not be granted.



At present, planning laws do not facilitate strategic housing applications to be made on SLRs, even though they are the type of lands that are ideally suited to such applications.

A small amendment to the legislation could result in many large-scale residential developments being brought forward at more affordable prices and could potentially shake up the market for zoned land.

SLRs do not conflict with the green agenda. These are lands which will ultimately be developed in any event. While policies are being developed and investment is made to support the viability of brownfield and infill development, SLRs can immediately deliver affordable housing without compromising the move toward brownfield development where and when that becomes viable.

Attaching a requirement for a certain percentage of affordable housing on SLR lands and limited timeframes for development will create a natural cap on the price of that land.

VAT

VAT is another area where Government action could help more people to buy their first homes.

In the UK, the VAT rate on residential development is 0%. In Ireland it is currently 13.5%. Just think about that for a moment.

The average house price in Cork in Q4 of 2018 was €276,000. The VAT element of that is €32,830, which represents a significant proportion of the overall price. When I started building houses first, VAT was 3%. I just do not understand why we are making it almost impossible for people to buy.

I personally support a VAT reduction and I have advocated for it for some time. The response from Government is that Developers will simply pocket the benefit which is a concern I can understand. However, I am on record outlining a system to ensure this does not happen. I have advocated a return to the certificate of reasonable value that, at one time was required in connection with first time purchaser grants. So it can be done in a way that ensures the benefit passes to the couple trying to purchase a house. I have no difficulty in opening my books so that there can be full transparency in relation to the costs associated with build and as a mechanism to demonstrate that any reduction in VAT is being fully passed on to the purchaser.

Shared Ownership

A further solution would be a return to the shared ownership model, which offers prospective homeowners the chance to buy a percentage of their home first before eventually outright purchase.

Such a scheme could be facilitated by a local authority or government structured loan. What we can't keep doing is increasing Housing Assistance Payments (HAP), which just fudges the problem of not building enough social, affordable and private homes.

Skilled Workforce

Delivering the volume of housing required will require a skilled workforce. There is a serious skills shortage in the construction sector. Measures which would assist include;

- A temporary living away from home allowance in the form of tax credits for EU nationals moving to Ireland and working in a construction industry sector
- a temporary returning home moving expenses allowance in the form of tax credits for Irish nationals returning to Ireland and working in a construction industry sector.
- a short-term measure of funding of vocational or third-level courses in a property related discipline to facilitate lower fees/ greater grants for students undertaking these courses to address the critical shortfall in skills.
- tax measures to encourage take up of apprenticeships.

Planning Delays

The loss of the Apple Data Centre in Athenry and with it an investment of €850M and 100-150 jobs speaks volumes about the weaknesses of our planning system. It is scandalous that in Ireland it can take more than 3 years to get planning permission for a project of this nature while in most other civilised countries the facility can be permitted and developed in the same time.

It is time that we properly fund our planning authorities and An Bord Pleanála to make decisions in a shorter time frame. We need far greater urgency in planning decisions. A fast-track judicial review system is also required for strategic projects including large scale housing.

There is something very wrong with a system which allows individuals to hold up development with no financial risk to themselves simply by making matters relating to Environmental Impact Assessment (EIA), Strategic Environmental Assessment (SEA) or Integrated Pollution Prevention and Control directives (IPPC), part of their grounds of objection. No costs order can be made against those who seek Judicial Review on those grounds even if they lose outright and they may be awarded costs if they win. They are in a no lose position while those seeking to invest in our economy take all of the risk.

There's a big challenge ahead, but ultimately the key to the future success of the property market is balance. We need balance between delivery of units to rent, units to buy and social housing. We also need a balance between policies that support the green agenda and our long-term transport plans, infrastructure and settlement objectives, and immediate action that recognises the entitlement of the current generation to housing and backs efforts to facilitate viable development of housing and apartments in the short and medium term.

FAMILY ESTATE AGENCY FIRM MOVES TO NEW OFFICES IN HEART OF DUBLIN 4

BY TIM RYAN



It's unusual to find a family-based estate agency firm right bang in the middle of Dublin 4 but new IPAV members Denis, Nicola and Sara Bergin of well-known firm Bergins at No 31 Mespil Road are exactly that. Last September the agency moved from its long time office around the corner on Upper Baggot Street to their new impressive building on the banks of the Grand Canal.

The firm was set up in 1984 by Denis Bergin who, though born in North Dublin, has strong family roots in Tipperary and Carlow. He had worked for a number of years in the then Osborne, King and Megran firm (later HOK) where he met his wife Geraldine who already had established an impressive career in the property industry in Scotland. She had completed a degree in Institutional Management and had been project manager for a large residential college in Glasgow before moving to Dublin. She then started working in Osborne, King and Megran where she advised many of the names - later to emerge as leading Irish developers - on cashflow projections.

Meanwhile, Denis Bergin had left HOK to co-found Fitzgerald and Partners with the late Alexis Fitzgerald which later merged with Sherry & Sons to become Sherry FitzGerald. In 1984 he left the firm to set up Bergins with Geraldine and their long time Accounts Manager Siobhan Farrell and the couple grew their business in all aspects of the property industry from agriculture to residential and commercial sales to lettings.

Industry Expertise

During his career, Denis Bergin also developed an expertise in the area of Forestry providing consultancy services in this field from Valuations to Sales/Purchase of planted land, growing and felled timber, both in Ireland and the UK. He is secretary of the Irish Timber Growers Association, set up in 1977 to support the development and expansion of private sector forestry in Ireland and to represent and inform woodland owners. It is now the recognised national representative body of private woodland owners in Ireland.

Geraldine Bergin is now retired and Denis Bergin plays a background role helping out his two daughters Nicola (Williams) and Sara. Although Nicola is the currently MD, Sara was the first to join the firm, having started out on a catering career in Cathal Brugha Street but ending up doing the estate agency course in Bolton Street. Nicola worked for a number of years in the fund management in Bank of Ireland in the IFSC before also deciding to join the family firm as MD in 2005.

Until recently, Sara actually worked long distance from her home in the Middle-East for six years where she did much of the office management and support while spending summers in the office in Ireland. Now, however, she has moved back to Ireland with her family and is part of the team at the Mespil Road office.

It's a busy office these days with the team of six - five women plus Denis - involved in all aspects of the property industry. The agency concentrates much of its business around the south Dublin city and county area so that they can physically get to



Denis Bergin with daughters Sara (left) and Nicola.

property without delay. The agency does not believe it needs a large high street window and is quite happy to operate from an office situated well back from the road and away from the high street. "The way we do business is very different today and we rely very much on our reputation for personalised service as our hallmark," says Nicola. "Word of mouth about our bespoke service is also key."

Sara says Bergins particularly prides itself in having a large section of the corporate lettings market in the south city. "We offer a very personalised service with 24/7 contact available if necessary," she says. With people paying very large rents currently, the agent must be able to provide vital contact at all times in case of an emergency." The Lettings side of Bergins is ably managed by Alex Carey and assisted by Vania Caldeira and Gemma McDermott.

Rents for houses and apartments in south Dublin can range from anywhere from €1,200 per month to €22,000, depending on size, standard and location, says Sara. But most of the corporate let at the high end are, in fact, to Irish families. "The much-talked about exodus from Britain by bankers and other high worth individuals because of Brexit did not happen in great volume," she says. "Some people came over to Dublin for sure but they were mainly Irish people relocating back home and they moved back into their own homes, purchased or rented." Indeed, she says these people's budgets are often not at the high end of the market which continues to be dominated by Irish people.

However, the Bergin family all agree the property system in Ireland is now badly broken and in need of urgent remedial action. "A key action is the need for the Government to recognise the need for affordable housing, both to buy and to let rather than just paying significant sums in Housing Assistance. We have seen a lot more applicants on Housing Assistance payments at rental viewings, with both parents working. They cannot afford rent in their local area and have to be subsidised by the State, clearly indicating an unfair and unsustainable market." There are also a significant number of families who would also be willing to buy, but for the lack of available stock, putting additional pressure on the rental market.

In addition, she says the current rental legislation is too complex and is driving landlords from the market. "In a situation where a tenant leaves a property voluntarily in a Rent Pressure Zone

A fully renovated five-bedroom home on Dublin's Merrion Road rented by Bergins.



builders and the increasing costs of renovations. This makes a finished property all the more attractive to buyers. Increasingly, they say it is important to limit the expectations of vendors and to price appropriately. "The Central Bank rules have also had an impact and purchasers are now doing stress tests themselves to make sure they can meet future repayments," says Nicola. Another key ingredient which the Bergins promote is the proper staging of a property so that it always looks its best when on the market. "We put huge effort into this and go to great lengths to get the right 'look' for any property," says Nicola.

They all agree that some simple changes could make the selling process much simpler and more efficient. For example, Nicola says the vendor should be obliged to have the legal pack of documents ready to hand before the property is put on the market thereby removing major delays in seeking to retrieve various deeds and maps later. She also suggests that the survey and mortgage valuation should be carried out before the 'Sale Agreed' stage and before contracts are issued. Frustration at the ongoing flaws in the conveyancing process is a regular issue as witnessed by many IPAV members.

Denis, Sara and Nicola have recently joined IPAV and are delighted with the move. "We find the CPD seminars most useful and relevant to our day-to-day business," says Denis. "The Institute supplies exactly the sort of information we need and we are delighted to be part of it."

Now up and running in their new offices on Mespil Road, the Bergins are looking forward to whatever challenges the property market has to offer going forward.

(RPZ), then the landlord should be able to put the property back on the market at market rent and not be capped by the 4 per cent rule," she says. "A voluntary departure of a good tenant, who had enjoyed a good relationship with their Landlord, should not leave the Landlord in a negative position at the natural end of that lease."

Central Bank rules

On the sales, side, the Bergins say the market has definitely softened at the €800,000 plus end. The exceptions to this trend are an increasing appetite for renovated houses, in the last 6-9 months, reflecting probably the difficulty in sourcing

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THE DYSFUNCTIONAL HOUSING MARKET

BY DESMOND DALY MIPAV, BSC, LETTING AND MANAGEMENT AGENT, KANTURK

The 178,000 Landlords registered in 2018 provide good quality accommodation for 800,000 people in the private rented sector. The RTB recent quarterly

report showed that 1800 Landlords left the sector in the past year. This is an acceleration of a trend that began three years ago. A DNM report commissioned by the RTB in 2015 which surveyed all Landlords in 2015 concluded that “up to 60% of the accidental landlords” might leave the market when they get out of negative equity.

Are these the people that are leaving or are there others? Is there a systemic problem with the sector that politicians are ignoring? The conclusions of that DNM report now seem to be playing out in reality. The real question is can anything be done to stop it?

Demand

Demographic changes and a growing economy mean demand for housing will continue into the foreseeable future exacerbated by the fact that we, as a country, give a virtual open-ended housing entitlement to whoever presents themselves as being homeless. This entitlement is even given in an existing very high demand area which makes little sense.

The media’s unrealistic pressure put out there that Ireland should be making a bigger contribution to solving the housing problems of Europe is no help. For a small country we have limited resources, we are not a former colonial power that sucked the wealth out of what are now these struggling third world countries. We have one of the highest per capita contributions at national level to these countries. We have just come through a cataclysmic economic recession in 2008 and are only recovering from it. Up to two years ago there was virtually no new houses or apartments built. We must be realistic with our aspirations and expectations.

Extra supply solution

One chink of light is the potential to bring the 50,000 – 80,000 empty housing units scattered around the country back into use as private dwellings. Even if one-fifth of these were brought back it could have a major impact on solving the shortage. There are quite a few local authority schemes that address that situation, but the hereunder outlined issues are working against all of them.

These are the properties you see all around the country, every village and town has them. Cork and Limerick city have similar properties probably which are structurally sound but need at least €30,000 to €50,000 spent to bring them back into a condition that rental regulations now demand.

The question must then be asked, why these are not coming into the rental market? All the basic laws of economics would suggest they should. The reasons are many but I will suggest a few. Most have to do with tax and all the onerous complicated regulations around letting property.

Amateur Landlord

If a Landlord wants to take back the property for whatever reason then after six months into a tenancy, he/she has to engage in what is in effect an eviction process. Notices are legal documents and reasons for a termination have to add up. One has to ask the

question, are people deciding to leave properties vacant rather than engage in that stressful process for all parties. If a sale is envisaged within a few years many solicitors /accountants would advise against renting.

Legally it can be a minefield for a property-owner if they don’t know all the rules and regulations. In addition, we hear of small errors in the management of a letting particularly where a landlord manages his own property. There are also issues with notices for rent increases in an RPZ, data protection breaches, equality legislation, building regulations, health and safety not being complied with etc., all regulations which are more stringent than when a property is occupied by the owner! All can end up in an expensive case before the Workplace Relations Commission (WRC) or the RTB. Such cases have resulted in fines of €8,000 to €20,000 and legal costs to match. Now imprisonment is being added as an additional bonus in new regulations being considered!

Income

The net income return, which is the reason it is being rented in the first place can be relatively small. Rental income for a few years can be completely eliminated with a big Capital Gains Tax bill in the event of the house being sold. CGT is calculated on the number of years rented as a percentage of the total years of ownership. That ratio applies then to the gain. It is an issue many people do not realise until it is too late.

Pension

Many people used an investment property as their pension and were encouraged by State bodies over the years to do so. Serving the dual purpose of providing much needed private rental accommodation and an asset that would give an income on retirement. It was an asset that could be sold if personnel circumstances required it. That flexibility probably no longer exists.

Social housing

The State will have to do serious building of social housing. It then must retain that stock and not sell it unless it can be replaced elsewhere with something equivalent. Most of all it must manage that stock properly similarly to the private sector. Then they will have some understanding, like us, of what’s involved in the rental sector.

Conclusion

The factor that may have the most significant and long-term negative effect on the small-scale developer/ landlord/ investor is the political pressure to have tenants undisturbed in the event of a sale. Politicians playing short term populist games and a left orientated media very hostile to the sector, are only interested in restating the problem but not willing to examine or engage in solutions. They are more interested in promoting vocal advocate groups who by and large only push one group of people up the housing queue ahead of all others.

Property was always seen as a safe investment vehicle but now many landlords are having second thoughts and are “spooked” by some of the issues outlined above. Hence many are actively planning their exit strategy.

YOUNG PROFESSIONALS NETWORK (YPN) AGM HEARS REPORT ON ANOTHER HECTIC YEAR

The Fourth Annual AGM of YPN was held in IPAV headquarters on Thursday, 20 June. There was a large attendance of IPAV members interested in participating in YPN along with newly elected President David McDonnell. All younger IPAV members are urged to join YPN.

Outgoing Chairperson Niamh Giffney gave an outline of the YPN events of the previous year including the YPN Golf Classic which was held at the Heritage Golf Club, Killenard, Co Laois on 10 May. She thanked all who attended and said she was delighted to be able to donate €1,500 to this year's YPN's chosen charity, Down Syndrome Ireland.

Niamh also reviewed the tremendous success of the first 'Novice Rostrum Auctioneer' which took place in Tattersalls in January. She gave a detailed outline of the event and thanked the National Association of Estate Agents (NAEA) in the UK for their very generous help in getting it off the ground. The next event will take place on 17 January, 2020.

IPAV CEO Pat Davitt said he wished to congratulate YPN on its many achievements and said their continued energy and commitment is hugely appreciated.



YPN BBQ attendees following the recent AGM.

Officers elected for the coming year: Niamh Giffney (Chairperson), Damien Ryan (Vice-Chair), William Bradshaw (Treasurer), Eoghan Murray (Secretary), Raymond Smith, Maria Lehane and Sonia Harvey.



YPN Golf Classic - 1st: Hooke and MacDonald (Callaway rain jacket and trousers)

Paul Crosse, Mark Hoey and Barry McManus with IPAV President Ella Dunphy, Dave Molloy, PINERGY (left) and Aidan Forde, the Irish Examiner (right).



YPN Golf Classic - 2nd: New Millennium Plumbing (Callaway Mulligan Golf shoes)

Sean Reilly, Damien Keating and Greg Crinion with IPAV President Ella Dunphy and Dave Molloy, PINERGY.



YPN Golf Classic - 3rd: Pinergy Smart Homes (Heritage collection premium Crested golf jumper)

Liam Cronin, Esme Murphy and Alan Clarke with IPAV President Ella Dunphy and Aidan Forde, the Irish Examiner.



Niamh Giffney, Chairperson of IPAV'S YPN, presenting a cheque for €1500 to Alison Kelly fundraising manager of Down Syndrome Ireland, from the proceeds of the YPN Golf Classic.



IS CORK CITY SET TO BECOME THE “VENICE OF THE NORTH”?

BY TOMMY BARKER, PROPERTY EDITOR, IRISH EXAMINER

DAMNED if you do, and damned if you don't. And, damned by dams, every now and then.

Truly, and at a time of escalating climate changes, holding back the tide, rivers, floods and lakes is an uphill challenge. “Twould nearly break your melt”.

In the same month that the Irish Government had finally committed to a Climate Action Plan to cut carbon emissions, pledging to make Ireland carbon neutral by 2030, and including retrofitting of 500,000 Irish homes, came yet more bleak news on our planet's state. It came from the highest possible source: from atop the Himalayas.

We've already known of concerns of melting polar caps, at the Arctic and Antarctic, seen the image of ice-floes, adrift polar bears, and rising sea levels. If you were suitably insular, or blinkered, in your thinking, you'd think that if you got high up enough above sea level, you'd be safe.

Nope, no way.

Now, into the frame comes confirmation that there's serious ice melting going on at the earth's uppermost levels, tens of thousands of feet above sea level, up in fact in the Himalaya glaciers, and, by likely extension, across many of the high mountain regions of Asia. The Himalayan Mountains are the third largest deposit of ice and snow in the world, after the shrinking poles.

Just-released scientific research shows that its glaciers are losing billions of tons of ice, and at an escalating pace, due to rising temperatures. Increased run-off will exacerbate seasonal flooding and destructive outburst floods, threatening many lives, and impacting on the region's mighty rivers like the Indus and the Yangtze, so large they make our own problematic River Shannon look like a mere drop in the ocean.

Yangtze Gorges Dam

Random fact: the Yangtze Three Gorges Dam at 7,500 feet wide and 600 feet high is so large, when at peak holding back 46 billion tonnes of water, it has a shift in mass inertia effect, slowing the earth's rotation, increasing the length of the day by 0.06 microseconds.

Hmm, after a drenching 2019 Irish midsummer weekend, it still feels like the days are getting shorter, though, doesn't it?

This article was written on the midsummer Sunday that Ireland hosted its first ever Ironman athletic event in Youghal, with over 2,000 super-triathlon athletes in a choppy 3.4km sea swim, gruelling 180km bike ride and a 42 km road run, in unrelenting, river-swelling and joint-swelling rain: Ironman participants were as likely to suffer from rust as from exposure.

Among the many sad ironies of global warming and climate change is that the latest evidence of Himalayan glacier melting from a 40-year span analysis, after declassified NASA spy plane footage was released: it came the same week that climate change denier Donald Trump opined that America had its cleanest ever air, and cleanest ever water, and praised “beautiful, clean American coal.”

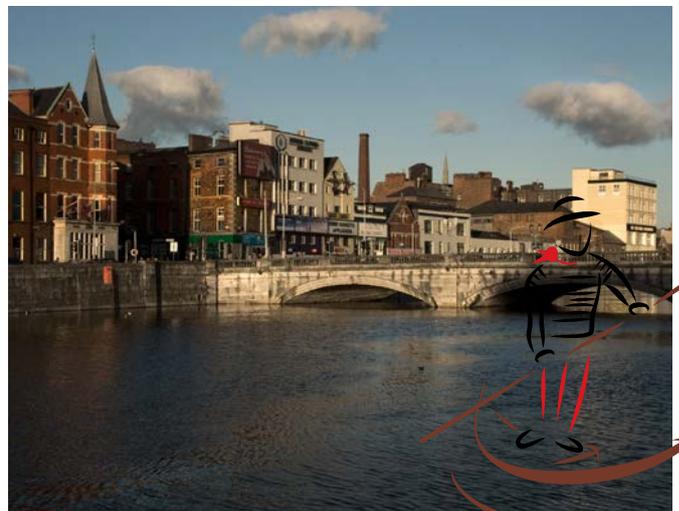
The other great trope, or Trumpian irony, that never fails to strike a chord on Irish shores is said Mr. Trump's wish to build flood defence walls again rising sea levels and storms at his Doonbeg, Co Clare and Atlantic-lashed resort.

Right now, on the Irish flood front, the Government and OPW has embarked on a €1bn flood defence plan over ten years, contrasting that investment to the estimated €1.9bn in loss and damage from flooding over a similar period.

Allied to previously-initiated relief schemes after recent years of devastating Irish river and sea floods, the OPW's expenditure is beginning to pay dividends, in places like Clonmel, along the Shannon, in cities like Limerick and Waterford, and in towns such as Skibbereen and Bandon.

The OPW has identified 300 areas or communities at risk, of which 90 are coastal, and says its current and planned major projects will help protect over 30,000 at-risk properties, and risk to life, and should also assist property owners in affected areas find insurance cover once prevention/protection and relief measures are in situ.

However, holding back the tides and the rivers and shoring up lakes and reducing flash flooding risks like some sort of multitasking, Gortex-crowned King Canute, isn't all plain sailing.



Saint Patrick's Bridge, River Lee, Cork.

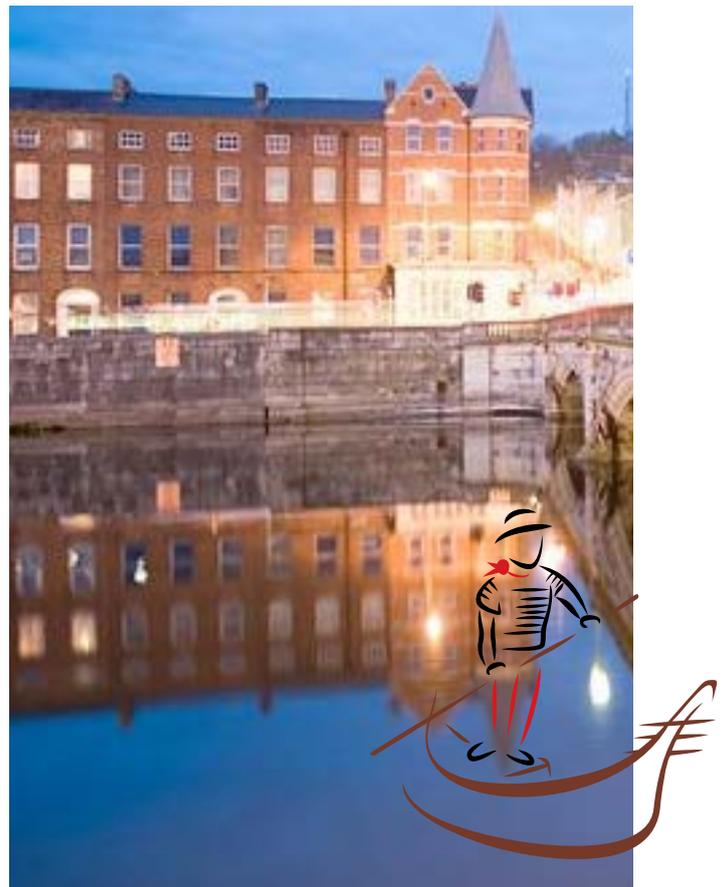
Of necessity, much of the measures in train are engineering-driven, and certainly lacking an aesthetic that comes with years of natural evolution. There have been outcries about the look of concrete culverts in places previously home to runnels and streams, and the effectiveness of things like new fish steps in place of old ones on recreated weirs has yet to spawn proven results in terms of fish stocks.

Scourge of tidal flooding

In one city example, alone, the OPW's plans, costed at €140 million, to secure Cork city from its scourge of tidal flooding is continuing to provoke dissent. Cork suffered serious river flooding in 2009, after a release of excess water from the ESB's Inniscarra dam, and again from tidal flooding in 2014. Combined, damage and losses to the city came to €120 million, and there's disagreement at the highest levels about the efficiency of a tidal barrage down in the harbour.

For always and ever, low-lying Cork has had a tidal flooding problem, and the root of its name in Irish means marsh, its roads now once were river channels circling myriad islands, so it pretty much does what it says on the soggy tin. Notwithstanding the fact that Venice is continuing its slide into the sea (it could be underwater by 2100: send in the OPW) proud Corkonians (is there any other sort?) will unashamedly proclaim Cork as "the Venice of the North."

So, with rising sea levels, what will come first? Gondola tours of Cork city centre and the South Mall, or a sign up in Venice's Marco Polo airport, welcoming visitors to "the Cork of the South?"



River Lee, Cork.

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An initiative of the Department of Housing, Planning and Local Government

LAUNCH OF NEW PROPERTY PORTAL

PropertyPal is a brand new portal currently entering the Irish market, promising a fresh approach that's sure to transform portal advertising for every professional across the country and enhance the property search experience for the Irish public.

Despite being a new name to many counties across Republic of Ireland, PropertyPal is the leading portal in Northern Ireland. Having initially entered Northern Ireland behind an established market leader, PropertyPal grew quickly to become the number one local property portal. During their time, they have effortlessly fought off emerging, new names and established UK portals trying to expand their reach into Northern Ireland.

Today PropertyPal is a household name in Northern Ireland, with a website which attracts millions of monthly users and a strong and rapidly growing social media following of 200,000 - more than all other portals in Ireland combined. One hundred per cent of agents in Northern Ireland use PropertyPal. Many no longer feel the need to use any other portal, due to the level of enquiries they receive through the platform, the value for money it offers and the website's unrivalled features.

PropertyPal's success is largely down to technology and ongoing innovation; always striving to create what is best for the agents who use the service and their customers. Based in Belfast, PropertyPal has a skilled team of in-house programmers and digital specialists working on features like; 'Draw A Search' which offers precision right down to street level; 'Natural Language Search' which is compatible with voice search; mobile apps; instant alerts; a logged-in user section; and the ability to add 'Pals' to searches.

Their ambitions to move into the Republic of Ireland have been driven by the local property professionals and the mounting desire for change.

PropertyPal's Managing Director, Errol Maxwell says: 'We're excited to move further across Ireland, as the timing is right. It is clear that there is an immediate need for an agent-backed portal that professionals can work with and trust.'

"We've heard many agents voice their concerns about how rising portal costs are becoming an unsustainable business expense. We're confident that we can combat this through an entirely different pricing structure and by sharing 50% of our profits with the agents using our service."

However, it's not just about being the more cost-effective option, Errol continues: "We will strive to provide an enhanced experience for local agents and their customers, with search features that make homes more visible to the right local buyers and renters and by not allowing private sales or rental listings on PropertyPal.com."



Louise Cassidy and Vanessa Hediora of PropertyPal.

"Whilst we always have the end customer - the home mover, the first-time buyer or renter, in mind, we never lose sight of the agents' needs. This has been instrumental to our success in Northern Ireland and we believe it's an approach that agents throughout the Republic of Ireland deserve too."

Over the past few months, PropertyPal has held presentation events for local professionals in a number of counties in the Republic of Ireland. At these events, PropertyPal has received a majority backing from attendees and immediate sign ups to their service on the day.

In June, PropertyPal officially launched in County Waterford, with a view to launch rapidly across all the counties in Ireland. Their team will be hosting more presentation events throughout the country over the coming weeks and months. These events will provide more insight into the service and more detail on the step-by-step plan and will be answering any questions that local agents might have.

If you would like more information about PropertyPal or would like information about an upcoming presentation event in your county, contact sales@propertypal.com or call 048 9018 3344.

Visit PropertyPal.com



Celbridge estate agent Lorraine Mulligan and her team once again swept the board at the 2018 RE/MAX Awards, scooping Agent of the Year and the Office of the Year among other accolades on the day. Lorraine has been RE/MAX's top agent in Ireland since 2007 and one of its top ten agents out of 115,000 worldwide.

PRESENTATION OF CERTIFICATES IN THE FINE & DECORATIVE ARTS

The annual presentation of IPAV's Certificates in the Fine & Decorative Arts courses took place at a special function in the St Stephen's Green & Hibernian Club on the evening of Tuesday, May 21st.

In her last official function, outgoing IPAV President Ella Dunphy welcomed the recipients and guests. She paid tribute to Roxane Moorhead and all the lecturers for their wonderful efforts and dedication over the years.

For more than 30 years now, she said IPAV's courses in the Fine & Decorative Arts have developed an excellent reputation both in Ireland and also overseas. During that time it has seen students from every county in Ireland and every continent outside. She said one of the major reasons for the continued success of the courses is the variety offered and, in particular, the innovative new courses which are added by Roxane Moorhead and her team each year. For example, in 2018 a new 16 week course entitled Art & Culture of the United States was launched and very well received.



Catherine O'Sullivan, Dublin who won overall award for best thesis with IPAV President Ella Dunphy and lecturers Sara Donaldson, Dr Paul Caffrey, William Gallagher, Roxane Moorhead and Dr Hilary O'Kelly.

Ms Dunphy said that IPAV was always amazed how news about the courses circulates primarily by word of mouth!

External examiner Dr Paul Claffey complimented the class on their work and theses.

All Fine & Decorative Art courses begin again this autumn details are available from IPAV Headquarters, log onto www.fineartcourses.ie or email: info@ipav.ie.



David Dodd, Co. Wicklow who received a Diploma in the Fine & Decorative Arts.



Margaret Burke, Dublin who received a Certificate in the Fine & Decorative Arts.



Participants in the Certificate and Diploma courses in the Fine & Decorative Arts with their lecturers.



WORK EXPERIENCE – A WIN-WIN SITUATION FOR STUDENTS AND EMPLOYERS.

BY FRANK QUINN, LECTURER IN PROPERTY VALUATION, BLACKROCK FURTHER EDUCATION INSTITUTE

What is the most important subject for an estate agent? This was the question from a very enthusiastic prospective Auctioneering student to me last week. Next year's students have begun to apply to Blackrock Further Education Institute for our Auctioneering and Estate Agency course, which begins in September, and we invite them into the college for a discussion about the course and a tour of the building.

It gives the students a chance to ensure that the course is suitable for them and allows the college to plan for the extra applicants who appear to be flooding back towards the Auctioneering course. I had listed the subjects that the students will study on the course when the question arrived as to which of them was the key one. My standard answer is of course Property Valuation as it is essential for any Auctioneering student to understand. I emphasise the importance of being able to value residential and commercial property using the correct methodology and industry standards. Then I always hit the group with the punchline that it is also the most important subject as I am the one teaching it!

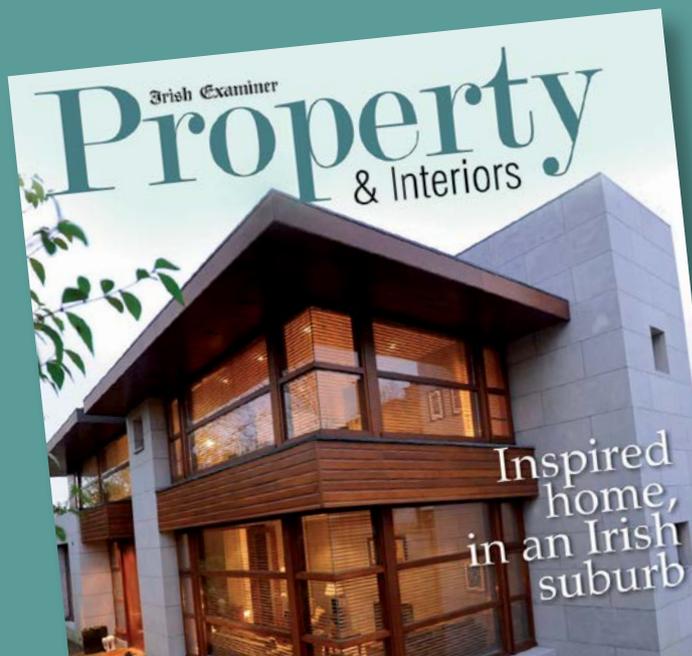


Irish Examiner Property & Interiors

Whether buying, selling, or happily staying put and doing up, Property & Interiors magazine brings it all back home to readers – with style.

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- An Interiors section opens the door to the latest, must-have trends for your home, from sublime sofas to cosy cushions.
- Garden lovers can dig deep with expert advice.
- Antiques and fine art with a diary of upcoming events not to be missed.

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But last week as I observed the list of subjects, one of them leapt out at me as critical to the future prospects of any student, that subject being 'Work Experience'. Every course in BFEI has a work experience requirement whereby students go out every February to industry for two weeks to experience the role and environment which they hope to one day be part of when they are fully qualified.

Potential employees

For auctioneering students, it is an excellent opportunity for them to help out with viewings, understand the role of negotiators and view the inner workings of an estate agency. It also gives prospective employers an opportunity to look at potential employees over a two-week period. My advice to students is always to treat the placement as a two-week job interview. From 2008 to 2014, there was a huge fall-off in the number of Auctioneering students on courses and this has had an impact on staffing levels within the industry. Speaking to many employers over the last five years, they tell me that they are crying out for newly qualified staff.

Work experience placements are therefore a great opportunity for employers to evaluate potential employees in the workplace and many students have their first job opportunity because of the contacts that they made during their college work experience. It is also an excellent chance for students to get feedback on what they are doing well and also what they need to improve on.

We always encourage employers to give honest feedback on the student's performance as it is through the process of reflection and improvement that the students must learn from their mistakes, weaknesses and their good points. No student in history has ever been the finished article before they get out into the workplace.

Students may have an idealistic view of the industry but need to learn about the more difficult parts of the career.

Estate agency is a people industry and dealing with clients who may be going through difficult times is a major part of the role. This is something that has to be learned over years of experience and this learning can be helped by the younger staff member receiving mentoring from the more experienced members. Work experience is therefore an opportunity for employers to see how the student reacts to mentoring and learns from advice. Many of us do not take well to being told we are doing something wrong and tend to defend our position. Students have to learn to lower these defences to be able to improve themselves for the future. This is a learning process which applies to everybody and it is what develops us as people in our everyday life, as well as in our careers. There is no better learning than actual experience and it is always a great feeling to watch students who have got their first taste of the industry returning with many lessons, good and bad, learned.

I would encourage all of next year's students to think long and hard about their work experience placements. Try to think about what you need to learn from the placement to improve your career prospects. For employers I would ask them to be open to the idea of taking on a student for work experience and offer them good training where they can learn from experienced people who have done the job for years.

All of us have been in the position of starting a new career with all the fears and worries that it entails. In addition, who knows, maybe the student who the employer takes on for work experience can become their key employee in future years.



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PROPERTY

63,000

of INM Print Readers expect to **sell and purchase** a house or apartment in next 12 months



76,300

of INM Print Readers expect to **purchase their first home** in next 12 months

1.27 Million

people in Ireland own their own home and have no mortgage

1.1 Million

people have been living in their present home for over 20 years.

184.9k

people are currently saving for a deposit on a mortgage

960k

people rent their home privately

484.2k

people regularly access property topics online

Irish Independent

Sunday Independent

THE **Herald**

**SUNDAY
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Agents Name

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Source: TGI ROI, 2018