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QUARTER 2 2022

SENATOR MICHAEL MCDOWELL AT PRESIDENT'S CHARITY LUNCH


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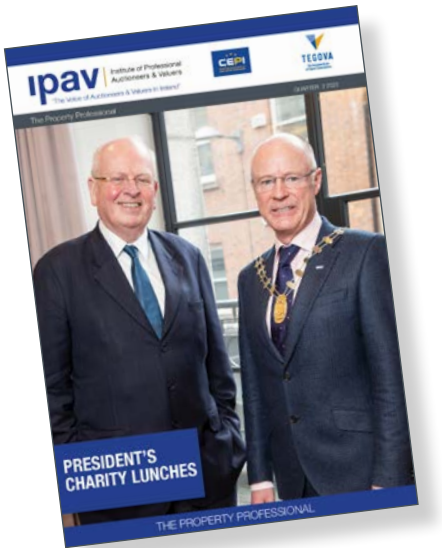

Cover Photo: IPAV President Paul McCourtney with Senator Michael McDowell, Guest Speaker at the President's Charity Lunch in the Westbury Hotel on 11 March. Photo: Paul Sherwood

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MESSAGE FROM THE CEO

Welcome to the Q2 edition 2022 of the Property Professional magazine.

We are now half way through 2022 and IPAV is delighted to be gearing up for it's first face-to-face AGM and Annual Conference since 2019. This time we are in the Hodson Bay Hotel, just outside Athlone on the Roscommon side, a venue many of you will remember where the Institute held its Annual Conference back in 2001.

We have an excellent line-up of speakers for the afternoon conference and I hope to see as many members there as possible. I appreciate this is currently a very busy time for agents but attendance at the Annual Conference always pays dividends in knowledge acquired and new contacts made. Full details have already been sent to members and are also contained elsewhere in this magazine.

Aside from the AGM and Annual Conference, the Institute has had a very busy schedule of activity over the past few months. In mid-May, IPAV, in partnership with the Irish Property Owners Association, launched an informative survey and report on the rental sector which was compiled by economist Jim Power. This survey and report contains very useful information on why non-institutional landlords are exiting the market and provides a timely warning to the government as it prepares for Budget 2023. Details are on pages 6 and 7.

In the Spring we were also delighted to host a deferred 2021 President's Charity Lunch in Dubin and the inaugural Cork Lunch. There is a report and photographs on pages 14 and 15.

Our regular contributors are with us once again in this edition. Donal Buckley writes about problems emerging in the nursing home sector while agricultural consultant Mike Brady writes on the effects of the Russian invasion of Ukraine on Irish agriculture. Irish Examiner property editor Tommy Barker takes a humorous look at the role of the number 50 in recent Irish property transactions, while lecturer Frank Quinn tries to strike a balance between study and work experience for students.

In our member profiles, we feature estate agency firm HJ Byrne, one of the oldest in the country and new IPAV member firm REA McCarrick & Sons in Sligo.

I hope you find items of interest in this edition and I look forward to meeting you in Athlone.

Pat Davitt

CEO

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PRESIDENT'S MESSAGE

"Among the main reasons landlords are leaving is the constantly changing and very challenging regulatory and taxation environment that treats private landlords very differently from institutional landlords."

Dear Member

Now that Covid-19 has finally subsided on thankfully, it is great to see the Irish economy up and running again at full steam with surprisingly little long-term damage done, according to most commentators. There are, of course, some worrying signs on the horizon, most notably soaring inflation which will inevitably lead to interest rate increases.

The residential housing market continues to be very strong with the lack of supply for both rental and sales being the main problem for estate agents. Despite record high rents for properties, traditional landlords who owned one or two units, are fleeing the market at an alarming rate. Recently, IPAV in conjunction with the Irish Property Owners Association, commissioned economist Jim Power to undertake a report on the rental market. Details of the report are contained in this issue but the results did provide some very strong messages for the Housing Minister and for the Government. Among the main reasons landlords are leaving is the constantly changing and very challenging regulatory and taxation environment that treats private landlords very differently from institutional landlords. Also, it is now abundantly clear that the Rent Pressure Zones (RPZ) system is not working and is creating a two-tier system where many good landlords who did not increase rents in the past were caught with very low rents and unable to raise them to market levels. These are issues that IPAV will continue to address in the coming months.

As members are very busy, so too, is the Institute in providing its day-to-day services to members. So far this year IPAV has delivered two CPD Seminars on behalf of the PSRA and more are planned. These continue to be delivered virtually which a majority of members prefer as they cut out the need for travel and other costs. The newly formed Oireachtas Committee has also continued to meet and to update TDs and senators on issues confronting the property market along with proposed solutions.

Having missed out on the President's Chairty lunches for the past two years, I was delighted to attend both the deferred 2021 Dublin event and the first ever Cork event in March. Both raised a substantial sum for charities and I would like to thank all who attended.

Last year due to the pandemic, our shortened AGM took place in late September. However, this year we return to our normal routine and I hope as many as possible will attend both the AGM and Annual Conference 2022 in the Hodson Bay Hotel, Athlone on 9 July. This is a great opportunity to meet up with colleagues whom we have not seen for some time and to renew acquaintances while acquiring some TEGOVA CPD points, too.

As this is my last President's Message before handing over the reins of office to my successor Gerry Coffey, I wish to thank our CEO Pat Davitt and all the staff at Head Office for their support over the past nine months. Thanks also, to the members of National Council who give their valuable time freely to support the work of the Institute. Finally, thanks to you, the members of IPAV for your ongoing support without which we would not have the wonderful Institute we have today.

I look forward to meeting you in Athlone in July.

Best wishes

Paul McCourtney

President

We agents, have no power

So don't tell us that

We can dream of a fair property portal

Because when it's all said and done

It's too late to be saved from
portal prices and loss of control

And we refuse to believe

We need to demand a brighter future

Because we don't have a choice*

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HOW TO STEM THE EXODUS OF TRADITIONAL LANDLORDS FROM THE RENTAL MARKET

BY PAT DAVITT, CEO, IPAV

That the residential rental market has become dysfunctional is now beyond doubt. It is not delivering for tenants compelled to pay rents disproportionally high relative to their incomes and it is not delivering for non-institutional landlords, who have traditionally been the mainstay of the Irish rental market. These were the two clear messages from a report prepared by economist Jim Power on behalf of IPAV and the Irish Property Owners Association (IPOA) on information received in a survey completed by 892 of their members. The report was launched at a press conference in Buswells Hotel on 18 May and generated a great deal of Oireachtas and media interest.

Prior to the plethora of regulation introduced which amounts to 44 amendments to the legislation since 2008 and 23 amendments since the RPZ's came into law in 2016, the rental market has been subject to market forces, generally understood to ebb and flow with periods of rising rents followed by periods of lower rents, as supply and wider economic factors play out.

The pattern had been that as supply increased tenants had more choice enabling them to either demand lower rents or move to superior properties for a somewhat similar rent. This is exactly what happened in the aftermath of the last financial crisis. CSO figures indicate that between April 2008 and December 2010 average private sector rents dropped by 25.7 per cent. This market phenomenon which played out over many decades had the positive impact of incentivising landlords to improve the standard of their properties so as to achieve better rents.

Change in Dynamics

However, those supply and demand dynamics have changed utterly. The two main factors that have changed that pattern are first, the introduction of primarily international capital to fund build-to-rent accommodation in the absence of such being available in the aftermath of the financial crisis. This capital was much needed in the 2012-2013 period to stimulate the market. Irish Governments awarded such funds almost tax free status to welcome them in. Such capital has an important role to play in the rental market.

The second initiative was the introduction of Rent Pressure Zone (RPZ) regulations in December 2016. This meant that, from that date onwards, there was a cap on the level of increases landlords could apply to rents annually, initially 4 per cent, later based on the Consumer Price Index and now capped at 2 per cent per annum.

Economist Jim Power speaking at the launch.

When these controls were announced some landlords rushed to raise rents before the gate closed, fearing it may be their last chance. Thus the rules had the effect of raising rents that would not otherwise have been increased. Other non-institutional landlords who were happy with their existing tenant arrangements did not do so and, ironically, it is they who are most severely impacted by the RPZ rules and are now confined to ongoing low rents. This latter cohort of landlords are now leaving the market in large numbers.

Non-institutional investors in residential property generally pay over 50 per cent of rental income in tax with capital gains of 33 per cent on the sale of such property. Commercial or institutional property investment, on the other hand, continues to enjoy a very low tax regime.

Under RPZ rules, if properties are new to the market, or are being leased for the first time after a two-year gap, landlords are free to charge whatever rent the market will pay, calling this rent market rent, regardless of RPZ rules. This applies to all landlords but tends to favour institutional landlords, most of whom are operating in areas of highest demand and higher salaries.

A two-tier market

As the economic report by economist Jim Power shows, the tax and RPZ regulation have created a two-tier rental market where significant numbers of non-institutional landlords are finding it economically unviable to continue. When selling such properties, the yield, based on the rental income that the property can generate, limits their market because the properties are unattractive to other investors. Such landlords, in order to sell, will often have ended tenancies. Some, if they invest in the market again, will only buy into properties where the rent is not restricted.

The very onerous nature of RPZ regulation is a significant factor in itself. It is often so opaque and convoluted that it has spawned a mini-industry of consultants to advise landlords on the technical detail of compliance with the rules. Any wonder then

Pictured at the launch were (l – r): Paul McCourtney, IPAV President; Jim Power, economist and Pat Davitt, CEO, IPAV.

that Residential Tenancies Board statistics show the number of landlords has declined by 7,939 from a high of 173,675 in the first quarter of 2019 to 165,736 in the final quarter of 2020, a decline of 4.6 per cent and indeed a figure I believe is still far from the actual figures.

The current system is not serving tenants well. It is not serving non-institutional landlords well. It now seems to be creating a merry-go-round that doesn't add any new stock to the rental market. As economist Jim Power pointed out unless policy makers tackle the twin issues of excessive and complex regulation and the unfair tax burden on non-institutional landlords they will continue to vote with their feet and leave the market. The issues raised in the report should be a priority for consideration by both the Minister for Housing, Darragh O'Brien TD and the newly established Commission on Housing.

I thank the IPOA for joining in our survey and report which gives even more information on the current situation.

Independent Kerry Deputy Michael Healy-Rae makes a point to the panel.

FINDINGS OF THE MARKET INSIGHTS SURVEY AND REPORT

Margaret McCormick, IPOA Information Officer speaking at the launch.

The recently published study by economist Jim Power and commissioned jointly by IPAV and the Irish Property Owners' Association concluded the rental market is in a state of crisis exacerbated with the exit of non-institutional landlords in significant numbers, reducing supply and putting upward pressure on rents.

Among the study's findings were:

- The constantly changing and very challenging regulatory and taxation environment that treats private landlords very differently from institutional landlords, is largely responsible for private non-institutional landlords leaving the market;
- RPZs (Rent Pressure Zones) are creating a 2-tier rental market and leading to a situation where maintenance of quality accommodation is not economically justifiable and negatively impacting on capital values where the property is the subject of the RPZ rules;
- It is likely that landlords that historically charged rents under market rate and are confined to minimal increases arising from RPZ regulation are exiting the market in greatest numbers;
- These landlords are replaced in the market in part by new properties at much higher rents and owned by institutional landlords with no evidence available to confirm if any net additional new properties have come onto the rental system;
- Rent Pressure Zone regulation has prevented rents from falling as well as rising beyond the limits set.

IPAV CEO Pat Davitt opening the press conference with (l – r). Margaret McCormick, IPOA Information Officer; Stephen Faughnan, IPOA Chairperson; Jim Power, economist and Paul McCourtney, IPAV President.

The study said there has been a collapse in private investor participation in the market, dropping from 19.9 per cent of total mortgage lending in 2006 or €7.9 billion to 1.4 per cent in 2021 or €143 million.

It concluded there has to be a move away from policies that discriminate against private landlords and which give them little incentive to participate in the rental market. "If private landlords continue to exit the market, the situation is going to get worse," it warns.

IPAV and the IPOA also released the findings of a joint survey amongst their respective memberships with 892 respondents of which:

- 94 per cent believe that recent Government policy and changes in regulations have impacted negatively on their attitude to continuing as a landlord;
- Over 57 per cent plan to sell their rented properties in RPZs;
- 91 per cent believe they or their landlord clients will not invest further in residential investment property;
- Over 50 per cent said rental properties are their sole pension source, apart from the state pension.

Speaking at the launch Pat Davitt, IPAV Chief Executive said the economic report and the IPAV-IPOA survey shed new light into this segment of the property market.

Sinn Féin's Spokesperson on Housing, Deputy Eoin Ó Broin commenting at the launch.

Mr Davitt said there are no up-to-date accurate figures on how many leases and landlords are currently active in the market. This is because where tenants leave of their own accord or leave because properties are being sold, such leases may still be recorded as active leases in RTB figures. In time this will be addressed via new plans for the yearly registration of tenancies.

Stephen Faughnan, Chairman of the Irish Property Owners' Association commented:

"The study by Jim Power reaffirms the real issues at play in the private rental sector that are resulting in the exodus of private landlords from the market in large numbers. Issues such as penal tax rates and a tax code that discriminates against private landlords in favour of large institutional funds, together with the continually changing and ever more complex regulatory environment all militate against investing in the private rental sector.

IPAV AGM & CONFERENCE 2022

Well-known business man and CEO of Supermacs Pat McDonagh will be the keynote speaker at this year's IPAV Annual Conference which takes place in the Hodson Bay Hotel, Athlone on Saturday, 9 July. With over 116 restaurants throughout the country, the company employs over 4,500 people nationally and has helped to establish up to 60 self-employed franchisees in their own successful businesses. The Group consists of the Supermac's chain of family restaurants, The Plaza Group of motorway service stations and the Só Hotels Group.

The Conference will be opened by Peter Burke TD, Minister of State at the Department of Housing, Local Government and Heritage.

Other speakers include Stephen McCarron, President of Propertymark NAEA; Emily Chenevert, CEO Austin Board of Realtors (ABOR); Jim Kinny, National Association of Realtors; Lorraine Higgins Chief Executive of Rockwood Consulting and Keith Higgins, Mayo Gaelic All Star Footballer and Hurler.

The 51st AGM will take place on the morning of the 9th July, followed by an afternoon conference, when outgoing President Paul McCourtney will hand over the chain of office to incoming President Gerry Coffey.

The day will end with a Gala Dinner with and a surprise guest speaker.

SPEAKERS

Ciarán Mullooly – Conference MC

After working as a broadcaster and journalist with RTE for over 30 years, Ciarán is now employed as a community development and social enterprise worker in county Roscommon

Pat Davitt – CEO IPAV

Gerry Coffey – IPAV President (Incoming)

Incoming President Gerry Coffey joined IPAV in 2005, was elected to IPAV's Council in 2015 and elected as IPAV Junior Vice President in 2020.

Peter Burke – Minister of State at the Department of Housing, Local Government and Heritage

Minister Burke was appointed Minister of State for Local Government and Planning in July of 2020. He is from Mullingar and was first elected to the Dáil in 2016, having been involved in electoral politics since 2009 when he was first elected to Westmeath County Council.

Stephen McCarron – President of Propertymark NAEA

Stephen McCarron is the President of Propertymark National Association of Estate Agents. He is both a Recognised European Valuer & Chartered Building Surveyor.

Keith Higgins - Gaelic All Star Footballer & Hurler

Keith is a qualified Financial Advisor with Bank of Ireland since 2006 and has been working as a Mortgage Advisor for the past 5 years based in Castlebar, Co. Mayo. He was a former Mayo senior footballer since 2005, retiring in 2020 having won 8 Connacht titles, 1 National League, 4 All-Stars and 1 All-Ireland U-21. He was the Nicky Rackard Cup winner with Mayo Hurlers in 2016 & 2021.

Emily Chenevert - CEO Austin Board of Realtors (ABOR)

Emily Chenevert is the Chief Executive Officer of the Austin Board of REALTORS® and ACTRIS MLS, serving nearly 20,000 members and subscribers across the 18-county Central Texas region.

Hanne Sagalowsky – NAR Global Coordinator for Western Europe and Israel

Born in Denmark, educated in Europe and at Indiana University in the USA, Hanne has lived in Dallas 30+ years. She is fluent in several languages, and specializes and excels in relocation, having worked with transferees from most major DFW corporations.

Jim Kinney - Global NAR Ambassador to UK & Ireland

Global NAR Ambassador to the UK and Ireland. A former recipient of the C.A.R. and NAR "REALTOR® of the Year" awards, Jim is currently working in Baird and Warner's Gold Coast office as the Vice President of Luxury Sales.

Lorraine Higgins BL – Founder & Chief Executive, Rockwood Consulting

Lorraine Higgins is founder and Chief Executive of Rockwood Consulting, a public affairs company based in Dublin, Ireland. Lorraine is a former Senator, barrister, and a highly experienced public policy professional, media commentator and strategist.

Pat McDonagh – CEO Supermacs

Pat McDonagh is the Managing Director of Ireland's most successful indigenous quick service family restaurant group, Supermac's.

MAJOR CHANGES HAPPENING IN NURSING HOME SECTOR

BY DONAL BUCKLEY

The spurt in nursing home investment and development activity seen in recent years is slowing down. Last year was a bumper year when over €600 million worth of nursing homes changed hands and in the first four months of this year a further €200m worth of deals was done.

More importantly for a country with an ageing population, development of new nursing homes was also picking up with the new investors committing to spending on extensions as well as new projects. This was all the more important because many of the existing nursing homes around the country are old stock and do not meet the requirements of the Health Information and Quality Authority as many of them have bedrooms with two or more residents. In 2020, agents CBRE estimated that as many 7,870 nursing home beds, or almost one-third could be lost as a result of a combined introduction of new standards as well as infection control measures. Meanwhile, an ageing Irish population will need 7,500 new nursing home beds to come into the system by 2026.

A number of the existing nursing homes are husband and wife businesses, with a wife having a nursing or medical background and the husband having business experience. Not alone were they independent in their operation but many developed the property which they themselves own so they were also independent of landlords. In recent years a number of these came to the market as their owners sought to retire or they lacked the resources to invest in bringing them up to the new HIQA standards.

Not interested in smaller homes

However, the new European investors who entered the Irish market are not interested in purchasing smaller nursing homes with less than 35 beds in older, less sustainable buildings which don't provide single bedroom en suite accommodation.

David Brangam of law firm Simmons & Simmons, which is building a track record in the sector, says larger investors are not interested in some of them because of their size, geographical location and lower rates of Fair Deal payments. In Dublin Fair Deal rates average €1,250 per bed per week, whereas in regional locations the rates are much lower. For instance in Limerick they are less than €1,000 per week.

Cormac Megannety of CBRE has noticed a slowdown especially in development activity and attributes it to increased caution by investors for a number of reasons. A key factor is build cost inflation. The cost to develop has risen from about €150,000 to €200,000 per bed. For a new 90 bed nursing home, a developer could wait 18 months for planning permission, another 18 months to build it and then, because of HIQA restrictions, the operator will have to wait a further two years before they can fill

it. So, after buying the site it may take five years before they see a return on their investment.

Peter McKeever of Simmons and Simmons has noticed that this challenge is being addressed in some instances by "developers, investors and contractors working together to get over the problems of increased costs when all parties are willing to take a share of the pain and the risk (that results from) inflation."

Upward Pressure on Fees

Many of the big Irish deals done in recent years have been by investors who have a track record in the sector and they know how the operations work as some of them are also operators. However, the outlook for operators is also getting tougher and this is likely to put upward pressure on fees charged to residents. One of the increasing pressures on operator costs will be rents. These newer investors have been leasing units to operating companies with rent increases linked to the consumer price index. "That was fine when inflation was low but with inflation running at over 6 per cent, this will push rents up substantially," Megannety says. Then there are the effects of inflation on other running costs such as heat, electricity etc.

Furthermore, with a shortage of care assistants and other staff, this is adding to labour costs. A number of these factors have all come in only recent months and so investors, developers and operators have only recently been factoring these into their business plans.

Yet another factor beginning to impinge on the Irish market has been the effect of the Orpea issue on the European market. Orpea

Group, one of the biggest nursing home operators in Europe and in Ireland, came under investigation in France some months ago. Megannety says the contagion from this controversy has also had implications for the share price of some other European healthcare providers. Consequently, he believes that this too is adding to the recent caution seen among some investors.

While he continues to see deals being done for existing nursing homes, he believes that the investor and developer caution has been especially noticeable in how the sales of nursing home sites has slowed. The issue may also affect the housing market as vendors of nursing home sites may instead apply for planning permission for residential development. That would have knock-on effects in terms of further curtailing future supply of nursing home beds.

New Standards

That comes at a time when new standards which came into effect on 1 January, are impacting negatively on the supply of nursing home stock. HIQA recently told Government that a large number of public nursing homes are currently failing to comply with new minimum standards. In total, almost 70 nursing homes are not compliant including 43 HSE run homes, 23 private nursing homes and a further three homes that are run by voluntary bodies funded by the State. From a property investor viewpoint, the lack of new development could well preserve occupancy and property value for existing operators but will create significant pressures on the healthcare system sector in the short to medium term as it is already severely undersupplied.

Then there is the matter of the Government's plans to encourage more residents to allow their vacant homes to be rented in order to meet demand in the residential rental market. In April the Government approved changes to the Fair Deal scheme to address this potential source of rental supply. Officially known as the Nursing Home Support Scheme, Fair Deal sees the State pay part of the cost of nursing home accommodation with the also resident paying a portion. While 22,000 residents of nursing homes are signed up to the Fair Deal scheme, they still cost the Department of Health as much as €1 billion per annum. Some €350 million of the nursing home fees are borne by participants of Fair Deal who contribute 80 per cent of their income per annum year plus 7.5 percent of their assets.

However, in a time of shortage of rental accommodation, it was believed that up to 8,000 of these residents could be persuaded to allow their vacant homes to be rented out if they were allowed to retain a greater portion of the rent for themselves. So, it was decided to cut the portion of the rental income contribution from 80pc to 40pc thus allowing a resident to keep 60pc. But with inflation pushing nursing home costs upwards, this will add considerably to the Government's existing €1 billion payments to the sector. A Government spokesman has also played down the potential number of properties that would be available for rent as many of the properties involved in the scheme have relatives living there at present, including spouses, and some other properties were not suitable for renting.

So, while the Government might well benefit from increased supply of rental accommodation the question arises as to whether this move will create yet another new class of landlord with yet another different type of treatment of their income?

MEETING OF INFORMAL OIREACHTAS COMMITTEE ON PROPERTY MARKET REFORM

The third meeting of the informal Oireachtas Committee on Property Market Reform took place on 29th March. This was the Committee's first in-person meeting and it was held in the AV Room at Leinster House. The meeting was attended by almost 20 Oireachtas Members who were joined by IPAV's Pat Davitt (CEO), Tom Crosse (former President) and Ella Dunphy (former President) as well as guest speakers from ESB Networks, led by their Managing Director, Nicholas Tarrant. The meeting was chaired by Senator John McGahon.

Following Senator McGahon's opening of the meeting, IPAV Members had the opportunity to present to Oireachtas Members some of the results of their recent joint survey with the Irish Property Owners Association (IPOA) on the state of the Irish private rental market. Speakers highlighted the issue of non-institutional landlords leaving the market in the face of regulatory burdens and the impact this is having on already severely constrained supply on the market.

Subsequently, Nicholas Tarrant Managing of ESB Networks, joined by the Regional Customer Delivery Manager for Dublin, Brian Tapley, gave a presentation on behalf of their organisation.

Pictured at the Oireachtas meeting were (l – r): Tom Crosse; Senator John McGahon; Nicholas Tarrant; Brian Tapley; Ella Dunphy; Senator Aidan Davitt and Pat Davitt.

Their remarks focused on the €4.5bn investment that ESB Networks is making to increase the number of connections as well as the improvements being made to customer experience of the process through online systems and the establishment of single contact points in Dublin, where 40% of connections are made. They also underlined the need for co-operation with local authorities for ESB Network activities.

Following these presentations, Senator McGahon opened the floor to questions from the attending Oireachtas Members. This prompted an engaging and constructive discussion on issues including the increasing costs of construction, energy costs, demographic patterns of the buying and selling of residential property and electric vehicle charging infrastructure at homes. The next meeting is scheduled for Wednesday, the 29th of June.

RUSSIAN INVASION OF UKRAINE – EFFECT ON THE IRISH AGRICULTURE

BY MICHAEL BRADY

Ukraine is known as the breadbasket of Europe. Its black soils are richly fertile, farmland is cheaper than mainland Europe and its deep seaports have given it easy access to international markets. This combination has allowed Ukraine to become a key exporter of agricultural commodities and to be correctly described as the breadbasket of Europe

On the 24th of February 2022 Russia invaded Ukraine, a war that has the potential to cause major under-production on arable and livestock farms globally. This is due to disruption in the supply chains that supply the inputs to farms to grow the produce that helps feed the world. Fertiliser prices, already high, have tripled and the future price of some grain prices could double. The major concerns for global agriculture and food industries will centre around oil, fertiliser, wheat and maize markets.

For Irish farmers, the major impact might stem from the effect on the market for natural gas, the main raw material for manufacturing nitrogen fertilisers. The reality is that fertiliser prices will prove too expensive for many farm enterprises in 2022.

Well before the Ukraine hostilities, Europe and Asia were already feeling the effects of a natural gas supply crunch that sent prices soaring above $200 per barrel of oil equivalent. Much of this trend was attributed to the push to decarbonise global economies. It has affected farmers greatly because it is the cause for some nitrogen fertilisers to rise three-fold in the past year. The currently very high fertiliser prices would also increase if key exports of other fertiliser raw materials from Russia or Belarus are disrupted.

Grain markets

The conflict in Ukraine will also greatly disrupt grain markets, which would really affect dairy, beef, sheep, pig and poultry farmers in this country. Ukraine is estimated to contribute 12% of global wheat exports. War is stopping Ukrainian wheat, barley, and maize exports, which is having a major effect on the already very tight global grain markets. This is driving prices up, even if an estimated two-thirds of Ukraine's 2021 wheat and barley and one-third of the maize crop has already been exported. Rabobank experts a 30% rise in wheat prices and 20% in maize prices.

They also looked at how economies and markets would be affected by the combination of war plus effective sanctions. The EU, US, UK and some of their allies have imposed 5 rounds of sanctions on Russia, these sanctions are among the toughest measures nations can use short of going to war against Russia.

They are measures to hurt Russia's economy, or the finances of individual Russians, or travel bans and trade embargoes.

Teagasc has warned that a decline in average family farm income is "now highly likely" in 2022 as output prices will fail to offset rising production costs. Teagasc published a revision of its of its annual Situation and Outlook for 2022 due to the global impact of the Russian invasion of Ukraine. "The economic, political and social consequences of the Russian invasion of Ukraine will be felt deepest by the people of Ukraine itself," the report noted.

Although Teagasc said that it is too early to say with certainty how the war will affect the agriculture sector, it stated that production costs will increase considerably in 2022. The war has led to a pronounced jump in inflation. Teagasc added that sharp increases in energy prices have been accompanied by large commodity price rises. In Europe, Brexit and Covid-19 have retreated as political concerns and have been replaced by the crisis triggered by the Russian invasion of Ukraine.

Concerns around costs

Teagasc said that prior to the war in Ukraine, agricultural prospects for this year were dominated by concerns around costs, which began to build in the second half of last year. The Russian invasion of Ukraine has now led to "a sharper and more widespread increase in farm input prices in 2022, than had been anticipated at the end of 2021". Overall, significantly higher production costs are forecast to be a feature across all sectors in 2022.

However, the report also noted that Irish farm output prices are also on the increase but are lagging behind the increase in production costs. The net effect on farm incomes will be sector and farm specific. As already stated above, the greatest concern on the cost side for 2022 is the price of fertiliser. Teagasc is expecting that there will be some reduction in fertiliser usage due to the high price levels.

Due to the war, an estimated 25Mt of exportable grain from Ukraine and Russia has not made it to the world market. Although this will benefit cereal farmers here in terms of output value, it will have significant adverse knock-on consequences for farmers buying animal feed. The increase in crude oil prices has been dramatic which has resulted in a price rise of up to 60% for green diesel. Higher fuel prices and inflation in other costs, will mean that the cost of contracting will also rise considerably in 2022.

The Teagasc report also examines the potential impact on each of the agricultural sectors. The greatest challenges are currently being faced by pig farmers – the average producer has lost around €166,000 since the start of the year. 10,000 sows have been culled already, with a further 12,000 described as being "at high risk of destocking" in the coming weeks.

Given the buoyant market outlook, dairy farmers seem likely to be the least affected, according to Teagasc. Due to higher milk prices, it is conceivable that Irish dairy farm income in 2022 could be on a par or even better than 2021, in spite of the rise in production costs. However, dairy farmers with fixed price milk contracts are more exposed.

In beef production, income is expected to drop by 25% on cattle rearing farms and by 16% for other cattle enterprises. The report explained that a minority of cattle finishers may be able to hold their margins and incomes at last year's levels as the ratio of inputs to outputs is lower, but this depends on prices remain at current levels or above. For individual farm businesses, the timing of cattle marketing will be particularly important in 2022.

The average family farm income on sheep farms is forecast to decline by 20% in 2022. Higher lamb and sheep prices will be insufficient to cover increased costs of production this year. At this stage in the production year, income levels on specialist tillage farms will be down by around a quarter on 2021. The average income on tillage farms in 2022 is expected to be in the mid €30,000's. Total costs are expected to up by over 30% compared to 2021. Weather conditions will, as always, have a strong influence on the bottom line for tillage farmers.

The Russian Ukraine war is now over 100 days old with no sign of a ceasefire or cessation, it will continue to have a major effect on Irish and global agriculture.

• *Michael Brady is an Agricultural Consultant and managing director at Brady Group: Agricultural Consultants & Land Agents. The Lodge, Lee Road, Cork. Tel: 021- 45 45 120 email: mike@bradygroup.ie*

HJ BYRNE ESTATE AGENTS CELEBRATES 165 YEARS IN BUSINESS!!

HJ BYRNE ESTATE AGENTS IS ONE THE OLDEST ESTATE AGENTS IN IRELAND. THIS YEAR THE FIRM IS CELEBRATING 165 YEARS IN BUSINESS. TIM RYAN SPOKE TO ITS CURRENT OWNER AND IPAV MEMBER BRIAN LYNCH ABOUT ITS PAST AND CURRENT BUSINESS.

Brian Lynch

Many career counsellors will list the three 'Es', Energy, Enthusiasm and Enjoyment as the essential prerequisites for a successful career and the Managing Director of HJ Byrne Estate Agents exudes all three. The highly successful IPAV agent Brian Lynch came to estate agency relatively late in life but has made a huge success of the business, primarily because he simply loves what he does.

A native of Phibsborough on the north side of Dublin, Brian tried his hand at a number of ventures before arriving into estate agency, purely by accident. At the time he was leasing a pub on Dublin's Capel Street from a landlord who lived in the West but who owned a number of apartments in the city. He asked Brian if he would manage them and Brian agreed. Brian soon realised that he much preferred the lettings business than he did pub life and so he decided to go full-time into the business. Soon he set up Landlord Solutions & Property Management on Dorset Street, Dublin 1, where he gradually built up a reputable Lettings and Property Management business. In 2018 the business was relocated to its present high-profile premises at 357 North Circular Road, beside the landmark Doyle's corner.

2018 was also as landmark year in the business history when it acquired H.J, Byrne and Company in Bray, Co. Wicklow. The owners John and Mary Doyle were retiring after running this successful business for many decades and cementing it as the No.1 independent estate agencies in the area. The firm of H.J. Byrne is the second oldest estate agency in the country. HJ Byrne Estate Agents was started back in 1857 by P.J. Byrne who took up practice as a house agent and auctioneer in that year. It was a time of remarkable activity in residential development in Bray which had become the "Brighton of Ireland". In the 10 years between 1851 and 1861, for example, the population of Bray increased from 3,156 to 4,273. In 1889 P.J. Byrne died and his son Andrew Byrne continued the practice under the same name and from the same address, 1 Athol Terrace, Quinsboro Road. The 1914 Thom's lists 'P.J. Byrne & Sons Auctioneers, House and Land Agents and Furniture Van Proprietors'.

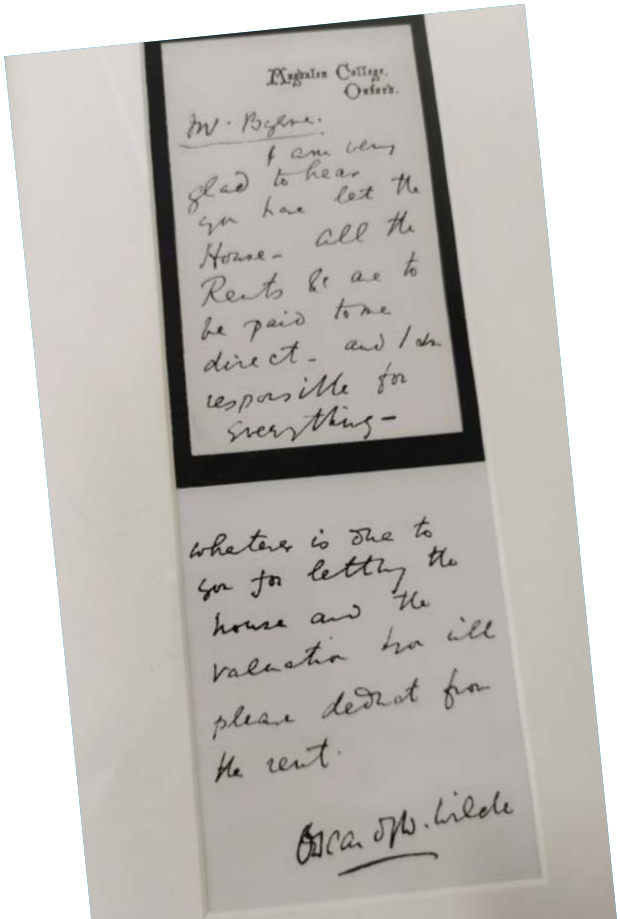
Andrew Byrne was joined in the practice by his nephew H.J. and in 1921 they conducted a six-day auction of "the complete furnishings of 110 rooms of the International Hotel for F. Bethal Esq." In the same year H.J. Byrne was "capped" for Bray RFC. Andrew Byrne died in 1932 having conducted his last auction at Kilbride Hill (now the Danish Embassy) and in 1937 Mary Kirwan joined H. J. Byrne. Both H.J. and Mary Kirwan ran the business until 1968 when they were joined by John Doyle. Bray had now developed rapidly and in 1971 the population had risen to 15,537.

Mary Kirwan retired in April 1982 and was replaced by Shirley McCoy who took over the property management side of the business. John Doyle continued to run the business until, he too, retired and sold it to its current owner Brian Lynch where John's wife, Mary Doyle, continues as a director.

Today the Bray office at 87 Main Street continues to thrive and accounts for about one-third of property sales in North Wicklow and the Bray area. Having taken over the firm on the 1st of November 2018, Brian Lynch continued his expansion plans and in 2019 took over O'Dwyer English at 19 Main Street in Clondalkin, Dublin 22 and in July 2021 acquired Property Rentals in Sandyford.

Brian continues his desire to expand further and is currently actively seeking estate agency firms where the owners are either retiring, or wish to sell out. Lettings and Property Management are the cornerstone of the business and the firm now manages in excess of 500 properties across Dublin and further afield. The four offices now employ 13 staff and attracting agents and office support staff is now a major priority for the business.

A letter from the poet and playwright Oscar Wilde to HJ Byrne. Wilde was a one-time client of the firm.



Magdalen College.
Oxford.

Mr. Byrne.

I am very glad to hear you have let the House - all the Rents I am to be paid to me direct - and I am responsible for everything -

whatever is due to you for letting the house and the valuation you will please deduct from the rent.

Oscar O'Flahertie Wilde

HJ Byrne Estate Agents continued to do business virtually during the Covid Crisis. 2021 was a great year for sales in the Bray office. As Covid restrictions were relaxed, sales escalated dramatically in 2021 but have now slowed down to more normal levels. While the lettings and management side of the business suffered during Covid, with many units remaining vacant for long periods, the market has taken off again with sourcing properties now the primary focus. Today HJ Byrne Estate Agents rarely advertises properties to let at all, such is the demand and the waiting list of clients. Average rents for a one-bed apartment in any area of Dublin are now €1,300 to €1,550. While a two-bed will fetch between €1,900 and €2,200. A three-bed semi will fetch a rent of in excess of €2,200.

Like many agents, Brian Lynch is very concerned at the huge number of landlords exiting the market. He is personally aware of in excess of 20 of his clients who have made the decision. "It's very worrying to see so many landlords getting out for all sorts of reasons including the increasingly complicated REGULATIONS and legislation, lack of tax incentives and so on," he says. He is also aware of a number of good landlords who are leaving their properties vacant for two years in order to achieving somewhere close to market rent, having being caught up with low rents for some of their long term tenants, because they did not keep up with the market rates in the years leading up to the introduction of Rent Pressure Zones and the cap in rent increases.

Looking to the future, Brian says the key challenge is the availability of stock to sell or to rent. Lack of supply of new homes is resulting in a greatly reduced supply of second-hand properties coming to market. Current properties available to either sell or rent are at an all- time low and running below 50% of pre-pandemic levels.

The HJ Byrne offices at 87 Main Street, Bray.

Having completed the IPAV course in TU Dublin, he finds the benefits of membership of the Institute extremely helpful in the day-to-day work of the offices. Having advice and support at your fingertips is hugely beneficial, he says and he looks forward to further close co-operation.

As somebody who loves his work, Brian has few hobbies and what spare time he has he likes to share with his family. Luckily, he lives in Phibsborough in the house which his grandparents and parents owned and, in a traffic-gridlocked city, enjoys the benefit of being able to walk to the office. For now, Brian's priority will be expanding HJ Byrne Estate Agents in 2022, looking at new opportunities, new ventures, new locations, and adding talented people with motivation and ambition.

IPAV PRESIDENT'S DUBLIN AND CORK CHARITY LUNCHES

Over one hundred people attended the 8th IPAV President's Charity Lunch which took place in the Westbury Hotel on Friday, 11 March, 2022. The Lunch, which was postponed from last December due to Covid-19, was in aid of the Alice Leahy Trust and Irish Guide Dogs.

In his address, Guest Speaker NUI Senator Michael McDowell said the word "landlord" was now a dirty word. He said tenancy laws now determined that landlords could only terminate a tenancy on a small number of legal grounds. He said this was causing large numbers of landlords to leave the market, thereby adding to the scarcity of supply of accommodation.

Senator McDowell said that some years ago legislation was introduced which closed down between an estimated 10,000 and 15,000 bedsits which rendered huge numbers of people homeless, who had up to then been quite happy in their accommodation. He said this piece of legislation was an example of not thinking through the long-term consequences of what might seem a good idea at the time.

The first Cork President Charity Lunch was held in the Imperial Hotel on Friday, 25 March where the guest speaker was former Cork camogie manager Paudie Murray. The chosen charity was Cork Simon Community.

(l-r) Michael Barrett and Margaret Horan, Currencies Direct with David Cusack and Jeffrey Brophy, Brophy Cusack.

(l-r) Tadgh Murphy, Fionn Dwyer, Kayla Lynn DeSorcy, John Corbett, Lisa Murphy and Jeremy Murphy, all of Jeremy Murphy & Associates.

(l-r) Tommy Barker, the Irish Examiner; Paudie Murray, Murray Browne; Maguerite Stafford, the Irish Examiner and Paul McCourtney, IPAV President.

(l-r) Joanne Geary, CEO Myhome; Christine Desmond, the Irish Examiner, Deirdre Gleeson, Myhome; Niamh Giffney, DNG Royal County; Gemma Kelleher, the Irish Examiner; Catherine Kearney-Looney, DNG Kevin Condon and Maguerite Stafford, the Irish Examiner.

(l-r) Senator Michael McDowell; Senator Aidan Davitt; IPAV President Paul McCourtney; Lorraine Higgins, Rockwood and Deputy Marc McSharry.

(l-r) Margaret Healy and Grainne McKenna from DNG McKenna Healy.

(l-r) Suzanne King with Jonah; IPAV President Paul McCourtney; Dr Patricia McCarthy with Gaston and Bernard Johnson with Lexi.

Denis Bergin, Bergin Property Consultants and Ella Dunphy, DNG Ella Dunphy.

(l-r) Eamon O'Flaherty, Sherry FitzGerald Brady O'Flaherty; Sean Naughton, Sean Naugton Auctioneers and Des O'Malley, Sherry FitzGerald.

IPAV MEMBER FIRM REA MCCARRICK & SONS, CO. SLIGO CELEBRATE 75 YEARS IN BUSINESS

Roger McCarrick

Tell me a little about how and when the agency started?

The present Firm of REA McCarrick & Sons in Co. Sligo is headed up by Roger McCarrick, having taken over from his father Paddy in 1985 following Paddy's sudden death.

The business was established in 1947 by Roger's parents Paddy and Teresa after their marriage, at a time when most young people in the West of Ireland were emigrating. Paddy and Teresa swam against the tide and decided that their future and that of their family was to remain in Co. Sligo.

Coming from a farming and rural background, Paddy and Teresa established a Butcher Shop and Grocery business in Tubbercurry and this brought them into contact with the wider farming community of Co. Sligo. Supplies of beef and lamb were sourced at the old Traditional Fairs of Tubbercurry and other towns as well as being purchased directly from the farmers throughout Co. Sligo. Marts in the West of Ireland were only established in the 1960's.

This constant dealing with farms and farmers in the 1940's and 50's showed a gap in the market to Paddy for a middle man or agent to rent out farms and sell livestock and machinery. This end of the business was developed in the 1950's and 60's as he established his Auctioneering Business to compliment the other arms of the business. At that time they traded under the name of P.J. McCarrrick.

Over these decades, farm auctions, furniture auctions etc. became common practice. Co. Sligo in the 50's and 60's was still very rural and each locality and parish had its own mini economy.

How has it grown and developed over the years?

Growing up as a teenager in the 1970's, Roger McCarrick was one of 9 children in the family, and all quickly learned how to work hard in the family business. Education was a high priority in the McCarrick family, and all 9 siblings obtained Third Level Education to work in their chosen fields.

Roger worked as a teenager with his dad doing the books at livestock, machinery and furniture auctions, and regularly hand-wrote the adverts for the Sligo Champion property/auction pages. Roger often recalls that his father would strongly emphasise in the advert that a property was serviced with "mains water" as mains water was relatively new in Co. Sligo in the 1960's and 70's. Roger smiles today when he says that mains water is "a given", and today strong and good broadband or fibre optic broadband is the priority for any property being sold. How times have changed!

While a teenager, Roger's primary interest was Athletics and Gaelic Football. He won a number of Connacht Championship medals in Athletics, and represented Sligo at all levels in Gaelic Football. His interest in sport directed him to Thomond College in Limerick to qualify as a P.E. Teacher with History and Geography as extra subjects. Graduating in 1980, Roger obtained a teaching post in Cork City and played football while there with Bishopstown G.A.A. Club.

After three years teaching, the pull of a new challenge brought him back to Co. Sligo and he joined his parents in the Auctioneering Business, and obtained an agency with Irish Permanent Building Society, who were at that time seeking to expand their network nationwide. This was a great addition to the Auctioneering Business.

Roger's father Paddy died suddenly in 1985, and despite being just back in the business two years, Roger was thrown into the deep end and had to take over the reins. This he has done steadily since. After 1985, Roger developed his busy Auctioneering Practice with the Financial Services Area of the business including, mortgages and investments, and in the late 1980's it was a natural progression to expand and he opened a second office in Sligo town. Sligo and Tubbercurry are 20 miles apart and all parts of Co. Sligo plus some parts of neighbouring counties of South Donegal, North Leitrim and East Mayo can be serviced from the two offices.

As the Irish economy expanded in the 1990's so too did the range of services offered by Roger McCarrick and his offices. Agriculture has always been the back bone of REA McCarrick & Sons with land sales and lettings synonymous with the firm. When quotas were introduced into farming in the early 1990's, Roger quickly became one of the top agents in Ireland for sales and leases of sheep and suckler quotas, trading in every county. Quotas were replaced by Entitlements about 15 years ago and REA McCarrick & Sons still help farmers all over Ireland sell, lease and purchase their requirements.

Forestry business is also a big part of the business and today they always have hundreds of acres of forestry to sell in the West and North West.

Who are the team today and are you involved in all aspects of estate agency?

The team of REA McCarrick & Sons today consist of Firm Principal, Roger McCarrick and his wife Patricia. Other staff include Mary Goldrick (House Rentals), Patricia Gorman (Sales), and 2 other staff involved in administration and accounts.

After coming back to the business in 1983, Roger studied further to become a member of the I.A.V.I. (Irish Auctioneers and Valuers Institute), and the S.C.S.I. (Society Chartered Surveyors Institute), and served as Chairman of the Connacht I.A.V.I. for a number of years in the early 2000's, prior to the amalgamation of these two bodies. He is a Fellow of the S.C.S.I. today.

The Real Estate Alliance group of Auctioneers, REA was established in the early 2000's. As a well-established Firm, Roger was invited to join the Alliance, and this has been a great help to further move the business forward. The REA Group has 55 offices nationwide, and is made up of excellent members who help each other in so many different ways. If non-affiliated agents were seeking a partner, Roger strongly recommends joining REA.

As mentioned earlier, Agriculture is the traditional back bone of the business, but over the least 25 years, the business does a lot of residential and commercial work, valuations for probate and mortgages, and institutional work for banks and receivers.

How did the agency cope with Covid-19 and did it change how people work etc. for the future?

COVID 19 obviously threw up many challenges, but REA McCarrick & Sons has come out stronger as a result. Walk-around videos of every property are now standard. The REA group developed an excellent Online Auction Platform which launched around the start of COVID, and this is an excellent service for clients. Necessity is the Mother of Invention, and as new challenges emerge, Roger and the REA Group are confident they will continue to adapt and adopt as necessary. Remote working as a result of COVID 19 has been and will continue to re-populate smaller towns of Co. Sligo. More affordable properties in the West will also draw people back to Co. Sligo and Western Counties.

What is the residential sales market like in Sligo today?

The residential sales market is very strong throughout Co. Sligo today, and has risen at least 10-15% each year over the last 3 years. Saying that, it came off a lower base, and there are still regional and locality differences within the county. Three bed semi-detached houses around Sligo town are at an average of €250,000, while Strandhill and other hot spots can see them at over €300,000. The rural towns of Co. Sligo still offer excellent value with 3 bedroomed houses in the €150,000 - €180,000 range in towns such as Tubbercurry, Ballymote, Coolaney and Enniscrone.

What is the lettings market like in Sligo?

The residential letting market is also very strong in Co. Sligo but thankfully not making the dizzy heights of Dublin and other cities. Again, regional variations occur with 3 Bedroomed semi-detached achieving from heights of €1,400 to lower figures of €750 per month. The new stringent regulations introduced recently around rental is leading to many landlords exiting the market and selling up. These houses are being purchased by owner occupiers and is putting further pressure on the supply of rental properties.

How do you see the rest of 2022 shaping up and what changes do you think the Government should make to ease the housing supply?

The rest of 2022 and indeed beyond looks like more of the same, especially in the residential market due to shortage of supply. Very little building of new stock is happening any place in Co. Sligo except for tail ends of estates that were half built before the 2008 crash. The market has not caught up or will not catch up any time soon to new build costs, and this is where I see a need for Government intervention. There are thousands of run-down and semi derelict houses in towns and villages all over the country which need at least €100,000 spent on them to bring up to modern standards. In addition, there are thousands of offices and shops that have vacant accommodation overhead which were formerly used by the family running the business. These also need hundred s of thousands of euro spent to bring up to spec, but all these owners do not have the money to invest. There is a token grant at present from Government to do this work, but it is too far off the costs to be considered seriously by the owners. Grants and tax breaks are needed here. Many parts of Co. Sligo and Midland counties benefitted greatly from tax schemes introduced in the mid 1990's and they gave a great lift to local economies in these regions. Further tax breaks are needed to kick start these rural economies again. In schools, apprenticeships for the trades need to be strongly pitched to obtain bigger numbers of trained trades people. A whole generation of skilled trades people have been lost since the crash of 2008.

How do you find membership of IPAV of benefit to you and the agency?

IPAV Head Office have their finger fully on the pulse in relation to needs of their members. PSRA requirements are getting stricter and IPAV is making it easy for compliance. The online sessions are particularly attractive and eliminate a day's driving to and from meetings.

There seems to be a huge shortage of qualified agents right now. Would you advise young people to train for the profession?

Good Auctioneers, Estate Agents & Valuers come in all shapes, sizes and gender, and their pathway to their career can vary hugely. As mentioned earlier, I was a teacher for a few years before joining the business, and this experience stood to me over the years. I would recommend this Estate Agent's life to any young adult, and don't be afraid to change career even after a decade or two working at something else. Life experience and empathy are vital ingredients in the make-up of a good agent. Our own children (3 boys and a girl) were encouraged by us to follow their dream and career choice, and we rarely mentioned the option of the family business. However, I would not be surprised if some of them did find their way back in their own time. The exams leading to qualifications can be done over time while working in the office. One of my own staff at present is doing her exams through GMIT, and will have her licence in 12 months' time.

Outside of work, what are your hobbies and interests?

I am lucky that I enjoy work and I have often been able to combine work and leisure. Besides GAA playing and coaching in the past, I have always been keen on game shooting, and I often combined inspecting a farm with bringing the gun and dog. Golf is also a pastime, but very time consuming. I must say that my farming gives me most pleasure. I lamb down 100 ewes each March, and I am very hands on. Dosing, vaccinating and all the chores associated with sheep are also done by me with the help from my family. Understanding farming and knowing where a euro can be made, or lost, helps me empathise with the farming community.

Another interest of mine, rather than a hobby is community work. I live in Tubbercurry but the wider county and beyond is my work catchment area. At present, and in various years over the last 30 years I have been President of Tubbercurry Chamber of Commerce & Community Association, and I am a board member of Tubbercurry Development Association. In recent years, I have been involved in the development of South Sligo Enterprise Centre, a State of the Art Work Hub to facilitate remote working.

Auctioneers by the nature of their work are at the centre of their communities, and I feel great satisfaction when seeing community projects through.

We earn a living in our communities and it should be incumbent on us to give something back. Volunteerism costs you nothing except your time, and the satisfaction you get is great payment.

This year REA McCarrick & Sons marks 75 years in business, and Roger looks forward to the next 75 years contributing to the economic and social life of Co. Sligo.

FINANCING AN AUCTION PROPERTY AND THE NEED FOR SPEED

By John Ring, Lending Director, Onate

Auctions are attractive to buyers because of their speed. However, purchases of auction properties usually need to be completed within a short space of time and long-term financing such as mortgages can be difficult to put into place quick enough to meet deadlines.

The auction process is very different to buying from an estate agent. When you buy at an auction, you are typically required to sign contracts and pay a deposit there and then. Things move quickly from the hammer falling and the sale being finalised. Auction properties are sold as they are, so once you are the successful bidder, you are legally required to complete the sale.

At Onate, we work quickly in order to make transactions happen, a vital component for anyone purchasing an auction property. It is best to determine your bid level, costs and finance amount required before the auction. We are in a position to determine what level of finance we will be able to offer you on a particular property. This could be up to 75% of the purchase price depending on where the property is located. In the event that the property is vacant, we may be in a position to provide you with some interest roll-up while you refurbish the property for tenants.

Contracts signed at Auction

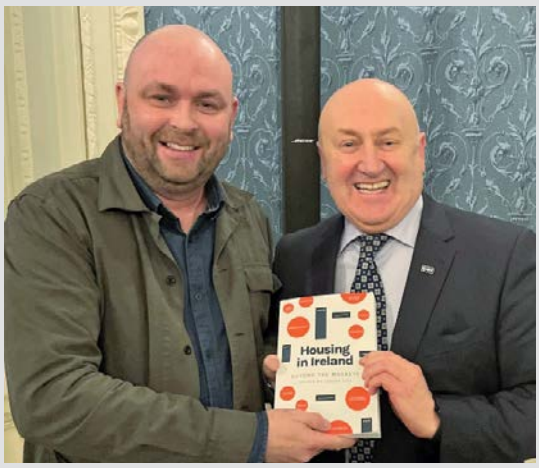
As contracts are signed at the auction, a speedy lender is required in order to move things along quickly to close out the transaction. We have proven experience in the marketplace of doing just this.

In the last 12 months, Onate was presented with various opportunities, one being the financing of a residential auction purchase. We had a borrower who purchased a pre'63 at an auction. They had been served with a 28 day notice to complete and intended to complete the purchase with an alternative lender. However, due to the time pressure, this was not going to be in place in the time for the borrower. Onate were able to step in and bridge the purchase in order for them to secure the property. We have helped multiple borrowers with purchasing properties with short closing windows. We are currently working with a borrower who has purchased a site with FPP at an auction in order to ensure that he can complete within the closing date agreed. One of our strongest Unique Selling Propositions (USPs) is our speed of execution.

Whether it's loans for debt settlements, equity release, Pre '63 residential, social housing, borrowers who have a complex credit history or indeed residential auction purchase, we find that there is a need from investors for fast and flexible finance.

Onate's offering is structured to allow borrowers to quickly and easily release equity from their residential and commercial properties. Products are bespoke and Onate works quickly with the borrower to successfully complete the transaction, providing the capital the company requires up to four million euro. The borrower must be a Special Purpose Vehicle (SPV) although the property can sit outside the vehicle in certain instances.

•*Onate lend in all locations nationally – from cities and large towns to small villages and rural locations. See www.onate.com*



HOUSING IN IRELAND: BEYOND THE MARKETS

Congratulations to Dr. Lorcan Sirr of TU Dublin on his new book 'Housing in Ireland: Beyond the Markets'. This is a very intresting publication and with thanks to Lorcan and IPA, IPAV is pleased to advise there is a 10% discount available to IPAV members. Details of Lorcan's book are available on IPA's website and if any member wishes to order a copy, please email sales@ipa.ie to receive your code for ordering. IPAV is a proud sponsor of the publication and pictured at the launch were Lorcan Sirr and Pat Davitt, CEO, IPAV.

FINE & DECORATIVE ARTS PRESENTATIONS

This year's participants in IPAV's Diploma and Certificate in the Fine & Decorative Arts received their awards at a presentation ceremony held in Dublin's Stephen's Green Club on Wednesday, 25 May. The presentations were made by IPAV Senior Vice-President Gerry Coffey. All were welcomed by IPAV CEO Pat Davitt and Course Co-ordinator Roxane Moorhead who attended along with a number of the lecturers.

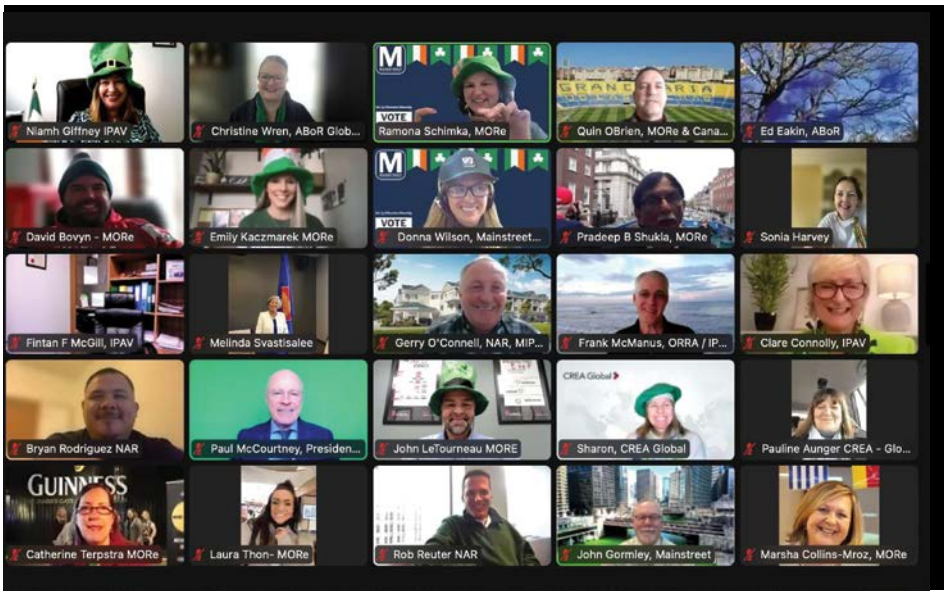
Recipients of the Diploma in the Fine & Decorative Arts pictured with IPAV Senior Vice-President Gerry Coffee and lecturers.

Recipients of the Certificate in the Fine & Decorative Arts pictured with IPAV Senior Vice-President Gerry Coffee and lecturers.

Pictured at the presentations were (l – r) Dr Paul Caffrey, external examiner; Wiliam Gallagher, lecturer; and Roxane Moorhead, course director.

IPAV Senior Vice-President Gerry Coffey presenting Úna Kilduff with her Diploma. Úna was the overall winner of for best thesis.

IPAV AND MAINSTREET YPN CELEBRATE ST PATRICK'S DAY TOGETHER VIRTUALLY



IPAV's YPN and Mainstreet YPN (Chicago) joined forces virtually for a St. Patrick's Day celebration on Wednesday, 16 March. Donna Wilson of Mainstreet staff welcomed everybody on both sides of the Atlantic. In attendance, too, were John Le Tourneau, President of Mainstreet and Paul McCourtney, President of IPAV, John Gormley CEO Mainstreet, Christine Wren from Austin Board of Realtors and Sharon von Schoenberg from The Canadian Real Estate Association.

Niamh Giffney, Chair of YPN introduced Dublin member Clare Connolly who gave an overview of the market in Ireland. In her address, Clare said everybody got it wrong when they predicted a fall in prices during Covid-19. As it turned out, the shortage of supply along with low interest rates kept prices up. In addition, many expats returned from abroad adding to the demand. However, some sellers were afraid to put their houses on the market to downsize in case they could not find a suitable property for themselves later.

Clare said that outside Dublin, house prices really shot up as people discovered they could work from almost anywhere. Also, she said houses with a south-west/south-westerly garden are in huge demand. At the end of December 2021 there were only 13,000 properties for sale and 1800 to rent. At the end of Quarter 1, 2022 construction was increasing but is still not enough to meet demand. She said there is now also a huge demand for high energy-rated buildings, Grade A or B.

IPAV, she said, has introduced a Seller's Legal Pack to try to speed up the sale of houses which can take three months or more compared to a few days in the US. She said the target in Ireland is to build 300,000 homes by 2030. While she did not wish to dwell on the war in Ukraine, it would no doubt affect the property market in due course.

Niamh Giffney said things had slowed down outside of Dublin. It was likely that Ireland is now undergoing a slight correction period. IPAV President Paul McCourtney told the meeting that he could remember sales being closed in four to six weeks but this had become much more drawn-up in recent years.

John Le Tourneau said in the Chicago market, there is a shortage of supply. Over 10bn dollars being built but many units being kept as renters by the builders. Interest rates are also rising in the US.

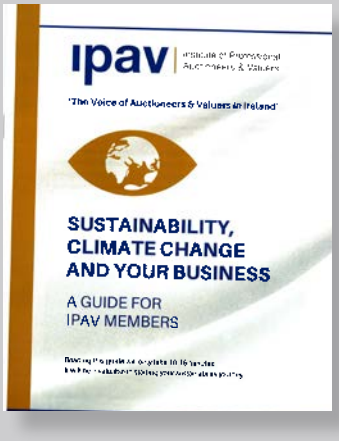
The meeting then broke into break-out rooms where the members introduced themselves and chatted in dept about their respective market trends and benefits of being involved with their associations.

Later back in full session, both sides discussed how St Patrick's Day is celebrated on both sides of the Atlantic. From parades to green buildings and rivers, there are many similarities throughout the world.

IPAV LAUNCHES NEW SUSTAINABILITY GUIDE

IPAV recently launched a special guide 'Sustainability, Climate Change and Your Business', a publication for auctioneers, valuers and estate agents, on how to inculcate good practice on sustainability in every aspect of their businesses. Eamonn Galvin, who drafted the guide in his role as Sustainability Advisor to IPAV, commented that "in addition to providing overall guidance on the changes we can expect in the sector, the Guide is an important step in IPAV and its members taking a more active role in de-carbonisation."

IPAV CEO Pat Davitt said significant changes are going to be needed in how buildings are developed, built, operated, renovated and demolished into the future and the entire industry needs to ramp up to meet the challenge. He said sustainability considerations are already driving the behaviour of buyers, renters, investors and lenders, across both residential and commercial property. He said to help property buyers IPAV believes the Property Price Register should record the BER or Building Energy Rating. "Currently they are not published on the site but such transparency would support the case for green loan and green mortgage discounts for retrofits," he added.



50:50 SPLITS OR REPEAT BEHAVIOUR?

BY TOMMY BARKER, PROPERTY EDITOR, IRISH EXAMINER

What is it about 50?

It's an age when people can get mid-life wobbles. In Cork, the slang expression "I got a 50" means you've been stood up on a date. A €50 is a nice banknote to have in a wallet, pocket or purse, 'just in case.' But, in the Irish property sector, just what is it about multiples of €50s, a round €50 million?

Apart from being a nice-sized Euro millions jackpot win, the figure of €50 million is going to stick in the minds of Irish property professionals and property watchers after the sale of the country's largest estate agents Sherry FitzGerald for an 'undisclosed sum,' unofficially but widely reported as close to €50 million. Even if the actual sum was a bit below that round €50m figure (as is likely,) the robust sale of 100% of the 40-year old property agency was a bit of a coup and financial validation for the directors, and founder Mark FitzGerald who had a 50% stake. Another '50'.

The purchaser was e-commerce entrepreneur Tommy Kelly's CastleGate Investments, a private/family company on a bit of a buying/reinvesting spree, after Kelly netted as much as €500m from his share of his unicorn start-up, eShop World.

The substantial investment by a proven, savvy and enriched tech/retail sector figure might even have prompted optimistic others in the sector to try to benchmark for how much their own businesses might be worth – even if they don't have 103 offices nationwide, class-leading technology, and 550 staff to stack up the figures, the turnover (€25m- €30m pa in recent years), the cash on the company's books, and the profits. But many will recall the stand-out figure of €50 million for other reasons, and with more than a touch of déjà vu, even déjà vu on the double.

Déjá Duo

Famously, €50 million is what international agency Savills paid back in June 2006 to take over Hamilton Osborne King, which at the time was the country's strongest commercial property agency, with a strong residential book also, employing 250 at the time, was nicely profit making and had income of €36 million. That was 2006, hmm, big year, Celtic Tiger at full roar.

Then, the following month, in July 2006 when property advertising was bringing in double-digit millions of euros pa to the Irish Times, that media group famously bought Myhome. ie. for….. €50 million. Myhome was a mere stripling in terms of longevity as it was founded only five years earlier, in 2001, by a trio of property firms including, coincidentally, Sherry FitzGerald with a 25% stake, while AIB was also a substantial shareholder in the portal.

The publisher group had wanted it to strengthen its digital presence – which is very successfully did – despite the massive drain on its reserves, with Myhome pretty much bought for cash. Myhome's earnings at the time were €5m-€6m, with a particularly strong percentage of that deemed profit; it was expected to grow substantially as the entire property sector's blinkers were still tightly strapped on. It's all about timing, isn't it, reading the room, divining and reading the runes.

Dot, Dot, Dot….

That duo of €50m frothy Irish property company sales in 2006, had followed the dotcom bubble and subsequent burst of 2000, when a trillion dollars vanished off NASDAQ stock values. Investors put money next into, eh, oh wait, property: remember all the talk of the 'wall of cash' being force-fed into the sector, like grain into a goose? We all know what happened, next. Goosed.

Stateside, there was the sub-prime crisis which kicked in, in that fateful year, 2006. It was a harbinger of what was to come globally, across European markets, and Ireland just about worst of all, after the incipient slowdown ('soft landing') snowballed to an icy avalanche of debt after Lehmann Brothers collapse in 2008: we got the IMF shortly afterwards, with a €22bn bailout in 2010, taking seven years to pay back. Since the recovery, here and abroad and dating from about 2013, a recent IMF study noted the tendency for house prices in different markets, and especially in advance economies, to move in tandem.

Virus Bounce

By the time Covid-19 came around, most European markets had prices back to pre-crash levels. We in Ireland had lagged behind many of our European neighbours as our dip (at up to 60%, gulp) was far deeper, in effect a dive. Many commentors and even international ratings agencies initially expected the global pandemic to depress property activity and values. But, as we all know – and would-be buyers and renters found to their costs – the opposite happened, hitting double digit growth, quite incredibly. That was after prices here had started to level off just prior to the virus's arrival, Soft Landing Mark ll: deferred.

But, now their turn is here, isn't it? Surely? Is it? It should be, shouldn't it, at a time of a globally-worrying war to the east; refugee pressures; labour shortages; construction costs through the roof; a demand-supply imbalance; a cost of living crisis; house prices and rents gone out of reach of a huge disenchanted cohort of should-be buyers; an energy crisis; a planet in crisis. Oh, and back to basics and fundamentals? Interest rate rises, most pointedly of all for markets.

The messages are slightly mixed – the economy is still growing; employment is on the way back up; housing output is, indeed, on a growth trajectory etc - but the balance is on the downside. We have at least moved, broadly, in line with European trends, all in the one boat on a tide that has been rising, but like in any sea, tides turn, you get different conditions, and waves and eddies in specific settings and backwaters.

We have our own dysfunctions, naturally, and demographics. Experts, as well as the person in the street, can summon up arguments for and against buying, investing, renting, emigrating, despairing. An increasing number of voices are calling 'the turn,' and it's 15 months since economist David McWilliams (who was eventually proven right about the bubble in the mid-2000s) suggested buyers, especially millennial first-time buyers to withdraw from the market and stage a protest strike until prices come down.

Instead, prices rose by 15% in a year: might they dip that same amount, for those who stood back at the start of 2021 waiting for 'the turn?' Who knows? I don't. An estate agent advised me back in 2007 to sell my family home at peak, to rent and "you'll buy it back in a few years' time for a lot less." Regretfully, maybe, I didn't listen. Instead, I sold and rebought in '07/08', trading-up and spending further 'upgrading.' Ggrrr). I'm not going to follow that agent's '07 advice now either….if only because I can't afford the rent. And, all of this at this most uncertain of times, just as an investor puts €50 million, or so, into Ireland's largest estate agency firm, well above its EBITA valuations.

What does he know?

IPAV MARKS INTERNATIONAL WOMEN'S DAY 2022

Anne Reilly

IPAV celebrated International Women's Day (IWD) 2022 with an inspiring webinar presentation by Anne Reilly, a high-profile Irish businesswoman from the North-East.

The theme for IWD 2022 was #BreakingtheBias and IPAV's event looked at "Bias: from playground to property". Anne challenged those in attendance to look at their own bias and pointed out that much of our bias is very subtle and so ingrained that it can sometimes be hard to distinguish. Citing examples in how we differentiate between toys for girls and for boys, as well as how film and media overlooks obvious bias, Anne's presentation was very thought provoking.

From a property point of view, she identified age-old practice and language that property professionals use (eg master bedroom) and habits that sales people in all sectors have (e.g. addressing women about the kitchen, or men about the garage).

Anne, who is founder and CEO of a large award-winning enterprise that provides payroll solutions to companies in Ireland and globally, also spoke about the gender pay gap. She told the event that, according to research into reducing the salary gap, it will take a staggering 170 years to eliminate the problem entirely!

Following Anne's presentation, host and Junior IPAV Vice-President Joanne Lavelle discussed some of the highlights of Anne's talk, and agreed that this year's theme was very enlightening insofar as it focused women's attention on their own established gender bias, just as much as calling into focus male bias towards women.

IPAV ESTATE AGENTS WIN NATIONAL PROPERTY AWARDS

IPAV estate agents were among the winners of the National Property Awards 2022.

The National Property Awards is one of Ireland's leading event which celebrates and champions both individuals and organisations from across the entire property industry. The esteemed judging panel are comprised of leading experts from across the industry itself, State bodies and professional bodies.

Hosted by broadcaster Ivan Yates, the awards celebrated the very best achievements from across both the residential and commercial sectors in Ireland. The event recognised and celebrated organisations and individuals that are making a real impact, across 13 different award categories in Ireland. John Doddy, real estate leader, head of debt and capital advisory, and partner at Deloitte Ireland said: "The National Property Awards is a hugely important event to us as it gives recognition to the people across the sector who are best in class, going above and beyond what the industry expects"

Dublin IPAV estate agent Clare Connolly was the winner of the National Property Awards Independent Estate Agency of the Year 2022 while Hook & MacDonald won Estate Agency of the Year. Ken MacDonald won the Lifetime Achievement award.

Pictured at the award ceremony were (l – r): Des Donnelly, Hooke & MacDonald; Jamie Rohan, MD of Rohan Holdings who presented the award; Renagh MacDonald and Donald MacDonald.

Pictured with the award were (back row): Maria Seaver; Rhonda Wall-Morris; Emma Hughes and Eleanor Hallahan. (Front): Clare Connolly.

GRADUATION OF HIGHER CERTIFICATE IN BUSINESS IN REAL ESTATE VALUATION, SALE AND MANAGEMENT

Following TU Dublin's virtual graduation in October 2021, the in-person conferring of the Higher Certificate in Business in Real Estate Valuation, Sale & Management took place on Friday, 29 April 2022.

The course, run in conjunction with TU Dublin, is a Level 6 award (120 ECTS) and is approved by the Property Services Regulatory Authority for licensing purposes. This course has a mix of online learning and classroom-based learning delivered over two consecutive academic years. The Professional Practice Module is mandatory and must be completed by all students to obtain a Level 6 qualification. There are currently 92 participants in Year 1 of the course and 55 in Year 2.

VALUATION WEBINAR

On Thursday, 7 April IPAV, in conjunction with TEGOVA, held a one-hour CPD Webinar to review requirements for all TEGOVA members with particular reference to compliance and CPD.

The webinar was addressed by Niall Deegan who outlined the service he will be providing to IPAV valuer members and Gary Digney, Director with PKF-FPM, who addressed the topic of Distressed Valuations. The meeting was moderated by IPAV CEO Pat Davitt.

Niall Deegan

IN THE DAIL

THE FOLLOWING IS A SELECTION OF RECENT WRITTEN DÁIL REPLIES TO TDS ON TOPICS OF INTEREST TO AUCTIONEERS AND ESTATE AGENTS:

Indefinite tenancies

Deputy Sean Sherlock (Lab., Cork East) asked the Minister for Housing, Local Government and Heritage if he would report on the Housing for All objective for indefinite tenancies to strengthen security for renters.

Darragh O'Brien, Minister for Housing, Local Government and Heritage: In accordance with both the Programme for Government and Housing for All commitments, the Government has provided for Tenancies of Unlimited Duration through the Residential Tenancies (Amendment) Act 2021. The Residential Tenancies (Amendment) Act 2021 was signed into law on 11 December 2021.

All new tenancies created on or after 11 June 2022 will become tenancies of unlimited duration once the tenancy has lasted more than 6 months and no notice of termination has been validly served on the tenant. The Act amends Part 4 of the Residential Tenancies Act 2004 (Security of Tenure), to provide for enhanced tenancy protections on the basis that after 6 months' duration, a 'Part 4 tenancy' is established for an unlimited duration and not subject to expiry at the end of a 6-year term, should the landlord exercise his or her right to terminate the tenancy as currently provided under section 34(b) of the Residential Tenancies Act 2004.

The aim is to enhance security of tenure for tenants and to simplify the operation of the Residential Tenancies Acts 2004 - 2021 through a transition to tenancies of unlimited duration. This provision respects the landlord's constitutionally protected rights to terminate a tenancy in accordance with section 34 of the Acts.

Only new tenancies commencing on or after 11 June 2022 must be on the basis of an unlimited duration, but naturally over time, all 'Part 4 tenancies' will be of unlimited duration.

As existing Part 4/further Part 4 tenancies terminate/expire over time or are renewed, it will involve the creation of a new tenancy of unlimited duration in respect of any such dwelling, should it remain in the rental sector. By 11 June 2028, (i.e. within 6 years of the coming into operation of sections 5 and 6 of the Residential Tenancies (Amendment) Act 2021), all residential tenancies will have commenced on the basis of becoming a Part 4 tenancy of unlimited duration (following the initial 6 month period).

In the interim, the Residential Tenancies (Amendment) Act 2021 provides that a landlord may grant his or her consent to any existing tenancy being treated as a tenancy of unlimited duration. However, the landlord is not be compelled to grant his or her consent and where consent is not granted, the existing protections of the Residential Tenancies Act 2004 apply.

Vacant Site Levy

Deputy Pa Daly (SF, Kerry) asked the Minister for Housing, Local Government and Heritage the amount of the vacant site levy that was collected in 2021 compared to demands.

Peter Burke, Minister of State at the Department of Housing, Local Government and Heritage: Under the vacant site levy provisions in the Urban Regeneration and Housing Act 2015 (the Act), planning authorities were empowered to apply a vacant site levy of 3% of the market valuation of relevant properties which were listed on local authority vacant site registers in 2018, which relevant owners were liable to pay in January 2019. The rate of the levy increased to 7% for sites listed on local authority vacant sites registers from 2019 onwards which site owners became liable to pay in January of the following year.

The returns received indicated that local authorities issued levy demands totalling €11,883,200 in respect of 2020. The final amount collected in respect of 2020 will not be available until local authorities submit final returns for that year, which will be requested shortly in association with an initial data request in respect of 2021.

For information, the returns submitted by local authorities in 2020 indicated that levy demands totalling €13,296,481 were issued in respect of the previous year (2019) and that the amount of levy collected in that year was €1,183,700. It should be noted that under section 19 of the Act, unpaid levies due remain a charge on the land in question until they are paid. My Department will continue to engage proactively with local authorities to ensure that all vacant site levies due are paid and that the measure can achieve its full potential.

Second-hand homes

Deputy Colm Burke (FG, Cork North Central) asked the Minister for Housing, Local Government and Heritage the supports that are available to people to buy second-hand homes and if further measures will be introduced.

Darragh O'Brien, Minister for Housing, Local Government and Heritage: The Local Authority Home Loan is a Government backed mortgage for those on modest or low incomes who cannot get sufficient funding from commercial banks to purchase or build a home. It has been available nationwide from local authorities since 4 January 2022 for first-time buyers and fresh start applicants. The loan can be used both for new and second-hand properties, or to self-build. It is the successor to the Rebuilding Ireland Home Loan.

As part of the eligibility criteria applicant(s) of the Local Authority Home Loan must have received insufficient offers of finance from two regulated financial providers to apply for a Local Authority Home Loan. The loan enables credit worthy first-time buyers and fresh start applicants to access sustainable mortgage lending to purchase new or second-hand properties or to self-build in a suitable price range.

To be eligible for a Local Authority Home Loan you must: be a first-time buyer; be aged between 18 and 70 years; be in continuous employment for a minimum of two years, as the primary earner or be in continuous employment for a minimum of one year, as a secondary earner; as a single applicant have an annual gross income of not more than €65,000 in counties Cork, Dublin, Galway, Kildare, Louth, Meath and Wicklow and be earning under €50,000 in all other counties; as joint applicants have an annual gross income of not more than €75,000 combined in all counties; not be a current or previous owner of residential property in or outside the Republic of Ireland, unless you are a "Fresh Start" applicant; purchase or self-build a property situated in the Republic of Ireland; purchase or self-build a property which does not exceed the maximum market value applicable for the county in which it is located. The maximum house price is €320,000 in Cork, Dublin, Galway, Kildare Louth, Meath and Wicklow, and €250,000 in the rest of the country.

The final decision on Local Authority Home Loan applications is a matter for the relevant local authority. Decisions on all housing loan applications must be made in accordance with the Regulations establishing the scheme and the credit policy that underpins the scheme, in order to ensure prudence and consistency in approaches in the best interests of both borrowers and the lending local authority.

Further information on the scheme is available on the dedicated website, localauthorityhomeloan.ie/

Vacant Properties

Deputy Emer Higgins (FG, Dublin Mid-West) asked the Minister for Rural and Community Development the financial support that has been made available to local authorities in order to bring vacant properties in town centres back into use.

Heather Humphreys, Minister for Rural and Community Development: The Government recently published Town Centre First - A Policy Approach for Irish Towns. This represents a whole of Government policy and aims to tackle vacancy, combat dereliction and breathe new life into our town centres.

The policy is underpinned by significant levels of public investment spread across major Government schemes such as the Rural Regeneration and Development Fund (RRDF), the Urban Regeneration and Development Fund (URDF), the Croí Conaithe (Towns) Fund and the Town and Village Renewal Scheme (TVRS). The 2021 TVRS prioritised the renovation of derelict and vacant buildings in our town centres, with a view to bringing these buildings back into use as remote working hubs, multi-purpose community spaces, and/or for residential occupancy.

The RRDF has now provided €278 million for 191 projects with an investment of some €376 million. Category One projects are those that have full planning and other consents in place and are ready to commence at the date of application. This will assist in revitalising our rural towns and villages through planned, sustainable regeneration and development including addressing vacancy and the re-use of heritage and other existing buildings. €50 million in funding is also available under tCroí Cónaithe fund to help service sites and refurbish properties in towns and villages. This scheme is administered by the Department of Housing, Local Government and Heritage.

Shared Equity Scheme

Deputy Sean Sherlock (Lab., Cork East) and Deputy Ged Nash (Lab., Louth) asked the Minister for Housing, Local Government and Heritage if he would report on the Housing for All new first home shared equity scheme for private developments.

Darragh O'Brien, Minister for Housing, Local Government & Heritage: The Affordable Housing Act 2021, the provisions of which he commenced in August and September 2021, laid the foundation for three new affordable housing schemes: 'Cost Rental' housing, the 'Local Authority Affordable Purchase Scheme', and the 'First Home' shared equity scheme which will support purchases in the private market.

Part 4 of the Affordable Housing Act 2021 provides the basis for the First Home Scheme, which will be available nationwide. This scheme will support eligible first-time buyers to buy a new-build home in private developments by means of an equity share model, similar to that employed in the Local Authority Affordable Purchase Scheme.

First Home will operate for the period 2022 to 2025. Subject to final approvals, it is anticipated the scheme will deploy overall funding of €400 million, jointly funded on a 50:50 basis by the State and participating mortgage lenders, in order to support 8,000 purchases of new homes. A new First Home Designated Activity Company, incorporated last December, will operate this scheme.

Significant work is continuing on the detailed design and parameters of the scheme, and full details will be confirmed upon completion of this work. Activity on key areas of work, including public communications, will be undertaken over the coming months in advance of the First Home Scheme's first receipt of applications and deployment of equity support, anticipated from the end of Q2 this year.

EDUCATE THE YOUNG, BUT DON'T OVERWORK THEM

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

Many years ago, while hitching back from Maynooth University the rain started beating down heavily. For the younger readers, hitching was when students didn't have cars and instead stood on the side of the road with a thumb out hoping that someone would feel sorry for them and offer a lift.

I was just about to despair at the worsening weather and my lack of a lift when a brand-new Toyota saloon screeched to a halt and a young man about the same age as me asked where I was heading to. I said Carlow, he said it was on his way and we set off down the road.

At the time I wasn't as brilliantly well presented as today and my worn jumper and dirty jeans were topped off by wearing a Crombie coat three sizes too big for me but which got me through many cold winters. My driver on the other hand was in a brand-new suit with bright tie and shoes that looked like they had never gone a day without a shine. I felt about two feet high as we started chatting.

He asked me what I was studying and I told him I was doing a Masters in Economics having done a degree in Banking and Finance at Coleraine previously. I was a bit embarrassed telling someone who was working in a bank that I had studied banking but had never got to work in the industry. He turned to me and said that he was jealous of me as he always wanted to go to college and had been working in the bank for over three years but felt overworked and bored with it.

The great Dilemma

And therein lies the great dilemma facing the younger generation. The choice between paid work, or college is a difficult one to make with advantages and disadvantages on both sides. Work brings immediate results of experience and reward, whereas college and qualifications bring slower, longer term rewards of education, experiences and friendships that can last a lifetime. For some it is better to go straight into the workforce, for others college may be the better choice.

At the moment in Ireland there is a shortage of workers in many industries and there is a lot of young people working particularly in the Retail and Hospitality sectors. The temptation can be for a seventeen or eighteen-year-old to increase the hours they work from part-time to almost full-time. This results in immediate financial rewards which can be needed during these inflationary times where the cost of living has increased so dramatically.

Nothing brings on young people as much as work experience in an area that they have shown an interest in. Many successful careers have started with a work placement and guidance from a parent's friend or neighbour who took the time and gave the opportunity to a future colleague. But young people need to be protected from working too much to the detriment of their studies, whether at second or third level.

At present, we have a lot of students at BFEI who have been juggling part-time work with full- time courses. It is a difficult balancing act for young people to get right. Thankfully, in Estate Agency there are very strict guidelines in relation to what unqualified people can and cannot do in the industry. There is an onus on all of us to ensure that the PSRA licencing rules are followed and too much isn't being asked of our young unqualified or partly qualified students.

For someone who is entering the Auctioneering industry in their early twenties they have possibly forty plus years to look forward to. This is plenty of time to learn the industry and develop the skills, experience and responsibility to ensure an enjoyable and successful career.

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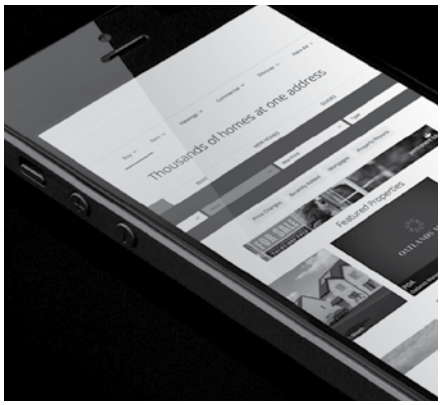
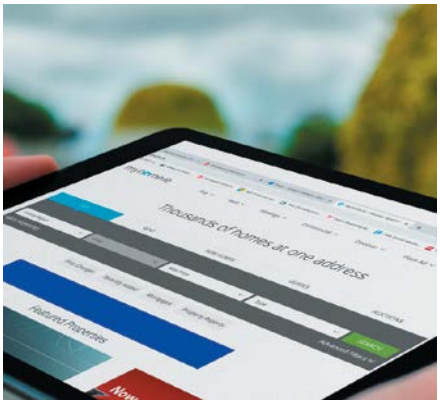
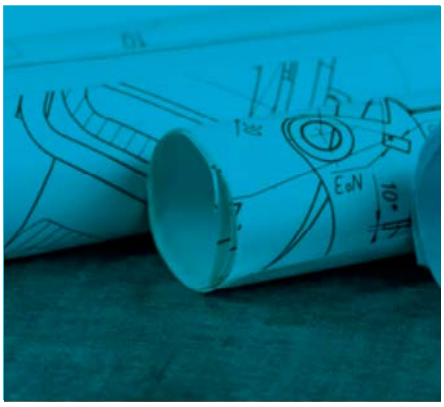
IRELAND'S LEADING PROPERTY PORTAL







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