

Wednesday 13th January, 2016

**VACANT SITE LEVY WILL NOT HELP CURRENT HOUSING CRISIS SAY
AUCTIONEERS**

No one should be looking to the new vacant site levy to help sort out the current housing crisis, IPAV, the Institute of Professional Auctioneers & Valuers, said today (Wednesday 13th January).

“Since no payments will be collected until 2019 it is too far into the future to impact the current housing crisis,” Pat Davitt, IPAV’s Chief Executive said.

“However, that is not to take from the fact that the introduction of the levy, signed into law last year, will make a substantial contribution to the aesthetic of our urban areas in particular. And of course it will accelerate and incentivise productive land use and prevent hoarding into the future.”

Mr Davitt said the most pressing housing issue that needs to be urgently addressed at policy level is the issue of house building costs “to separate out fact from conjecture and inform action.”

He said it was imperative that the basis for the current gravely insufficient building activity be fully understood.

“We know that lack of development funding is an issue adversely impacting supply although it does seem to be improving, albeit slowly. We know that the Central Bank lending rules are having an impact on the low level of lending and we now know that they will be reviewed later this year. And we know that building costs are impacting the supply of new homes but policymakers currently do not have a handle on the extent of the issue.

“The latter is a most pressing issue that needs urgent attention. And if costs, including the substantial proportion of a house price that a buyer contributes to the State, is found to be an issue then it should be tackled.”

Mr Davitt said the divergence in prices between new builds and second hand homes, of the order of €100,000 in many areas, points to building costs being a serious issue, as does the fact that only about 11pc of transactions on the Property Price Register involve new builds.

Ends

Note to editors: IPAV is the only representative body in Ireland which solely caters for the professional and educational requirements of auctioneers and valuers practising throughout Ireland. Established in 1971, it has close to 1,000 members nationwide.

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