Words Worth Price and Value

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As we move into the autumn, it is hard to believe that I have already completed a third of my Presidential term.

Policy agenda
The Society had an extremely active summer period with submissions, engagements, and the publication of policy papers, guidance notes and consumer guides in a variety of areas, including:

- Social housing;
- Housing supply;
- Strategic development zones;
- Construction 2020;
- Public Capital Programme review;
- Building information modelling;
- Residential Property Price Register;
- A Clear Guide to Selling a Home;
- A Short Guide to Security Deposits for Private Residential Tenants;
- Property and Land Boundaries: A Checklist for Purchasers;
- A Guide to Property for SMEs;
- Commercial Lease Register; and,
- Pre-Budget Submission 2015.

As President, I find it challenging to keep up with the breadth and depth of work carried out by our Society on all our behalf. I would urge all members to read the communications from the Society, to keep abreast of the activities and important engagements relevant to our professional practice areas.

Property courses
Following the publication of the Society’s report on ‘Employment Opportunities and Skills Requirements for Construction and Property Surveying, 2014 – 2018’, it is encouraging to learn that there has finally been an increase in applications for property courses. The report highlighted an acute shortage of qualified graduates emerging to fill vacancies, and following a very intense stakeholder engagement and publicity campaign, the message that there are opportunities in our sector finally seems to have resonated with students and their parents. The SCSI’s own part-time courses, run in partnership with DIT, have also seen a record number of enrolments, in particular on the property studies course. This is a very encouraging development and is an area that the Society will continue to promote in all of our interactions with key stakeholders.

Annual Conference 2014
The SCSI Annual Conference will take place on October 23, 2014 – more details are in this edition of the Surveyors Journal. The theme of the Conference is ‘Leadership in Housing’ and presentations will focus on the housing challenge, which has far-reaching effects for the property and construction sectors. The inclusion of high profile and interesting speakers is the hallmark of the Conference and this year will be no exception. I hope that as many members as possible will attend and also take advantage of the networking opportunity.

Recruitment of a new Director General
Members will also be aware of the decision by our Director General, Ciara Murphy, to step down from her position following a very successful seven-year term to take up a new role leading the Bar Council of Ireland. We wish Ciara the very best with her new role. She will be a great loss to our Society and oversaw enormous change and development within our professional body. I wanted to take this opportunity to assure members that it will be ‘business as usual’ while the Board of Directors initiates a process to search for a new Director General. The Society is on a very sound footing with a very able executive team in place and will continue to develop and grow as it has done over the last few years. It is an exciting time for the SCSI as it enters its next developmental phase, solidifying its position as the profession synonymous with high standards, professionalism and expertise across land, property and construction. The recruitment process will be managed in conjunction with an executive recruitment firm and we are confident that the role will attract great interest from a very high calibre of professionals across a variety of disciplines.

I hope to see you all at our Annual Conference 2014.

Pauline Daly
President
Society of Chartered Surveyors Ireland
Infrastructure problems can still emerge

TOM DUNNE is concerned about challenges to economic recovery and about problems that are still to emerge.

As the economy improves so too will the construction and property industries. We should not, however, forget just how much damage has been inflicted on these industries since the financial crisis and how difficult it will be to regenerate the sector.

The depth of the fall in activity is plain from the drop in construction output to c.6% of GNP, about half the level thought appropriate for a European country at our stage of development. Perhaps even starker is the small number of residential units built in 2013, which at 8,301 is remarkably low and about half of what is required even by conservative estimates.

Recreating an appropriately sized and dynamic property and construction sector will not be as easy as many think. Much of the industry is still facing complications with finances and other legacy issues thrown up over too many lean years when the public capital programme was devastated by a substantial contraction in Exchequer funding. An acute shortage of social housing is only one manifestation of this. Inevitably shortages are now appearing in some property markets, particularly housing in Dublin, and do not be surprised when infrastructure deficits emerge and at how quickly they become real problems.

There should be concern that the strength of the recovery will be inhibited if investment is not made in housing and infrastructure through the public capital programme. The Society has contributed to thinking about this and has made some key recommendations, as outlined in Conor O’Donovan’s pieces on infrastructure priorities to 2020 and on delivering housing in this edition of the Surveyors Journal, which are worth studying.

In this issue there is a note marking Jim Gahan’s standing down as Chair of the Education Standing Committee. Jim has had an active, long and distinguished involvement with the profession, which owes him a lot. I personally witnessed some of Jim’s significant contributions to the development of the Society and wish him well.

Tom Dunne
Editor
In light of the current housing crisis, Society experts have devised a 10-point plan to increase housing availability and are recommending it to Government. CONOR O’DONOVAN outlines the plan.

Delivering housing

In the context of rapid rises in house price inflation and further to the recent ‘Construction 2020 – A strategy for a renewed Construction Sector’ report, the Society of Chartered Surveyors Ireland (SCSI) has published a new report ‘Delivering Houses – A Ten Step Strategy to address the Housing Supply Shortage’.

There is a serious shortage of supply of residential property in Dublin at present, which is leading to house price inflation of 24% year on year according to the Central Statistics Office. Nationally, property prices have increased by approximately 12.5% year on year. According to the SCSI Construction Sector Outlook 2014, and the Department of Environment, Community & Local Government, approximately 89,000 units were built at the peak in 2006 and 8,301 were built in 2013, representing a decline of 90%.

Research by the ESRI has predicted that 90,000 new homes will be needed in Ireland over the next seven years, with approximately 54,000 of those required in Dublin.

The Housing Agency has estimated that there will be a total requirement for 80,000 units across 272 urban settlements nationally, an average of 15,932 units per annum over the five years (ranging from 9,526 in 2014 to 20,853 in 2020). It estimates that 47% of total supply over this period is required across the Dublin region.

In the secondhand home market, there is a lack of mobility for many reasons, including negative equity and people wishing to hold on to tracker mortgages. Increases in property prices in Dublin and new products enabling people to take their tracker mortgages with them will assist, but unless supply is increased, there will be nowhere for these people to move to and the problems will persist. The pace of inflation of property prices in Dublin is of concern to the SCSI.

Furthermore, according to the latest Society of Chartered Surveyors Ireland/Central Bank of Ireland Survey of Property Professionals, 95% of property professionals surveyed expect property prices to increase nationally during the year.

Action needed
It is imperative that action is taken to mitigate the effects of this unsustainable level of price inflation as a consequence of a critical lack of supply of homes coming onto the market.

The SCSI believes that a properly functioning housing market is an essential component of sustaining economic competitiveness and productivity. It is clear that there is no ‘silver bullet’ available to overcome the current market dysfunction arising from the ‘boom to bust’ cycle, but there are a number of levers available that can support the development of a more sustainable market.

The SCSI Residential Property Outlook 2014 and Construction Sector Outlook 2014 highlighted a number of barriers to
increasing the supply of new homes, including the availability of development finance, disproportionately high development levies, local infrastructure deficits and the zoning of land. **Figure 1** visualises a model of supply and demand for new houses. Demand for housing is affected by household demographics, household incomes, the availability and cost of credit (i.e., mortgage finance) and also the availability and cost of renting (private and social housing), as well as the availability and cost of existing dwellings.

### Demand for housing

It is the SCSI’s view that the demand side of the housing model equation does not require immediate intervention and members have raised concerns in relation to the proposed 95% mortgages backed by Government, as a way of further exacerbating house price inflation in Dublin and other urban areas. There is, however, a need for a more sustainable mortgage market. According to the Irish Banking Federation (IBF), the total value of new mortgage lending in the first quarter of 2014 was €568 million, which represents a 34.2% decline compared to the previous quarter although it did represent an increase year on year.

On average, the value of the mortgage market on an annual basis is approximately €2bn, which is significantly down from around €40bn at the peak. It would be imprudent to revert to the level of credit available during the height of the economy in 2006, but a more sustainable level of €8-10bn is more in line with appropriate levels of residential lending.

### Supply of housing

It is the SCSI’s view that the immediate priority is on the supply side of new housing. On this basis, the SCSI has set out a number of recommendations that would support a quicker delivery of new homes to meet the supply shortages in urban areas, and in Dublin in particular, where house price inflation is most acute.

Supply of new housing is affected by the inputs to housing development, including the availability and cost of land, the availability and cost of credit (i.e., development finance) and the availability and cost of skilled labour and the cost of materials. Supply of new housing is also greatly affected by the availability and cost of infrastructure provision, as well as planning constraints and building regulations.

It is clear that supply shortages are also putting additional pressures on the private rented sector in Ireland, which is causing rents to increase and is impacting our competitiveness from an international perspective.

### Increasing availability of development finance

According to SCSI members surveyed, one of the main reasons for the delay in new housing coming to the market is the lack of development finance available for SME developers and builders. NAMA expects to approve total development funding of €2.5 billion for commercially viable projects in Ireland over the period to end 2016. This will include the construction of 4,500 new houses and apartments in Dublin, in addition to office accommodation in Dublin and investment in viable retail projects. It will include significant development in the Dublin Docklands.

This funding will, however, take time to come through and increase supply in the market. Frank Daly, Chairman of NAMA, recently stated: “Many of those who are interested in buying development land in the Dublin area at the moment will have rate of return targets of 15-20%, and realistically those targets are
UK case study: Revolving Infrastructure Funds (RIFs)

In the UK, Revolving Infrastructure Funds (RIFs) are being introduced as a funding mechanism for infrastructure ahead of developments being completed. The fund enables the delivery of infrastructure required to unlock or serve development that will bring about economic and/or housing growth. By providing this key infrastructure upfront, planning risk is reduced, as are upfront planning obligation costs, enabling development to come forward quicker than it would ordinarily do. The new developments will also have a reduced impact on existing communities, as new infrastructure required to serve them will be in place prior to the completion of large-scale development.

The proposition is for the RIF to provide cash to pay (in part or all of) for the key items of physical infrastructure, which in turn enables associated land to be released for development over time. This is the investment phase with money being paid out to fund infrastructure. A proportion of the value of the development land is used to pay back the RIF for its outlay (potentially plus a commensurate return). This is the repayment phase, with receipts coming back to the RIF. Value is typically released either through the sale of land or proceeds of the development itself (through the sale of houses) and the funding is returned and revolving. Hence an RIF is a means of providing financing, and is not a grant or subsidy. Once it has generated sufficient receipts, the RIF is then able to reinvest amounts returned to pay for infrastructure on further projects. The West of England Revolving Infrastructure Fund (RIF) is worth £56.7m and is made up of two elements: £16.9m from the Growing Places Fund; and, £39.8m from the Regional Growth Fund (RGF).

Reducing input costs on new houses

In order to improve the economic viability of the construction of new homes, the SCSI recommends that the VAT rate on new homes, currently set at 13.5%, is reduced to 5% for a period of two years.

In the tourism sector, the reduction of VAT to 9% is estimated to have created 15,000 jobs since it was introduced in July 2011 and has been very successful. It is likely that the short-term reduction in VAT will increase the economic viability of development and consequently result in more housing supply coming onto the market.

Other housing input costs, including labour and materials, are more inelastic and therefore VAT is a lever that could be used to stimulate construction and create jobs.

Reducing Part V obligations

Evidence in the UK has shown that reducing social and affordable obligations has improved the viability of certain developments and enabled more houses to be brought to the market. The social housing crisis in Ireland is very serious but the SCSI does not believe that Part V is delivering in terms of social housing under the current model and in particular in cases where local authorities have accepted cash payments in lieu of social housing provision. Reducing Part V obligations may increase the viability of schemes and result in faster development.

The SCSI believes that there is an urgent requirement for social and affordable housing and that Part V needs to be reviewed, and has recommended that increased provision is made in the Public Capital Programme to 2020 for investment in social housing, which is down 26% on the peak.

Reducing development contributions

The economic viability of projects is a major concern in the lack of house building, according to the SCSI. Development levies are another factor affecting the economic viability of construction. They have been reduced by the local authorities in Dublin by 26% and the SCSI acknowledges the measure in Construction 2020 to amend the current arrangements so that the lower rates of contributions can have a retrospective effect for existing planning permissions that have yet to be activated. This measure should be implemented.

In order to improve the economic viability of the construction of new homes, the SCSI recommends that the VAT rate on new homes is reduced to 5% for a period of two years.

The SCSI recommends that development levies should be reduced and that the rate at which development levies are charged should be index linked so that levies can react in line with market changes. An example of this would be to index link the rate of development levies to the SCSI Construction Tender Price Index. The latest SCSI Construction Tender Price Index shows that tender prices are approximately one-third lower than they were at the peak and this should be reflected in development levies to improve the economic viability of residential developments.

Improving availability of financing for local infrastructure development

A significant barrier to unlocking supply of residential homes is the requirement to fund infrastructure in advance of the development being completed. In the current environment, there are fiscal constraints on developers in financing upfront infrastructure. This is problematic and leads to delays in completion of developments. There are also situations whereby funding for the delivery of a piece of local infrastructure is
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required by a number of landowners/developers (i.e., a traffic calming measure or roundabouts) but the developers may be at different stages of development or even insolvent. This means that the local piece of infrastructure cannot be financed and thus the development, which is ready, cannot be completed. Therefore, there is a requirement for a mechanism to assist with the funding of pieces of local infrastructure up front to speed up the delivery of housing (and commercial projects).

Reducing planning delays and improving flexibility on design requirements

The Construction 2020 report states that “a fit for purpose, flexible, effective and proactive community-led planning system is a vital support to a properly functioning construction and development sector and to the wider economy”. The SCSI believes that we must avoid the planning mistakes made during the boom and that all future planning must be based on in-depth analysis of demographic trends and key infrastructure availability. The SCSI Submission on the Development Management Guidelines recommended that future apartments be designed to be more suitable for family living. It has become evident that the current design of apartments is not suitable for family occupation and it is our view that consideration should be given towards the European style of apartments, which are more suitable for long-term habitation, when new developments are being designed, particularly as we move towards more high density schemes in urban areas. It is the view of the SCSI that if apartments are designed for families and long-term occupation, this would reduce the pressure on the supply of traditional three- and four-bedroom homes.

The pace of inflation of property prices in Dublin is of concern to the SCSI.

Increasing the availability of land for development

The supply of land to the market for development is a key element of increasing the supply of residential homes. According to the SCSI/Teagasc Land Sector Outlook 2014, the current level of land transfer for sale is minimal with just 0.5% of all land transacted annually and while transactions have increased nationally in 2013, Dublin was the only region where members recorded a decrease of 1.4% in 2013. The current windfall tax is a disincentive to sell land and should be reduced from 80% to 33% to bring it in line with Capital Gains Tax.

Ensuring financial viability in planning

Existing planning policy plays a part in forward planning and development; however, issues have arisen over time, especially since the economic downturn, in relation to the viability of developments. In particular, the principle of viability considerations forming a core part of a development plan-making process should be considered by Government and planning authorities alike. A proper understanding of financial viability is essential in ensuring that land is willingly released for development by landowners, that developers are capable of obtaining an appropriate market-risk-adjusted return for delivering the proposed development and the proposed development is capable of securing funding.

Conclusion

There is no ‘quick fix’ for increasing supply in the Irish housing market in the short term, particularly in the context of the peak-to-trough experience of recent years. There is, however, a need for a range of targeted, time-limited measures to improve housing supply, to reduce the rate of price inflation and to ensure that a more sustainable property sector is developed. The SCSI has met several Government departments in relation to its 10 Step Strategy and we hope that these measures will be introduced, which would be a step in the right direction for improving the property sector, for the benefit of all stakeholders.
## The SCSI 10 Step Strategy to address the housing shortage

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<td>Introduce a Builders’ Finance Fund to support SME builders completing developments.</td>
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<td>2</td>
<td>Reduce development contributions for a period of two years.</td>
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<td>3</td>
<td>Streamline the planning process to speed up decisions and reduce delays.</td>
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<tr>
<td>4</td>
<td>Reduce VAT on new home construction from 13.5% to 5% for two years.</td>
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<td>5</td>
<td>Reduce windfall tax on land from 80% to 33% to bring it in line with Capital Gains Tax.</td>
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<td>6</td>
<td>Introduce a Vacant Site Levy on sites of strategic importance in a targeted and transparent manner.</td>
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<td>7</td>
<td>Encourage NAMA to license developers to build out sites in strategic areas in its portfolio.</td>
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<tr>
<td>8</td>
<td>Introduce a Local Property Tax exemption for people trading down to smaller units to increase the availability of secondhand homes.</td>
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<tr>
<td>9</td>
<td>Introduce a Revolving Infrastructure Fund (RIF) to finance infrastructure provision upfront before development.</td>
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<td>10</td>
<td>Greater action needed on reducing the number of mortgages in arrears, particularly in the buy-to-let sector.</td>
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After a lifetime in the property industry, Chartered Surveyor John Mulcahy became Head of Asset Management in NAMA. He spoke to Paul O’Grady for the Surveyors Journal.

Winning the war

John Mulcahy has seen the biggest economic storm in the history of this State from two very different perspectives. In the years leading up to the crash, he was a leading light (Managing Director, then Chairman) of Jones Lang LaSalle, one of the largest professional services companies in the property sector in Ireland; and when the crash happened, he was recruited to be Head of Asset Management in the body formed to deal with the real estate which could no longer be paid for: the National Asset Management Agency (NAMA). That experience of seeing the crash from both sides must give him a unique perspective on the Irish economy, its property sector, and the factors at play before and after the storm.

Formative years

Before we hear some of those views though, how did he come to be in this position? In 1970, John Mulcahy completed his studies in environmental economics at Bolton Street and had secured a place on the UCD postgraduate course in town planning. His class had to sit separate RICS exams just after their finals to gain membership but becoming a Chartered Surveyor was a major goal for him and he still considers it the premier qualification for the profession.

The prospect of property development excited him, and he had visions of planning cities and towns. Before starting his postgrad, however, he was working as an intern with Jones Lang Wooton (as it was then). His almost daily trips to the Planning Office in Dame Street opened his eyes to the reality of planning in Ireland – the planners act as a controlling force while property developers do the development.

He approached his bosses Alan Bradley, Tommy Lombard and David Bailey (for whom he was working directly) and asked if he could stay and they gave him a start. So no UCD, but he learnt a great deal and when David Bailey was tragically killed in a car crash in 1974, he found he was needed in management quicker than he had anticipated. His progress over the years was steady and he went through the stages of being a salaried partner, a proprietary partner, the managing director and subsequently chairman.

Highs and lows

 Asked to name a highlight of his time with JLL, he nominates his involvement with the consortium that won the competition for the development of the International Financial Services Centre. There were many detractors, he said, and many times the people involved in the consortium wondered if it would work. “It was revolutionary and there were many commentators who said it wouldn’t work but we persevered and it came right. The detractors faded away,” he says.

While failure is an orphan, success often has many fathers. In his opinion, Dermot Desmond and Mark Kavanagh were the two key people behind the successful development of the IFSC. The low, naturally enough, is that property professionals did not shout loud enough when the problems were developing in the mid-2000s, and those that did were given “short shrift”. He says that tax allowances distort markets and the Section 21 allowance led to a form of “tax blindness” that resulted in apartments everywhere. He observes: “There is something in our culture that drives us to avail of

John Mulcahy of NAMA receives the Society of Chartered Surveyors Ireland Gold Medal from then Society President Micheál O’Connor.
allowances rather than pay our tax to the Revenue Commissioners. It’s very unfortunate. The industry made some terrible judgements in the past and one is that we should have spoken out louder. From now on, the profession should be boldly calling what’s happening. And it can’t be individual firms, it will have to be the Society.”

Great opportunity
John is positive about the future across all sectors of the property market in Ireland, saying: “It’s very exciting. We’ve had a major correction and the market is still below equilibrium. The skill in our profession is to know what is going to rise. It won’t be a rising tide that will lift all boats, it is likely to be more like a rip tide. For that we will need to know what is happening.” And knowing what is happening requires real time information. When he received the Gold Medal from the Society this year, John made a call for the use of real time information by the public service to monitor how it is regulating various aspects of commercial life. He makes the analogy of a company operating its business in August 2014 on the basis of audited accounts for 2013. John also feels that the members of Society in their offices all around the country are the ones who are best placed to provide real time information. He cites, at a micro level, the number of viewings per week as a potential indicator of the property market in various regions and sectors.

That level of knowledge and access to the market is a key part of the reason he believes the future for Chartered Surveyors is very bright. “No one owes us a living, but if we stay relevant and keep our skill levels high, are increasingly efficient and allow mergers to take place, we can help our clients to prevent losses, to be more efficient and to be more profitable.”

Biggest concern
The biggest current concern, as John sees it, is that the Central Bank properly regulates the volume of credit that financial institutions in Ireland provide for property over the next 10-20 years. “All lending should not exceed 75% of the value of the property, and it shouldn’t be more than can be paid back; therefore, the limit on the proportion of salary payable on the mortgage is critical,” says John. His opinion of the banks is not high, and from our conversation, it is evident that he believes that mistakes can be repeated: hence his strong belief in the need for vigilant regulation by the Central Bank.

Governments and NAMA
Asked for his assessment of this and the previous Government, his reply is: “Surprisingly good. I dealt with both the previous and current Ministers for Finance, Brian Lenihan and Michael Noonan, and both were extremely impressive. In many ways, I believe we have ‘won the war’ and that we have done so better than the UK, Portugal, Spain or Italy. I believe that history will show that we won this war and the big question now for the politicians is how they manage the peace.”

By implication then, NAMA has succeeded? “Well what would you expect me to say? I believe that history will show that without NAMA there would be no recovery. The men and women who worked in NAMA in the first three years did so in the teeth of relentless criticism. They did so knowing that there is not much thanks given for public service, but history will show they did a fantastic job.”

Stalwart of the Society
At every stage of his career, John Mulcahy has been involved with the Society. As a student, he aspired to being a Chartered Surveyor and when he achieved that goal, he served the Society well over the full span of his career. He served on the Education Committee, the GP Committee, and then went on to serve on Asset Valuation Committees in Ireland, the UK and Europe. He worked hard through the Asset Valuation Committees for the introduction of standards in valuation, and the development of the Red Book. John is a Fellow of the Society and this year received its highest accolade, the Gold Medal.

Dubliner with a touch of Cork
John Mulcahy was born and raised in Dublin but was sent “home” every summer to his paternal grandparents’ farm just outside Watergrasshill in Cork. Naturally, he became familiar with every form of farm work. He attended Oatlands CBS before progressing to Bolton Street. He has five children ranging in age from 42 to 13, and says that he thoroughly enjoys just relaxing (he calls it “hanging out”) and reading. Having retired from NAMA last year, he is a non-executive director of IPUT. John wouldn’t completely agree that he was finished with full-time work: what he said was “I’m done with the heavy lifting”.

John Mulcahy on…

High density housing
“Planners and the National Roads Authority want high density housing in the city. Citizens want semi-detached houses. Developers, and house builders and estate agents spot what people want. So people jump over high density housing to… (satellite towns like) …Navan.”

Banks
“A banker told me: ‘We know our mistakes and we can repeat them’. The Central Bank needs to regulate our credit institutions and to do that it needs more real time information.”

Real time information
“For real time information, I would not look to the CSO, the Department or DAFT; I would talk to the members of the SCSI. They know what is happening in their area right now.”

Planning
“The growth of cities follows sewer lines and services, not philosophy.”

Market intervention
“I don’t generally favour market intervention. It distorts the natural equilibrium.”
As part of the Society of Chartered Surveyors Ireland’s public awareness campaign, the ‘Owners’ guide to the new Building Control Regulations’ was published in February this year. It provides clear and practical advice for consumers, explaining the new regulations and associated obligations. In the summer 2013 and spring 2014 editions of the Surveyors Journal we explored the philosophy in relation to the Building Control (Amendment) Regulation 2014 (SI 09) (BCAR) and how, as registered building surveyors, we saw its implementation taking place. Six months on, still in the early stages of implementation, the associated roles and the additional processes created by the regulation are still being understood.

Specialist roles and responsibilities
BCAR creates a specialist role for registered building surveyors who are one of three groups of professionals that can act as Design Certifier (DC) and Assigned Certifiers (AC) under the Regulation. In taking on this role, registered surveyors will need to adapt to the new administrative and inspection requirements along with developing a robust management check system to deliver the necessary service. We will need to ACT-PLAN-DO-CHECK-RECORD, and to provide a log of clear documentation to support and substantiate our professional judgement.

Under BCAR, building owners, designers and builders are all responsible for their role in the building process. This includes the provision of plans, documentation, inspection plans and certificates relating to the various processes that are lodged with the Building Control Authority by the DC and AC appointed under the regulations. The processes leading to these submissions and the administrative oversight involved are necessary in order to ensure that failure in compliance with the requirements of the regulations is prevented (or detected and remedied). The responsibility for compliance remains with the certifiers but regulatory oversight is proposed on a risk-based approach to target those who are non-compliant.

With the implementation of the BCAR, since March 2014, a building...
owner is required to appoint a DC and AC, as well as a competent builder. The launch of the Construction Industry Register Ireland (CIRI), which provides an online directory of registered building contractors and specialist contractors, provides assistance to clients during contractor selection. They know that each firm on the list has passed the minimum requirements of registration and is governed by an Industry Code of Ethics, as are registered building surveyors. It should be noted as identified under the ‘Code of Practice for inspecting and certifying building and work’ (COP) that the DC and AC may not necessarily be a member of the overall design team. Their appointment, whether standalone or not, should be viewed as two distinct roles, with separate processes and separate appointment agreements.

Statements indicating that to sign off on work completed will cost between €1,000 and €2,000, do not take account of the resource or complexity of a project.

Certification

Prior to March 2014 there were no statutory lodgements for building control outside the requirements of a Commencement Notice, Disability Access Certificate and Fire Safety Certificate. Application drawings produced as part of the process were mainly planning drawings and not construction drawings. The ‘self-certification’ system adopted was not a requirement under building regulation compliance but was primarily driven as a process for title purpose, with certificate providing building sign off as having “substantial compliance”, sometimes only based on a single inspection after the completion of construction work. The new system through the BCAR places a statutory obligation on the DC to issue a design certificate on the design confirming compliance with building regulations. This certificate, along with necessary project-specific documentation, is handed over to the AC before commencement of work on site. Prior to this commencement stage, general arrangement drawings (as a minimum) outlining how the building works will comply with the requirements of the building regulations, are lodged with the Building Control Authority online. A preliminary inspection plan is also required as part of this process.

The AC’s obligation under the BCAR is to ensure that an appropriate level of inspection is taking place and to co-ordinate the required ancillary inspections completed by others. In the completion of this requirement the AC must identify all design professionals and specialists from whom certificates are required and obtain them. With the support and co-operation of the design team, builder and client, the AC co-ordinates the implementation of the inspection plan and oversees its implementation, which should be reviewed and updated as required. The AC also acts as the single point of contact for the Building Control Authority and issues required documentation when requested. The AC role does not include supervision of the building process. The builder is directly responsible for ensuring that the work completed complies with the requirements of the regulations, which is a positive step in ensuring safer and more compliant buildings.

Inspection plan

The frequency of inspection will be outlined within a formal inspection plan that takes into account the factors relating to the overall building construction risk. The inspection plan is formulated in conjunction with the design team and other appropriate specialists. It will include an inspection notification framework (INF), which identifies the stages or items of work the AC or ancillary certifiers require notification of to allow inspection. While an INF defines the necessary inspections required during the construction process, this does not prevent the AC, or others, from completing unannounced inspections. On completion of the project, the BCAR requires the AC to certify the building or works as being compliant. Provision of certification will be subject to the AC’s professional judgement, and upon receipt of all required supporting documentation to allow them to do so. The Certificate of Completion must be validated and registered by the Building Control Authority via the (online) building control management system hosted by the local government management agency before the building it relates to may be opened, used or occupied.

Owner’s role

Turning now to the building owner’s role, under the BCAR they have a responsibility to “ensure that adequate resources and competent persons are made available to design, construct, inspect and certify the building work” and with this many believe, an implied requirement to allow sufficient time and funds for completion of the necessary requirements.

The cost of compliance

Statements by senior Government ministers and others, indicating that to sign off on work completed will cost somewhere between €1,000 and €2,000, do not necessarily take account of the resource or complexity of a project, nor the additional work to ensure quality assurance within the new regulations. Each project is unique, with its own set of risks and requirements, and necessitating a range of “adequate resources”. Any increase in professional service costs to allow completion of the required components of the BCAR is directly proportional to the additional resources invested by all parties involved. Properly resourced inspections will be required to ensure that the final project complies. This is in everyone’s interest, particularly the client’s.

It has been suggested that the additional hours required to fulfill the roles and services of DC and AC under BCAR SI.9, based on the construction of a one-off house with a completion programme of 40 weeks, would be in the region of 135.5 hours over and above normal professional scope of service. This will vary from project to project subject to risk analysis and construction complexity. The implementation of the BCAR has created a requirement for all parties involved to invest additional time and resources in construction projects. While this will inevitably result in increased cost (appropriate to the resource invested), the regulation is an important step forward in ensuring building regulation compliance, and should be perceived as a positive change.
The checklist on land boundaries recently published by the Society of Chartered Surveyors Ireland will be of significant benefit to purchasers, including residential, commercial and agricultural. The consumer guide has been set out in a format similar to the ‘Objections and Requisitions on Title’ document published by the Incorporated Law Society (ILC). The ILC document deals with a range of issues concerning title and is issued to the vendor’s solicitor by the purchaser’s solicitor for completion in conveyancing transactions.

Understanding the issues
The consumer guide is in the form of a checklist and comprises 16 enquiries concerning various boundary situations that, if left unresolved at the conveying stage, may prove problematic in the future. Its objective is to identify these situations and to provide the prospective purchaser or their solicitor with a format to raise them with the vendor’s solicitor at pre-purchase contract stage. It is essential that specific issues affecting or impacting on property boundaries – including: significant mapping anomalies; and, additional interests affecting the boundary, including easements, ownership and maintenance of physical boundaries – are identified and addressed before acquiring a property. Some issues should be rectified before purchase; others, including projecting parts of buildings, fixtures to party walls or access points to services, may not be amenable to rectification and may necessitate access to the adjoining property for inspection or maintenance. The Land and Conveyancing Law Reform Act 2009 makes welcome provision to enable property owners to gain access to adjoining properties for boundary maintenance by way of application, if necessary, to the courts for a works order. It is, however, advisable and desirable that the prospective purchaser is aware of these issues in advance and is therefore in a position to take them into account before making a decision on purchase.

Boundary issues are frequently difficult to resolve. They can lead to costly litigation with uncertain outcomes. Difficulties in resolving them are often compounded by issues that include inconsistencies between deed maps or land registry maps and the position of the physical boundaries on the ground, whether they are walls, hedges, or post and wire fences. If the ownership of either of the properties where there are boundary issues changes, or if a lease assignment is granted before a boundary issue is resolved, additional legal issues such as issues of entitlement may arise and it becomes considerably more difficult to resolve. Such issues frequently go to litigation. Consequently, it is advisable to resolve any such boundary inconsistencies before acquiring an interest in a property.

Prospective buyers
Prospective purchasers of houses, commercial premises or agricultural land generally accept that the extent of the property between the subject property and the adjoining properties is determined by its perimeter physical boundary, whether it be a wall, hedge, fence, etc., which they see on the site. There are, however, a number of factors to be aware of that will come into question and are likely to be hotly contested if a dispute arises. The boundary to any property title interest is primarily determined by the limits or extent of that interest and not by a wall or hedge that happens to be positioned close to, or straddling the limits of, the title interest. Such title boundary is usually referred to as the legal boundary. It is defined by the title deed. It has no thickness and may be visualised as a thin line. In describing the parcel of land that is the subject of the title, the deed may include precise dimensions or co-ordinates, and/or it may refer to an attached deed map. On a good quality deed map, the title boundary will be unambiguously defined and delineated by a thin line and, if necessary, highlighted by a coloured, usually red, line. Equally important, it will be drawn to an appropriate scale and

Patrick Shine
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Knowing your boundaries
have dimensions and/or co-ordinates that define each section of boundary between change points in its horizontal alignment. It may have dimensions to adjacent or nearby, well-defined, permanent physical features, and may have reference notes accordingly. A digital deed map, by definition, will not require written dimensions, but will usually include them in order to facilitate discussion or site work.

Categories of maps
The different categories of maps indicating properties are generally a source of confusion to prospective purchasers. It is not always understood that Ordnance Survey maps indicate physical boundaries only and not legal boundaries. The Land Registry record is essentially a register of title and has a non-conclusive boundary map system. The deed map is the definitive boundary map. However, surveyors involved in boundary resolution frequently find that deed maps, in particular those attached to older deeds, are inadequate in terms of scale and detail. The absence of co-ordinates or other geolocation references on such deed maps creates difficulties in establishing boundaries in areas where topographical changes over several years have taken place. In such situations, surveyors use several sources, including contemporary Ordnance Survey maps and Land Registry maps, to assist them in interpreting the deed map.

Construction issues
It is understandable that the construction of a wall or fence, or planting of a hedge, with all the attendant excavation and construction work, can result in a physical boundary that does not coincide with the title boundary. The subsequent planting of hedges alongside a boundary fence increases the potential for ambiguity, especially if, after a period of time, the hedge grows to be the dominant boundary feature and is accepted as the boundary. In new residential developments in urban areas, a major source of boundary disputes result from the placing of garden fences alongside mature boundary hedgerows by developers, thereby omitting a strip of land from the development. The strips of land are then landlocked and abandoned, but remain as part of the developer’s title. The situation is exacerbated when it is replicated on the other side of the hedgerow and individual householders subsequently make claims and counter claims and enclose parts of the abandoned strips of land in their gardens. These situations are difficult to resolve, as the passage of time, changes in ownership, the removal of the original hedgerows, poor quality deed maps, claims of adverse possession, and developers who have ceased trading, are factors that contribute to the difficulties faced by surveyors when attempting to resolve such boundary issues. Prospective purchasers are at a significant disadvantage as, in the majority of instances, they have no knowledge of the background to a boundary issue or anomaly that may exist. Some features, such as a projecting roof or service manhole straddling the boundary, are identifiable by a pre-purchase inspection or survey. However, many are not readily identifiable and will not surface as an issue until a future date when the purchaser or the owner of the neighbouring property attempts to replace or repair a boundary fence, reduce the height of an overgrown hedge, build an extension, or attach a fixture to a boundary wall.

Litigation
Minor boundary issues can easily escalate and be the cause of a complete breakdown of relationships between neighbours who have lived in harmony for years, or even decades. Claims of adverse possession may arise in relation to physical boundaries that have been incorrectly located for more than 12 years. If a boundary dispute goes to litigation, the outcome is difficult to predict, irrespective of how long the boundary has been in place, as the court will take many factors into account. Litigation should be avoided if at all possible. It is always acrimonious, costly, drawn out and, irrespective of outcome, usually results in the permanent breakdown of neighbourly relations. Purchasers may have an expectation that their solicitor will identify boundary issues at conveyancing stage. However, solicitors are primarily concerned with the property title. This function does not include identifying mapping anomalies and conflicts relating to the physical boundaries.

Avoiding the problem
The best way for a prospective purchaser to avoid the trauma of a future boundary dispute is to ensure that any ambiguities or uncertainties in relation to a boundary are identified and, if possible, resolved before purchasing a property. Until now, there has been no documented format by which purchasers could identify and raise the relevant questions. The new guide issued by the Society has been designed to enable those purchasing properties or land to identify boundary issues before completing the conveyance. The guide will be an essential and valuable aid to purchasers of all categories of properties.
TOM McDONALD welcomes the opportunity to create awareness of the new mandatory statutory requirements for lettings in conacre and agistment that came into force on July 1, 2014, and sets out some aspects that will affect landowners and farmers.

Conacre and agistment

The Property Services (Regulation) Act came into law in 2011 and this led to the establishment of the Property Services Regulatory Authority (PSRA) in 2012. The purpose of the new legislation is to protect the public and the main function of the PSRA is to license and regulate property services providers (PSPs, i.e., auctioneers and estate agents, letting agents and property management agents), and to put in place a complaint, investigation and redress system for consumers. Further information is available on the PSRA website – www.psr.ie.

The purpose of the new legislation is to protect the public and one of the new legal requirements is that a letter of engagement (or contract) must be provided by a PSP and signed by a client (i.e., a landowner or farmer) before the PSP can act on behalf of the client. This is now a statutory requirement for new lettings in conacre and agistment from July 1, 2014.

Definitions

Conacre is the right to sow and harvest crops on another’s land. Agistment is the right to graze livestock on another’s land. The agreement is usually on a seasonal basis, normally for 11 months but never for a full 12 months to avoid creating a relationship of landlord and tenant, and therefore it is not a lease and the farmer taking the land is not a lessee.

Letting

Letting in conacre and agistment is now a property service where the agent is contracted to let or auction the rights to sow or harvest crops (conacre) or to let the right to graze (agistment), on behalf of a landowner. The landowner is the only party who can initially instruct an agent to let or auction in conacre and agistment.

<table>
<thead>
<tr>
<th>Agents’ services</th>
<th>Client</th>
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<tr>
<td>Letting of agricultural land in conacre (including the right to sow or harvest) or for the purposes of agistment (grazing)</td>
<td>Landowner</td>
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<tr>
<td>Auction of agricultural land in conacre (including the right to sow or harvest) or for the purposes of agistment (grazing)</td>
<td>Landowner</td>
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<tr>
<td>Sourcing of agricultural land in conacre (including the right to sow or harvest) or for the purposes of agistment (grazing)</td>
<td>Farmer</td>
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<tr>
<td>Auction of chattels – excluding the right to sow, harvest or graze</td>
<td>Landowner or farmer</td>
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<tr>
<td>Sale of chattels – excluding the right to sow, harvest or graze</td>
<td>Landowner or farmer</td>
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</tbody>
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agistment, and therefore the landowner is the client.
For new conacre and agistment lettings from July 1, 2014, an
agent and landowner must complete a letter of engagement. The
PSRA has specified a “Services Agreement for Letting of
Agricultural Land in Conacre or for the Purposes of Agistment
Sole Agency – PSRA/S43 Form C1A – 2014”, which is available on
the PSRA website – www.psr.ie.
The letter of engagement is between the landowner and the
agent and therefore the landowner is liable to pay the agent’s fee.

Sourcing
Sourcing in conacre and agistment is a property service where
the agent is contracted to source the rights to sow or harvest
crops (conacre) or the right to graze (agistment), on behalf of a
farmer. The farmer is the only party who can initially instruct an
agent to source agricultural land in conacre and agistment, and
therefore the farmer is the client.
For new conacre and agistment lettings from July 1, 2014, an
agent and farmer must complete a letter of engagement. The
PSRA has specified a “Services Agreement for Letting of
Agricultural Land in Conacre or for the Purposes of Agistment
Sole Agency – PSRA/S43 Form C1A – 2014”, which is available on
the PSRA website – www.psr.ie.
The letter of engagement is between the farmer and the agent
and therefore the farmer is liable to pay the agent’s fee.

Already harvested crops
A cut crop resting or stockpiled on land is moveable personal
property and therefore is a chattel, and an agent may be
instructed by a client to auction or sell the harvested crop.

Auction of chattels
Auction of chattels is a property service where the agent is
contracted to auction the already harvested crop, on behalf of
either a landowner or farmer. The landowner or farmer can
initially instruct an agent to auction the harvested crop and
therefore either the landowner or farmer can be the client, but
not both.
An agent and client must complete a letter of engagement. The
PSRA has specified a “Services Agreement for the Auction of
Property other than Land Sole Agency – PSRA/S43 Form A1 –
2014”, which is available on the PSRA website – www.psr.ie.
The letter of engagement is between the client and the agent
and therefore the client is liable to pay the agent’s fee. In
addition to the client’s fee, and because this property service is
the auction of a moveable personal chattel, the agent is also
entitled to charge a fee to the purchaser – “the buyer’s
premium”.

Sale of chattels
This is a service where the agent is contracted to sell the already
harvested crop, on behalf of either a landowner or farmer. Sale of
property is not a property service under the Property Services
(Regulation) Act 2011 and an agent does not require a property
service licence and there is no PSRA-specified letter of
engagement.
The construction sector has witnessed a sharp contraction in recent years. Total output in the sector over the past six years has plummeted to an unsustainable level of just €8.7 billion in 2013 or 6% of GNP, compared with an equally unsustainable level of almost €40 billion or one-quarter of economic activity in 2006. A comparison with European norms would suggest that a ratio of c12% of GNP is a more sustainable level for an economy the size of Ireland.

Public capital investment is responsible for c60% of construction output and with this in mind the role of the public sector is crucial in delivering on and maintaining this commitment. The delivery and maintenance of our national and regional infrastructure, including for example in the areas of telecommunications, health, education and facilities to support enterprise and jobs, is predominantly achieved through the Public Capital Programme (PCP). In 2013, the PCP provisions for infrastructure contributed c60% of total construction output. This reflects the contribution from both Exchequer and non-Exchequer funding sources. There has been a substantial contraction in the Exchequer provision in the past six years. Total Exchequer capital funding has been significantly tightened compared to the c.€9 billion that was invested in 2008. Some €3.4 billion was provided in Exchequer capital funding in 2013, and this level is expected to fall slightly to €3.3 billion per annum to 2016. This reduced level of Exchequer provision equated to 2.6% of GNP in 2013, considerably below the level of closer to 6% of GNP witnessed near the peak.

Having lost almost 250,000 construction jobs throughout the economic crisis, the public capital investment framework is fundamental to Ireland’s economic recovery as it can generate much needed employment opportunities while also contributing to the productive potential of the economy. The sectors prioritised by the SCSI have the capacity to deliver jobs, albeit at varying levels of employment intensity.

**Strategic planning**
The pressures for an increase in infrastructure come from a number of areas, not least of which is the growing population, which is expected to be 6.6% higher in 2021 compared with 2011. This will impact on the sustainability of infrastructure. But the over-arching requirement of public infrastructure investment must be to ensure that the economic impact is optimised.

Five key areas of national strategic importance are selected in regard to public capital investment in the period to 2020. These are as follows:

1. Housing
2. Education
3. Health

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**Infrastrucure priorities to 2020**
4. Road infrastructure and transport priorities
5. Commercial office and enterprise facilities

From a regional perspective, five separate areas are also prioritised under the following headings:
1. Broadband
2. Education (mainly primary schools)
3. Environment, flood defence and remediation
4. Infrastructure linkages
5. Tourism

Mindful of the fiscal retrenchment period that has been underway since 2008, the industry requires a consistent, steady level of public capital investment over the next five years. While 6.5% of GDP (8% of GNP) is recommended as being the sustainable level for an economy the size of Ireland, it is recognised that this level may not be achievable given that the fiscal situation is likely to remain a constraint into the medium term. Accordingly, the recommended projected ratio in 2020 is less than would be desirable in recognition of the fiscal situation. This submission acknowledges the fiscal constraints that exist, and projects a PCP level that corresponds to 5% of GDP (6.1% of GNP) in 2020. Moreover, there is a need to front end the investment as the industry needs the stimulus now.

Meeting with Department of Finance
Following on from the SCSI’s submission ‘Public Capital Programme Priorities to 2020’, which was prepared in conjunction with DKM, the Society was invited to meet with representatives of the Department of Public Expenditure & Reform to discuss the key recommendations. A positive engagement took place between representatives of the SCSI and the Department, and the importance of increasing the level of public capital investment to more sustainable levels was discussed.

Other SCSI policy and engagement

- A new SCSI Housing Market Report, based on the Central Bank and SCSI Survey of Property Professionals, was published and is intended to be a quarterly publication.
- A new Guide to Property for SMEs was published and launched by the SCSI in conjunction with the Dublin Chamber of Commerce, and a new Commercial Occupier Survey was published by the Commercial Agency Professional Group.
- The SCSI participated in a round table discussion and made a submission to the Department of Environment, Community & Local Government on Strategic Development Zones (SDZs), and a group from the Planning & Development Professional Group met with An Bord Pleanála to discuss Construction 2020 and other planning issues.
- A new ‘Guide to Tenancy Deposits’ initiative led by the SCSI in conjunction with the PRTB, Threshold and USI was launched by Minister Jan O’Sullivan and Property & Facilities Management Group Chair Vincent Hickey.
In discussions about property the words value and valuation are often used on the assumption that all involved have a clear understanding of what is meant by them. This can result in misunderstandings and can be unhelpful when seeking solutions to property problems. In the world of business, and particularly in the nexus between real estate and banking, a clear understanding of valuation terminology is required by participants who will often be making decisions involving considerable amounts of money with significant financial consequences. It seems to me that ambiguity and a lack of commonly understood definitions of what is meant by value and valuation contributed to over lending on property and to the crisis in our banking system.

This happened before. In the UK in the 1970s, bad property lending nearly brought down the banking system and one of the lessons learned was a need for standards in property valuation and agreed definitions for terms such as market value. This led to the creation of what has come to be known as the RICS Red Book, which contains mandatory rules, best practice and related commentary for members carrying out asset valuations. Since the 1970s, the RICS/SCSI and international bodies such as the International Valuations Standards Council (IVSC), have put much thought into achieving clarity about terms such as market value and the circumstances where it is appropriate to use more precisely defined terms.

While practising valuers will understand the nuances in the meanings of value and terms used when reporting on the value of...
property, they should remember that many clients may assume that these have meanings more in harmony with their ordinary use of the word value. Lay people, including seasoned bankers, may not be aware of the ambiguities inherent in the word value and may not pay close enough attention to the definitions stated in reports.

Only objective word is price
A dictionary will give the meaning of the word value as being the amount of money that is considered to be a fair equivalent of what is being assessed. Other meanings include intrinsic worth and, more likely, the amount of money that something is worth. Often the words value and worth are regarded as synonyms and the price paid for a property in a market transaction is often taken to be a precise indication of either or both. The word fair is very ambiguous and will depend on the circumstances of the particular parties to a transaction. The only objective word in the triumvirate of price, worth and value, is price. It is the amount either asked or paid and can be established as a matter of fact from market evidence. Worth and value are essentially matters of opinion but nevertheless may need to be established to aid decision making. When expressing an opinion it is wise to remove as much ambiguity as possible to get clarity.

Lay people may not be aware of the ambiguities inherent in the word value, and may not pay close enough attention to the definitions stated in reports.

Valuations are required for many purposes including the sale or purchase or letting of a property interest; development feasibility and appraisal; and, alternative use valuations. Valuations for secured lending and financial reporting may also be required and these will require special provisions and additional requirements. Fundamental to the assessment of value by a Chartered Valuation Surveyor is clarity about the purpose of any valuation. It will come as a surprise to many of their clients that the RICS Valuation Professional Standards specifies 15 items that should be included in a letter confirming valuation instructions. Patently, property valuation is much more complex than is commonly imagined.

Once the purpose of the valuation is established, a valuer must determine the appropriate basis for the valuation and the RICS Professional Standards define four important bases of valuation. These are: market value; market rent; fair value; and, investment value. The definitions for these are drawn from the International Valuation Standards Council and are as set out here:

Market value
The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
Market rent
The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Investment value
The value of an asset to the owner or a prospective owner for individual investment or operational reasons.

Fair value
Just to complicate issues there are two definitions of fair value which are of importance.
The IVSC definition states that it is “the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties”. The definition from the International Accounting Standards Board states that it is “the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date”.

Break-up and other values
Common to all definitions is preciseness about dates and a presumption that the parties to a transaction were prudent and knowledgeable and were willing and, importantly, not obliged to transact.
It is worth noting that each of these definitions have up to eight conditions and arguably any one might not be met in actual market transactions. In deriving these definitions it has been decided that adding words such as open, full or fair before market adds nothing to help clarity.
The definitions presume that properties are not sold in groups or bundles. Particular groupings of properties can sell for more or less than the aggregate of valuations based on the above valuations. Breaking up a group of properties to produce a break-up value can be time and resource consuming and may throw up a sum larger than the selling price for the group sold as a unit.
On the other hand, a particular grouping of properties can command a premium higher than the aggregate of valuations using the above definitions for the individual components.
Similarly, valuations using these definitions will ignore synergistic or marriage values, or indeed ransom values that can arise from joining two property interests together, such as combining adjoining properties or buying in leases to create a freehold with vacant possession.

The market value arrived at using the above definitions will be different to a price that would be achieved by a forced sale carried out under coercion or against a time limit, perhaps shorter than a willing purchaser would allow if they were not in the predicament causing the sale; hence a forced sale valuation would be different to the market value using the above definition. A forced sale would throw up a lower price due to the particular circumstances of the sale, that would not comply with the requirement for the proper marketing of the property, which, in the case of some particularly large or distinctive properties, might take a long number of months or even years. In the case of residential property, for example, does proper marketing require that a property be properly presented and that money be spent on small improvements or redecoration that an agent might advise would enhance the price by much more than the cost of undertaking them? Another example would be where a property has development potential should planning permission be obtained to meet the optimum marketing conditions. These lending on secured property need to be aware that the market value can be above the price they will achieve following repossession and reflect this in the loan-to-value ratio.

Better decision making will flow from a clear understanding of the terms used by parties to a transaction and their advisers.

A fire sale valuation would be an extreme version of a forced sale that would limit the market to purchasers with ready access to cash and would be likely to result in a much reduced price.
Often properties can have hope value where there is an expectation of some change in the surrounding infrastructure or indeed planning circumstances beyond the valuation date, and whereas the definition of market value might reflect an element of such hope, value the definition requires that only things that could be reasonably known, as of the valuation date, can be taken into account.

Statutory definitions
Beyond these definitions of value there are many statutory definitions given in legislation, which may require nuances in valuation or define what might or might not be taken into account. Examples of this can be found in compulsory purchase legislation and rates legislation. Perhaps the definition most familiar to most is the ‘Advised Market Value’ given in the Property Services (Regulation) Act 2011. This is “the licensee’s reasonable estimate, at the time of such valuation of the amount that would be paid by a willing buyer in an arm’s length transaction after proper marketing where both parties act knowledgeably, prudently and without compulsion”. This corresponds with the definition of market value above and should not present particular difficulties. This definition usefully allows a price range to be given.
Given the difficult circumstances in the market over the past few years, often decisions have to be made without the ability to examine all the details of properties or groups of properties that come up for sale given the timescales and the volume of properties involved. Parties can ask for estimates of realisation prices to be provided to aid their decision making but for bank lending, valuations to Red Book standards with all the required rigour will still be needed.
Better decision making will flow from a clear understanding of the terms used by parties to a transaction and their advisers. Chartered Surveyors should remember, particularly when dealing with non-specialists, that many people, even experienced business people, use terms involving the word value more loosely than might be thought, and that this can give rise to misunderstandings and compromise the quality of advice given by them.
John has worked in Arup’s cost management team for two years, and his first job with the company involved quite a lengthy commute. “An opportunity arose in London, so I worked there for a year, until a position became available in Dublin.” These days his commute is a little more manageable – from his home in Naas to Arup’s offices on Ringsend Road.

As a senior QS John is mainly office based, although he does still travel a little, mainly to London. He works with a team of six people, while also liaising with other Arup colleagues. Arup employs 11,000 people worldwide, including more than 80 cost managers in Dublin, London, mainland Europe, the US and Hong Kong, and John enjoys the interaction and variety of working with colleagues all over the world.

“As the cost management side of the business grows, we are increasingly employed to provide strategic cost advice, working across almost all markets and sectors, both at a national and international level.”

Working worldwide
John’s day is divided between a number of local and international projects. One recently finalised job was the design, by Arup, of a bus rapid transit (BRT) system for Kampala, the Ugandan capital. “The project is for the Republic of Uganda Government and is being funded by the World Bank. My colleagues and I in the cost management team worked on the tender documents and the procurement options, whilst ensuring they complied with the World Bank procurement guidelines”. Current projects include a design competition for a new hospital in Copenhagen. Arup is collaborating with local firms, and John is working on the management of initial costs for the stage one submission. “There are seven competitors, and we will find out in a month or so if we’ve made the final three. At that point the tenders and costings will become much more detailed.”

Closer to home, there are a number of projects for which Arup is providing Due Diligence reports.

With several projects on the go at once, the team needs to be organised and plan ahead. “We sit down regularly to plan our work, and we are fortunate that we can call on our cost management colleagues in the other Arup offices for support, when required.” Arup’s location on Ringsend Road is close to Barrow Street, the Bord Gais National Theatre and several other landmark sites, so it’s nice for a lunchtime stroll and break, “especially now that the workload is increasing and the outlook is more optimistic in terms of the construction and commercial property industries”.

When not at work, John has a busy home life with wife Bernadette and their three children: Sinead recently qualified as a midwife and works in the UK; Amy-May is just beginning college at NCAD; and, Ciaran is in second year at secondary school. Apart from walking the dog and reading, John enjoys jogging, and is a past marathon competitor.
Applications that are likely to be equally relevant to all surveyors are dictation apps. These offer the ability to record dictated notes on your phone with various transcription options.

**Standard dictation apps**
The most basic of these is the voice memo app that comes as standard with most iPhones, while other devices usually have a similar offering. These work like a traditional dictaphone. You press a record button, record your notes and save the recording as a digital file like digital dictaphones or traditional tapes for transcribing or reviewing. One of the benefits of digital files is that once saved you can immediately email the file to a secretary for transcription, a great time-saving tool if you are not returning to the office immediately.

**Document Direct**
This is a new, recently launched service, with the Irish branch headed up by practising solicitor John Glynn. According to Glynn, the system allows you to dictate on your iPhone or Android as in a standard dictation app. The benefit here is it can be immediately uploaded in a sound file and sent off to typists in the UK. In the near future he hopes to appoint Irish typists as well. The typists work, and are available, 24/7, 365 days a year – even on Christmas Day! You can try out the system, with no obligation whatsoever, for a one-month period just to see if you like it. If you do, then after the trial period, the charge for typing is £1.80 per dictated minute.

Glynn has used this as a solicitor and observes that surveyors can also use this app to reduce the number of typists, or upskill them to do fee-earning work. Nobody is trying to deprive typists of their jobs, but I think upskilling and efficiency are the order of the day.

**Dragon Dictation**
Not specifically an app, but Nuance Dragon Dictation includes an app as part of its offering. The add-on to the standard dictation service is that the Dragon software can transcribe your work for you, so no need for a secretary. On buying the package and after the initial install you read to it, so it learns your dictation style and, much like the surveyor’s own CPD, it continues to learn your voice traits the more you use it. It doesn’t stop there – you can use Dragon to control all of your virtual world. You may never have to use a keyboard again!

**Customer Relationship Management systems**

**Zoho CRM**
There are many customer relationship management (CRM) software packages out there but for those of you looking to dip your toe in the water of the CRM world you could do worse than check out the Zoho app. Another desktop-based program with an app feature, Zoho offers a CRM package. There is a free trial option, which offers up to three free users and includes lead management, accounts and contacts, sales opportunities, mobile access and 5,000 records.
Document sharing apps

Dropbox
This is another app that many of you will use regularly on your desktop. Want to share documents to a select group in the cloud? Dropbox is the answer and with the app you can share while on the go.

Land measuring apps
If you have been having trouble figuring out how to fit that planimeter you just picked up into your suit pocket, these apps are for you. And you don’t have to remember your triangulation formula either (all students reading this should still learn your formulas!)

Measure Map
The Measure Map app is a very user-friendly app for measuring anything visible on Google maps. You just point, tap on boundaries and measure. Search for a location by address, or let your smartphone or tablet find your current location. Measure Map offers a free lite version, a basic version for €1.79 or a pro version for €29.99. There are many other similar land measuring apps out there and Planimeter (€6.99) deserves a notable mention.

Safety apps
StaySafe Business
This is a smartphone app that can track the location of lone workers in real time and enable them to check in safely after meetings, travelling and lone working sessions. Employers have full visibility through a secure, online hub. This app is available on BlackBerry, iPhone, and Android devices.

SCSI apps
SCSI Commercial Property Rating
Finding out the current multiplier from the relevant local authority can often be a headache. Not anymore, however, with the SCSI Commercial Property Rating app. This handy app calculates the annual rates you would have to pay on a property based on the rateable valuation.

SCSI Rebuilding Cost Guide
This is another quality application from the Society of Chartered Surveyors Ireland, which allows you to estimate the cost of rebuilding your house in Ireland. Pop in the area of your house in square metres, your region, your house type and any special features, and hey presto you have a guide to what your house type should be insured at. Comes with a free link to finding your local quantity surveyor and a stack of disclaimers!

We hope to make this a regular feature and would welcome submissions and reviews of your favourite apps or indeed any hardware or software that is useful for surveyors. If you’ve come across anything you would like to share with readers of the Journal, email ann-marie@thinkmedia.ie.
Annual Conference focuses on leadership

The Society of Chartered Surveyors Annual Conference 2014 will take place on Thursday October 23, at the Ballsbridge Hotel, Dublin 4.

The theme of this year’s Conference is ‘Leadership in Housing’, and contributions will focus on the housing and construction challenge, which has far-reaching implications for the property and construction sectors.

The inclusion of high profile and interesting speakers is the hallmark of the Conference and this year will be no exception. The line-up will include Dr Pete Lunn, a behavioural economist and Research Officer with the ESRI, who has some interesting theories on why people made certain decisions during the property boom and how to avoid repeating the cycle. In addition, Peter Collins, Managing Director of Kennedy Wilson Europe, will speak knowledgeably about investment in Irish property and future prospects. Conor Skehan, Chairperson of the Housing Agency, is an internationally recognised authority in the area of strategic and large-scale economic and spatial planning. He will focus on the role of government and state agencies in planning for future housing demand. The all-important topic of financing future development will be addressed by Michael Murray, Head of Construction and Development Finance with Bank of Ireland Corporate Banking.

It is becoming more apparent that good leadership is key to the future of the sector and the sustainability of the recovery. The final speaker of the afternoon, Dr Frank Dick OBE, is a renowned and inspiring speaker who recognises the synergy between effective coaching techniques on the playing field and in business.

The Conference Chairman is Ivan Yates who is no stranger to the ups and downs that occur in all areas of business.

These distinguished speakers are guaranteed to initiate a debate on the challenges that may show the way forward to build on the recovery throughout the sector.

The Conference will be an afternoon event culminating in a networking drinks reception. The change to the afternoon will, we hope, facilitate and encourage regional members to attend in greater numbers. The relaxing atmosphere of a drinks reception will encourage productive interaction between members.

This event has become the largest construction and property conference in Ireland, and members from all sectors will benefit from attending.

To register for the Conference log on to http://www.scsi.ie/cmscalendar/event/view?id=204.

Launch of Property & Facilities Management Guide

The SCSI Property and Facilities Management Professional Group has launched a consumer guide on ‘Chartered Surveyors & Property Managers of Multi-Unit Developments’, which serves as a useful guide for those living in multi-unit developments and covers issues such as: what is a property manager, how one is appointed, letters of engagement, the role of a property manager and the benefits of using one. The guide is available for free download on www.scsi.ie.

Lionheart Annual Golf Outing

The annual golf outing in aid of Lionheart was held on June 13 in Woodbrook Golf Club. Lionheart was founded by members of the RICS over 100 years ago and provides confidential advice, information, support and financial assistance to those who, for whatever reason, find themselves in difficulty. Past and present members of the SCSI/RICS and their dependents are eligible for assistance.

The winners of this year’s golf outing were: Paul Grimes (Singles); Daphne Kaye (Ladies); and, Green Property (Team).
Society poll highlights issues in rental sector

A RED C poll published by the Society of Chartered Surveyors Ireland (SCSI) has shown that 60% of renters say that it is difficult to get deposits returned from landlords in Ireland, with 36% strongly agreeing.

The research coincided with the launch of ‘A Short Guide to Security Deposits for Residential Tenancies’, published by the Society, the Private Residential Tenancies Board (PRTB), the Union of Students in Ireland (USI) and Threshold.

The guide, which was launched by Jan O’Sullivan TD, then Minister of State with special responsibility for Housing and Planning, aims to provide guidance for both tenants and landlords. It covers industry best practice on issues including paying a security deposit, reasons why a security deposit may be withheld, checklist for the return of a security deposit and what to do if a security deposit is not returned.

Minister O’Sullivan praised the collaborative effort in producing the guide, noting that it was an excellent resource for those in the private rented market, providing clear guidance with regard to rights and obligations in respect of deposits.

The Minister highlighted work on the introduction of a deposit protection scheme, saying that: “The scheme will provide a fair, transparent solution to the issue of deposit retention, that will be of benefit to both landlords and tenants”. She advised that the drafting of legislation is at an advanced stage and it is expected to come before the Oireachtas shortly.

Vincent Hickey, incoming Chairman of the SCSI Property & Facilities Management Professional Group, said: “The private rented sector almost doubled in size between 2006 and 2011 and approximately one in five households are now renting private properties. It is very important to ensure that people renting are fully informed in relation to their rights and responsibilities in this growing sector”.

Bob Jordan, CEO of Threshold, said: “The issue of tenancy deposits is the main cause of disputes between tenants and landlords. This guide will help to raise awareness of the rights and obligations of both parties. We welcome the publication of this guide and also look forward to the introduction of a deposit protection scheme”.


Construction tender prices continue to rise steadily

The latest Construction Tender Price Index published by the Society of Chartered Surveyors Ireland (SCSI) shows that construction tender prices are continuing their steady increase from moderate rises in 2013.

The SCSI Construction Tender Price Index, which has been running since 1998 and is the only independent assessment of construction tender prices in Ireland, shows that prices grew by 2% since the beginning of 2014. The annual increase since the first half of 2013 is 4.4%. Micheal Mahon, Vice Chairman of the Society’s Quantity Surveying Professional Group said: “Construction tender prices have continued their moderate pace of increases in 2014 and are now 10% higher than when they bottomed out in 2010. This trend is likely to continue, and indeed it is accelerating slowly, as more confidence comes back into the market, bringing with it a modest increase in construction activity, particularly in the Greater Dublin area”.

Mahon said that there are a number of very large projects such as Intel and the Corrib gas pipeline nearing completion and these will release large numbers of workers back into the market, particularly in the specialist mechanical and electrical trades, which will maintain intense competition in the industry.

“It is worth noting that despite these recent modest increases building prices remain very competitive and, at 26% below their peak in 2007, are still well below prices back in 2000,” he concluded. The Index is the only independent assessment of construction tender prices in Ireland. It is compiled by the quantity surveying members of the Society based on actual tender returns for non-residential projects during the period in question. It is based on predominately new build projects with values in excess of €0.5m and covers all regions of Ireland. The Index is therefore a measure of average price increases across differing project types and locations. It should be regarded as a guide only when looking at any specific project, as the pricing of individual projects will vary depending on such factors as their complexity, location, timescale, etc. For further information visit www.scsi.ie.
The Society of Chartered Surveyors Ireland and Dublin Chamber of Commerce have teamed up to produce ‘A Guide to Property for SMEs’. The 48-page guide includes a comprehensive overview of what firms need to know in relation to their business premises, including negotiating leases, rent reviews, commercial rates and service charges.

Society President Pauline Daly said: “The new guide is intended to serve as a ‘one stop shop’ for SMEs seeking to understand their rights and responsibilities in relation to commercial property”.

According to Gina Quin, CEO, Dublin Chamber: “We are delighted to partner with the Society of Chartered Surveyors Ireland to produce this guide, which we hope will remove much of the complexity and uncertainty for companies when purchasing, leasing, maintaining or extending a property”.

‘A Guide to Property for SMEs’ is available to download free of charge from www.scsi.ie and www.dubchamber.ie.

SCSI Skillnet

SCSI Skillnet is a Government-funded training initiative, which is overseen by a steering group comprising SCSI members. The steering group seeks to schedule sector-specific – construction, land and property – training for the benefit of all members. The schedule of training is funded via matching member payments and through Government funding from the National Training Fund (NTF) through the Department of Education and Skills (DES). The main role of the overall Skillnets initiative is the promotion and facilitation of work-based training and up-skilling as key elements in sustaining Ireland’s national competitiveness and economic recovery.

Note that the programme permits jobseekers to attend FREE OF CHARGE so please notify any of your colleagues who may be seeking employment. You do not need to be a member to participate.

SCSI Skillnet has scheduled a programme of sector-specific courses throughout the autumn, including:

- Social Media for Property Agents – Friday September 19, Dublin
- Business Development for Professional Firms – Friday September 26, Dublin
- Finance for Commercial Property Managers – Friday October 3, Dublin, and Friday November 7, Galway
- Professional Report Writing – Monday October 13, Dublin
- Glasnevin Site Visit – Wednesday October 15, Dublin
- Company Secretarial Practice – Friday October 17, Dublin

Further details are available on the SCSI website – www.scsi.ie/cmscalendar. Should you wish to book a place, find out further details, or suggest future training, please contact Niamh Darcy, Email: ndarcy@scsi.ie.
Ciara Murphy moving to Bar Council

The Director General of the Society, Ciara Murphy, has informed the Board of Directors of her intention to resign from her position in November 2014. She will be taking up the position of Director General of the Bar Council of Ireland.

Pauline Daly, President of the Society, said: “Over the past seven years, Ciara has made an enormous and positive contribution to the development of our Society, which has ensured that the organisation is on a very sound footing, solidifying its position as the profession synonymous with high standards, professionalism and expertise across land, property and construction. Ciara was instrumental in overseeing the historic merger which formed the new Society in April 2011 (established following the merger of the SCS and the IAVI) and more recently the transition of the IPFMA into the Society. On behalf of the Board and Council of the Society, and on behalf of all of our members, we wish her every success in the future and we thank her for her contribution to the Society”.

A recruitment process for a new Director General to succeed Ciara Murphy has commenced. The Society is one of the key stakeholders in the construction, property and land sectors of our economy and plays an important role in the debate on the development of these sectors. The new Director General will have a vital role to support and lead the work of the Society over the coming years.

SCSI 5-a-side Tag Rugby Tournament

The annual SCSI 5-a-side Tag Rugby Tournament, traditionally one of the highlights of the Young Members calendar, took place on July 4, 2014, in Belvedere Rugby Club.

Organised by the Young Members Committee, the event was as popular as ever with nine teams entering from across the property and construction sectors – CBRE, DNG, DTZ Sherry Fitzgerald, JLL, Knight Frank, Lynch Interact, McGovern, MFO and Savills.

Last year's winners, Savills, were defeated by DTZ Sherry Fitzgerald for the coveted cup. Lynch Interact and JLL put up a gallant fight to try and win the tournament and finished in second and third places, respectively.

Winning team captain, David Reddy, with the Cup.

This year’s 25th anniversary tennis tournament was an endurance test for the 15 teams who battled the elements and produced some fine tennis despite the conditions. Both sections were very close contests with only one point separating the winners and runners up.

The semi-final line-up saw Independent Valuations playing Hooke and MacDonald, who had won the Irish Times Trophy on seven previous occasions. The second semi-final was between MFO and Savills 1 who had their sights set on victory for the second year in a row. The four teams braved driving wind and rain and produced some exciting tennis. Independent Valuations narrowly edged out Hooke & MacDonald, while in the second semi-final Savills 1 emerged victorious over MFO.

The final again tested the mettle of the players with some excellent tennis from two teams who were well matched. In the end Savills 1 were the stronger with both mixed doubles combinations defeating their opponents 6-1 and 6-3, respectively.

Savills team captain Anne Kiernan was delighted to receive the trophy from Peter Dargan of The Irish Times, which has sponsored the tournament since its inception.
The battle of the surveyors

This year's Annual Society Soccer Tournament was held on Friday August 29 in Pembroke Wanderers Hockey Club. Despite the rain, the event saw the largest representation yet of property, quantity and building surveyors battling it out for a place in the final. However, two teams stood out from the rest. Positive mental attitude, good sportsmanship, female participation and great spectator support seemed to be the key attributes for quantity surveyors Bruce Shaw and property surveyors JLL, who powered out of the group stages into the final. Both teams seemed evenly matched with keeper Robert O'Connor (SCSI) for JLL kept on his toes, but as the final drew to a close, it was Larry Maguire of Bruce Shaw who stole the show in spectacular style with a late goal resulting in a 2-1 victory for Bruce Shaw on their debut appearance in the tournament.

Afterwards, participants and spectators tucked into a well-deserved bbq and Ivor Ashe, Chairperson of the Young Members, presented the finalists with their prizes in the clubhouse. Other winners on the night included Hannah Dwyer of JLL who was awarded best female player of the tournament, and Richard Johnson of Savills who was awarded best male player.

Members’ Golf Day

The 2014 SCSI Members’ Golf Day will take place on Thursday October 16 in the Hermitage Golf Club, Lucan, Co. Dublin. The Society is hoping to secure 15 teams of four to play in the competition. Individual members can participate, subject to our ability to compose a team of four.

The cost for a team of four is €220 for a round of golf and evening dinner. Golf prizes will be sponsored and the trophy for the winning team (currently held by Wyse Managing Agents) will be presented at the evening dinner. Goodie bags will be provided on the day. Anyone wishing to attend the evening dinner only can attend at a cost of €40. Should you wish to participate, please contact Niamh Darcy, Email: ndarcy@scsi.ie.

New appointment at the Society

Fiona Barron has been appointed Director of Innovation & Business Development with the Society. Her role commenced in July 2014, following the transition of Irish Property & Facility Management Association (IPFMA) members and operations to the Society. Fiona previously held the position of CEO with the IPFMA. Fiona’s primary responsibilities will include overseeing, developing and co-ordinating regional business plans and outputs, and the development of national and regional events for members.

Fiona can be contacted at fbarron@scsi.ie.
Diary dates for young members

The Young Members Group of the Society would like to invite members to two upcoming events:

Young Members Autumn Social
Date: October 10, 2014
Time: 6.00pm
Place: 38 Merrion Square
Deadline for registration for this free members' event is October 2.

Young Members Ball
Date: November 8, 2014
Time: 7.00pm
Place: The Gibson Hotel
Price: €60 per ticket
Dress code: Black tie
The deadline to book tickets for this event is October 15. Places are limited, so please register early to avoid disappointment.

For further information, or to register for these events, contact Catherine Noble, Email: cnoble@scsi.ie.

Surveyors Journal online and archived

The Surveyors Journal is now online at www.surveyorsjournal.ie. Since its launch in spring of this year, the full archive of back issues of the Journal has been added. Society members and members of the public can now access any article that has been published since its launch in spring 2011, immediately following the merger of the SCS and the IAVI. This makes it a fantastic resource for professionals and interested parties. Traffic is expected to grow as awareness of the site is increased over the coming months.

Kingspan offers savings

According to Kingspan Insulated Panels, through knowledge, innovation and world-class technical expertise, it can provide cost optimal energy-saving building solutions to help architects and design teams to realise affordable, energy-efficient and sustainable buildings. The company states that Kingspan cost optimal energy-saving building solutions can offer:

- less capital cost: Kingspan has proven that the integration of an enhanced building envelope, with a holistic design approach that identifies the most cost-effective whole building specification, often results in a reduction in capital cost.
- higher return on investment: cost optimal energy-saving building solutions that have a capital cost uplift provide significant operational cost reductions and offer rapid return on investment.
- lifetime operational cost savings: cost optimal energy-saving building solutions feature envelope systems that maintain their thermal performance over time, limiting the occupiers’ exposure to escalating operating costs over the lifetime of the building.
- future-proofed buildings: cost optimal energy-saving building solutions drive higher rental income, maximise occupancy levels, reduce operating costs, enhance asset value and minimise the risk of rising fuel costs to provide ‘future-proofed’ buildings.
- enhanced BREEAM/LEED ratings: additional BREEAM/LEED credits can be achieved, enhancing green building credentials and providing market differentiation.

Michael Ferry joins Sweett Group

Sweett Group is delighted to announce that Michael Ferry has joined the company as Associate Director tasked with heading up building surveying (BS) services from the firm’s Dublin office. Michael brings a wealth of experience from leading BS, project management and agency practices. Michael’s expertise in BS services means that Sweett can now fully cross sell all services to both their domestic and international client base.

Sweett Group is a leading international construction and property consultancy offering expertise in quantity surveying, project management, building surveying, management consultancy and a comprehensive range of specialist services.
Andrew Warren FRICS, FSCS, FCIOB
Andrew is a Chartered Building Surveyor specialising in project management. He is co-author of REMSOB F1’s Response to the Government Green Paper on Energy.

Andrew Warren argues that cycle lanes need to be properly constructed if they are to succeed in getting more people to cycle to work.

Compromise doesn’t work

One thing’s for sure, if the North Quays cycle lane project is to go ahead, it must do so with real commitment to achieve the goal of getting the “unbrave” onto their bikes – to quote Dublin City Council Chief Executive Owen Keegan. It’s the only way to increase the rate of cycling from the current 4% to the targeted 10%. But to do this, there must be the political will to ensure that priority is given to the cycling infrastructure. In London, Mayor Boris Johnson has made a commitment to make sure cycle facilities are built to Dutch standards, and in the Netherlands they achieve cycling rates in excess of 22%. Unfortunately the plan is off to a bad start – it doesn’t have the support of the city’s Lord Mayor, Christy Burke: “I think it would be a disaster, to be honest, the road is narrow enough”.

I’ve project managed a number of public realm projects in Limerick City and one in Dundalk: traders are up in arms if a single car space is lost, and the resulting compromised solutions satisfy no one.

Reducing energy consumption
Modal shift was cited as the primary objective for a number of cycle infrastructure projects announced in 2012 by Alan Kelly, the then Public Transport Minister, and €4.5 million was sanctioned for a number of regional projects, which included Alan Kelly’s constituency town of Nenagh. And in April this year, Alan Kelly said that the Government’s investment amounted to €25m as part of its agreed commitment to invest €65m in sustainable transport to 2016.

Why is sustainable transport so important? The average European (and this is true of Ireland) consumes 125kWh of energy per day; the same American uses 250kWh, primarily in transport, heating and electrical usage. The average diesel or petrol car uses 80kWh to transport one individual 100km, and is only 25% efficient in energy use. An electrical car would be 80–90% efficient and would use as little as 6kWh for the same 100km journey and a cyclist uses none, and will stay fit and healthy in the process.

The Government has set a target for 2020, in line with EU law, of reducing energy consumption by 20% compared to 1990 levels. The EPA has said the target should be 30% for the same period, and even more significantly it has said that the Government could fall significantly short of achieving the 20% and have a cumulative excess of CO₂ emissions of up to 20Mt. This would expose the country to heavy EU fines, which were reported earlier this year at €300 million. To prevent severe impacts of climate change, the international community has agreed that global warming should be kept below 2°C compared to the temperature in pre-industrial times. That means an increase of less than 1.2°C above today’s level, and EU leaders have endorsed the objective of reducing Europe’s greenhouse gas emissions by 80-95% by 2050 compared to 1990 levels.

The only way to cycle safely in Nenagh is to ignore the cycle lanes and cycle ‘bravely’ in the centre of the town’s carriageways. The project is a waste of scarce public funds.

Lanes fragmented
You might have thought the cycle infrastructure project completed in Kelly’s home constituency town might justifiably be an ‘exemplar’ project to set the standard for other county councils to follow. Unfortunately not: it’s an embarrassment to the idea of modal shift from car to bike. It only provides fragmented sections of cycle lane, where cyclists are forced to give way to traffic before they can re-enter the main carriageway. At pedestrian crossings the cyclist is forced to stop because the cycle lane is blocked by a raised kerb, and from a standing start has to change direction and move into the traffic. Parking facilities always take priority over the cycle lanes and there is no contra-flow for cyclists on Nenagh’s only one-way street as promised. The only way to cycle safely in Nenagh is ignore the cycle lanes and cycle ‘bravely’ in the centre of the town’s carriageways. The project is a waste of scarce public funds.

If modal shift is to be achieved, we need to build cycle infrastructure to Dutch standards with proper segregation. New York, San Francisco, Toronto, Vancouver, Ottawa and Melbourne have all opted for segregated schemes, and the 2010 Montreal Study says that 2.5 times as many cyclists rode on segregated cycle tracks compared to non-segregated roads and the risk of accident was significantly lower.

Political will
Serious political will is needed to tackle our legal EU energy reduction targets, with genuine projects that will take people out of their cars and onto public transport and bicycles, and also an energy efficiency retrofit programme to standards of success achieved in Germany – which is another story.
Residential Property

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