

2016-9

How Failings in Policy Making Give us Plenty to Worry About

Lorcan Sirr

Technological University Dublin, lorcan.sirr@tudublin.ie

Follow this and additional works at: <https://arrow.tudublin.ie/beschrecmed>



Part of the [Urban, Community and Regional Planning Commons](#), and the [Urban Studies and Planning Commons](#)

Recommended Citation

Sirr, L (2016) How failings in policy making give us plenty to worry about. *The Sunday Times* 26.09.2016.
doi:10.21427/tw3t-3d29

This Article is brought to you for free and open access by the School of Surveying and Construction Management at ARROW@TU Dublin. It has been accepted for inclusion in Media by an authorized administrator of ARROW@TU Dublin. For more information, please contact arrow.admin@tudublin.ie, aisling.coyne@tudublin.ie.



This work is licensed under a [Creative Commons Attribution-NonCommercial-Share Alike 4.0 License](#)

All change at the top, as focus is on overseas

LINDA DALY
MARKET WATCH



With American and UK buyers flooding the residential property market, it's no wonder that international agencies are turning their attentions to these shores.

Real Estate Alliance has said its exhibition in New York last week was a "huge success". Of the 425 potential buyers who met agents, 25 have already planned to view homes. Almost one third of attendees were Irish natives looking to return home.

Meanwhile, David Ashmore is back from the wilderness after serving his three months' gardening leave from his role as head of country estates at Sherry FitzGerald, and has launched Ireland Sotheby's International Realty. Ashmore was approached by Sotheby's late last year.

"At least 50% of buyers in the country homes market come from overseas. That is an upward trend. For properties at €5m-plus that increases to 70% or more," Ashmore told *The Sunday Times*.

He cut his teeth in property when he joined Hamilton Osborne King in 1999, staying with the company when it was acquired by Savills in 2006, but defected to Sherry FitzGerald in 2012 to head its country homes division.

As managing director at Sotheby's in Ireland, he will focus on the "premier end of the market" in Dublin and beyond.

While we're sharing good news, Ashmore's former employer Savills also had some last week. John McCartney, its director of research, has been appointed to the editorial board of *The Journal of Property Research*. McCartney is ideal for the role, having previously been a statistician with the Central Statistics Office. Perhaps his presence on the editorial board can focus Irish minds on producing quality stats for our own property market.

Price watch: Co Kerry

Property	2012 Price	2016 Price	% Change
Killeen Heights Tralee 3-bed semi	€115,000	€95,000	Down 17.4%
Charles Street Listowel 2-bed terraced	€75,000	€80,000	Up 6.7%
Cahernane Meadows Killarney 4-bed semi	€156,000	€180,000	Up 15.4%
Inbhear Sceine Kenmare 3-bed semi	€137,750	€117,500	Down 14.7%

Source: propertypriceregister.ie



Online bidders are subject to the same ID and finance checks as in normal auctions

SOLD TO THE HIGHEST BIDDER UNDER THE VIRTUAL HAMMER

Buying property at auction offers the chance to close a deal in seconds, but for those who can't attend, there's now the option to bid online — and it's no less dramatic, says Eithne Dunne

First came property websites, which opened up a whole new world of voyeurism for house-hunters and advertising for home-sellers. Then drones and YouTube made it easier to display your wares. A fortnight ago, estate agent Sherry FitzGerald and Samsung took things to a new level with the launch of a virtual-reality platform for new homes. With the world becoming a digitised place, it's no surprise that the property market is embracing all things technological. One innovation shaking up the market and changing the way some people buy a home is the online auction. Such auctions are becoming a fixture in Ireland's property market and seem to be resonating with buyers looking for a more finite purchasing period but who don't fancy, or can't attend, a physical auction.

Allsop Ireland, which will stage online auctions this year, has seen interest growing steadily. To date, its auctions have featured between 60 and 70 properties, with 69 lots for sale in the next one, on March 16. "The plan is to increase the number of properties for sale online throughout the year," says Ellen Prenderville, associate director at Allsop.

More than 1,000 people bid in the company's four auctions last year. They ranged in age from 25 to 80, and included investors, owner-occupiers and Irish expats keeping an eye out for property in

their home towns. Prenderville says the online option is particularly useful for these buyers.

lam-sold, an auction management service provider, works with 140 estate agents in Ireland to provide branded online auctions for their residential and commercial properties. "There are a lot of cash buyers out there, but we're also selling to mortgage holders," says director Patrick Convey.

John Higgins, of John Higgins Auctioneers in Ballyhaunis, Co Mayo, has been offering properties for sale online for the past two years, as part of the lam-sold network. He says about 20% of the company's properties are sold this way, though he expects this to rise to between 33% and 40% by next year.

"Interest has definitely grown. Online auction pulls prospective purchasers out quicker — people tend to engage sooner." He says he has started getting calls from solicitors asking how the online auction process works, as well as inquiries from expats.

THE LOWDOWN

To bid in an Allsop online auction, you need digital scans of your passport and proof of address, as well as €5,000 on a credit or debit card. The latter is the "bidder security", and is required for every property on which you bid. The money is pre-authorised, but will be debited immediately if the bid is successful. If a bidder's card limit doesn't

extend to this, they can transfer funds to Allsop in advance of bidding.

Once an auction starts, a bidder can either place instant bids as often as they want, or enter a maximum bid. In this regard, it's not dissimilar to bidding on eBay. The difference becomes evident in the closing stages. Any bid placed in the final minute will add an extra minute of bidding time to the auction. This is to give all bidders an equal shot and to prevent someone slipping in a bid in the last second.

"It's called a bid extension," says Prenderville. "It's a way of mimicking what happens in an auction room when the auctioneer says 'going, going, gone'."

The auction ends when 60 seconds pass without a bid. Successful bidders must pay a 10% deposit within two days, minus the €5,000 already paid.

Prenderville says sales don't tend to fall through. "When someone signs up, they have to give their ID and card details, and accept the terms and conditions. There are a lot of warnings that any bid would be legally binding. They'll also go through an approval process whereby we check ID, proof of address and solicitor's details. No one slips in."

She says once deposits are paid and contracts signed and sent to the solicitors, it usually takes about 28 days to close.

Convey says the run-up to an online auction is no different from a traditional auction. "The buyer views the property, the opportunity is given to carry out a

'We felt much more in control'

Tari Nyamayaro and her husband bought a four-bedroom detached house in Summerhill, in Co Meath, via online auction in June 2015. The couple and their two children, who had previously been renting, are now well settled in their new home. They had tried to buy several times through private treaty, but found the system unsatisfactory, and the traditional auction room didn't appeal either. "We had never bought by auction before, but we thought we'd try online auction as it is meant to be transparent, in that you know who's

bidding and how much. We found this to be true. We also liked the timeline involved; it didn't take ages. We moved in two months after the auction." She says the online auction took much of the stress out of the process for her. "We felt very much in control, as it cuts out a lot of the middle man. We could log in at any time and check how it was going. It was exciting." There was just one person bidding against them for a long time, but at the end there were four. The couple made several bids during the auction, and were very happy with the final price of €225,000.

survey, and a legal pack is prepared. Due diligence is carried out as normal."

lam-sold auctions can run for anything from 21 to 45 days. Interested buyers have to register with lam-sold, and all bids are vetted. "We get proof of funds, send out legal packs and arrange access," says Convey.

While lam-sold does not require a bidder security, the deposit is payable immediately on conclusion of the auction, and contracts are signed.

WHY GO ONLINE?

Prenderville says one of the main attractions of the online auction is the ease of purchasing. She adds that an online auction may be less intimidating than a traditional auction for some bidders.

"You're sitting behind your screen so it's private. You can see the full bid history and the timing of the bids. There's nothing cloak and dagger about it."

Even though an online auction is conducted virtually, bidders will usually have had plenty of direct contact with the agents before the auction. "The platform is online, but there's a lot of work going on in the background; there's a team behind it," says Convey.

Despite the growing popularity of the online auction, there is no suggestion that it will replace the traditional sale method. For anyone who suspects it might lack the buzz of a traditional auction, the online aspect can lead to some nail-biting moments as the clock ticks down.

"We have screens up in the office to watch the auction, and we get great excitement out of it," says Prenderville. "You don't get to see someone putting up their hand; you only see a bid coming in from nowhere in the final minute. We know who the bidders are, and there's often a good story behind them."

How failings in policy making give us plenty to worry about

Journalist Mick Clifford recently questioned the will and ability of any new government to solve the housing crisis. It's a legitimate question as governments get caught between the needs of the electorate — more and cheaper housing — and those of the economy, and in particular the banks — higher house prices to pass European Central Bank stress tests.

The problems concerning the political will or ability to tackle housing are deeper than that, though. Governments come and go, but their civil service advisers are a permanent feature. The quality of that advice is a consistent element in the equation.

The ranks of experienced civil servants have been decimated. In housing, this skills shortage has become quite evident, since the Department of the Environment closed its research section in the 1980s.

The ability issue is manifest in two ways: first, there are the policies that are proposed and enacted. There have been several

examples of recent policies actually hindering house-building, such as building control regulations, Part V negotiations, and so on. Second, the way in which policies are being formed is also a cause for concern.

Take for example the recent apartment size standards issued in December. The premise for reviewing the guidelines was that existing size standards in some local authorities were impeding

development. Local authorities strongly disputed that claim.

Consultations began last summer between the department and various stakeholders, divided into two groups. Group A stakeholders consisted of representatives from Dublin City, Fingal, Cork city and Galway city councils, city and county managers, regional assemblies, the Housing Agency, An Bord Pleanála and the Department of

Education. Group B comprised Nama, the Irish Planning Institute, the Royal Town Planning Institute, the Royal Institute of the Architects of Ireland, the Society of Chartered Surveyors Ireland, the Irish Business and Employers Federation, the Construction Industry Federation and individual construction representatives such as Cosgrave Property Group and O'Malley Construction.

Most of these professional groups work at some level for the construction industry and others represent the industry itself. There was no public interest or consumer representation. What is more worrying was the absence of a public consultation process.

The final apartment size standards were issued on December 22, under section 28 of the Planning and Development Act 2000. They were ministerial "guidelines", to be referred to but not mandatory for councils to implement. Had they been issued as a ministerial directive, they would have had to be brought before the Dail



Questions are raised about how housing legislation is being drawn up

for approval.

On December 29, however, the Planning and Development (Amendment) Act was passed which made Specific Planning Policy Requirements (such as the apartment size standards) mandatory. This gave the minister weighty new powers to override local government and issue what

are effectively mandatory guidelines.

Only one politician highlighted the potentially serious nature of this. Speaking in the Seanad, Senator Gerard Craughwell said: "For the development plan to be subjugated to the whim of a minister is totally unacceptable... for the guidelines of a minister to

carry supremacy over local statements of intent regarding a development plan is an undermining of democracy of the worst kind."

Under Department of the Taoiseach rules, all new legislation (barring some criminal and tax legislation) must be subject to a regulatory impact assessment (RIA), but no RIA has been published by the department for the new act.

Had an RIA been carried out the — somewhat embarrassing — technical and financial deficiencies in the size standards would have been identified at a much earlier stage.

This is not the way to make policy. It also sets a worrying precedent of relying too much on regulation and legislation while avoiding questions about the common good.

Such policy-making practices raise questions about the degree of trust that can be placed in those in charge to represent society as a whole and not merely those with access to influence.

LORCAN SIRR
ON THE HOME FRONT

