

IPOA E-ZINE

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Official on-line magazine of the Irish Property Owners Association

Registered members of the IPOA can subscribe to receive this fortnightly update by e-mailing your name, membership number and e-mail address to: <mailto:ipoa@eircom.net>

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1. INTRODUCTION

Welcome to the 1st ever issue of the IPOA official Ezine ! Our ezine will be mailed to you every month and will keep you updated with all the latest news, views and happenings in the world of the IPOA. It is the best way for you to keep up to date with developments.

We will continue to publish our hard copy newsletter, now quarterly, but wish to provide you with information more frequently.

Read on and do let us know your opinions on our new improved communications and any other matters you deem important.

I.P.O.A. - YOUR VOICE PROMOTING PROFESSIONALISM & FAIR PLAY IN THE PRIVATE RENTAL MARKET

2. NEWS

2005 AGM

Our Annual General Meeting was held in Morans Red Cow Hotel on the 6th April 2005.

There were in excess of 400 members in attendance. The Chairman opened the meeting and welcomed members present. The Secretary spoke generally about the Minutes from the previous year which were adopted without changes. The Financial Statement was discussed and compared to the previous years expenditure. The Chairman discussed the ongoing development of the association and plans made for the following year. A public relations firm have been engaged to enhance the profile of the organisation, to gain us more media coverage and increase our membership base. Fintan McNamara gave a comprehensive update on the Private Residential Tenancies Board. He also discussed the U.I.P.I. After a brisk questions and answers section where numerous members availed of the opportunity to air their queries, the meeting was ended.

Hard Times Ahead - Survey Shows Rents Decreasing & Difficulties with PRTB

As you are aware a questionnaire was recently sent to all our members and the results are very worrying

54% Members stated that Rents had decreased since January 05

44% members said rents have decrease between 10% & 19% Since January 05

67% Members said it was more difficult to rent accommodation\

65% of members have not yet received their registration receipts

63% of members would rent to Local Authority tenants an\

91% of those stated that they would need to interview them first.

60% of members who telephoned PRTB were unsuccessful.
51% of members had difficulties with tenants completing their part of PRTB form.
56% tenants consider information requested too personal
41% of members spend longer than 20 minutes completing registration form.
It is obvious that our members are experiencing difficulties in the letting, management and completion of forms in order to comply with the bureaucracy of the newly introduced legislation. However the IPOA will strive to simplify and streamline the process of compliance.

Minimum Standards for Rental Property

We would like to bring the Statutory minimum standards to the attention of all our members. Tenants are entitled to these standards and landlords should be providing them. These standards are very low and we would expect that every property let by our members should be above these standards. It is a condition of membership that you adhere strictly to these standards.

I.P.O.A. CORK BRANCH

Over the past year a small group of committed individuals have been working in the Cork area for our members. They are from the Southern region and have considerable experience in dealing with difficulties that have arisen in that area. The Cork Committee have had a number of successful meetings and will be introduced to members at the next meeting in the region, which is planned to be an informal meeting with topical local issues. It is anticipated that we will have a number of these branch committees all around the country working for the organisation. If you are interested in setting up a committee within your own area please let us know.

BOOKS: MAKING PROPERTY WORK by Maureen Moran

This is an excellent publication, informative, enlightening and a valuable addition to the property library of any of our members. We would like to congratulate Maureen Moran, (Cork Committee Member) on her first literary publication and thank her for the work she has carried out and the publicity she has generated for the Association. The Irish Property Owners Association has endorsed this publication and it includes a contribution from the Chairman and Public Relations Officer.

APARTMENT MANAGEMENT

The NESC National Economic Social Council report on housing in Ireland notes that since 1992 there has been a vast increase in the number of apartments constructed in Ireland.

The report notes that rents in the private rented sector have been falling and this is unlikely to be reversed given the number of apartments coming on stream for rent.

However what investors are largely unaware of are the very poor management structures operating in apartment blocks. Not only is the legal documentation governing the management structure defective but also present company law does not lend itself to the type of legal structures. The key to the effective operation at any multi-unit development is the establishment of a proper system of management.

The Commission has made a submission suggesting various amendments to general company law as follows: - That it be a private company limited by guarantee without a share capital. That it be restricted to trading 'not for profit'. That its stated objects be owning, managing and maintaining the common areas of the multi-unit development (and other ancillary activities): that as a result of these stated objects it be required only to prepare an income and expenditure account, a balance sheet and a directors report for presentation to the members at the annual general meeting. It is important that this meeting does take place. In the case of development containing residential units it should be provided that the management company will come into operation automatically prior to any disposal. The first members will be the developer and the purchasers, as the units are sold who automatically become members of the company, and only cease to be members on disposal by sale. IPOA have a developing role as representation of owners of units and it is anticipated that we would represent on a block basis owners in an advisory capacity on the structure and legislation covering the running of each block. This is an ongoing development process.

The Commission also recommends that there should be obligations imposed on developers including an obligation to create an appropriate management scheme, and complete the development by attending to all necessary finishing and rectification of defects coming to light before responsibility for maintenance and repairs is passed to some other body—to render any unit in a building complete

NEW ADDRESS

As you will all be aware by now we have moved into new more spacious premises in Ashtown Business Centre on the Navan Road. We have much more space and offices available for private consultations. With plenty of parking it makes it easy for members to drop in with queries or to get leases/licences or rent books.

3. PUBLICITY

PUBLIC RELATIONS COMPANY

After some twelve years in existence, making our members voices heard and promoting the professionalism of the industry we have decided to employ a public relations firm. This is a huge step and should benefit the Association very positively. After much consideration Ion Entertainment Ltd have been employed by the Association. Their role will be to increase awareness within industry, media and government in order to develop the profile of the organisation. This is of course a costly venture and the IPOA wish to extend its appreciation and heart felt thanks to S.A. Faughnan Group who have kindly agreed to sponsor the Public Relations Company until the end of 2005 when it is hoped to take on board new sponsors. This shows the confidence that the Chairman has in the organisation going forward.

Recent Press Coverage

You may have noticed our intensified press campaign of late with several newspaper articles citing our plight and investigating our claims. Well read on ! This is what the Irish Times had to say on May 19th following a press release from us detailing the shortcomings of the PRTB:

“City Living attempted to contact the PRTB for a comment, to no avail. The main number was constantly engaged, an email went unanswered and the Department of Environment and Local Government press office said they could not get through either.”

Bureaucracy in Full Flight !

see also, 8. Press Clippings below

4. EVENTS

OPEN EVENINGS

We will be commencing a series of nationwide open evenings for our members and those interested in joining. They will begin in September with one in Dublin city and another in Cork city. We will also be visiting Limerick, Galway and Sligo and will have a full schedule for these meetings on the web soon. We will also send you details in our next ezine. These evenings will enable attendees to question individually the committee members of the IPOA on items of concern to you - it will also provide you with a platform to air your views on a one to one basis and to raise issues which you feel we need to put on our agenda.

ANNUAL CONFERENCE

We have decided to start holding annual conferences the 1st one being The conference will be a day long discussion on topics concerning our organisation and will have important guest speakers giving presentations. Again we will keep you updated on developments concerning this.

5. LEGISLATION

R.A.S.

In 1999 the I.P.O.A put forward a proposal to the Department of Environment outlining a

Social Housing Partnership between providers of Private Rented Accommodation and Local Housing Authorities. It was considered for a long period of time (six years), and last year the then Minister for Social and Family Affairs, Mary Coughlin, introduced a new long-term Rental Accommodation Scheme R.A.S. This appears to be largely based on our proposal but without the tax incentives. This initiative will apply to tenants who have a long term housing need. The Irish Property Owners Association have a representative appointed onto the National Advisory Group and are involved in the drafting of the legal agreements and anticipate having serious input into the matter. While this scheme might appear to be attractive, it has its pitfalls and these will soon begin to unfold. So be warned and just do not jump into it without advice We will keep you posted on the situation.

New Statutory Tenancy Board

The statutory PRTB was only appointed at the end of October 2004 although the Legislation came into force on the 1st of September. Three outgoing members of the ad hoc board were not re-appointed, six new appointees were made by Dick Roche who replaced Martin Cullen at the Dept. of Environment. These include five legal people including senior counsel. Three representatives come from the estate agents bodies IPAV and IAVI. There are two public servants including Waterford's County Manager, and two academics from the sociology departments at Trinity College and UCD. The chairman is from DIT. Threshold and IPOA have one representative each. Focus Ireland and St Vincent de Paul sought representation but were not entertained.

Registration deadline was originally 1st of December but was extended to the last day of January due to the flood of applications: approx. 90,000 in all. A shortage of staff plus the unexpected deluge of applications has meant a huge backlog. The secretariat appear unable to cope with this mountain of bureaucracy. €20 of the €70 application fee is to go to the board for admin purposes, the rest goes to Local Authorities for carrying out inspections on rented property. Currently there are about 700-800 registrations per week. There is soon to be a website and the registration form will be on the website for downloading. There will also be links to other relevant websites. There has been a huge interest on the part of solicitors and estate agents for roles in mediation and adjudication. Three members of the IPOA have been successful in their applications for this role.

Thousands of applications forms for registration were not properly completed and were returned. Once again this underlines the unnecessary complex nature of the process. Similarly, dispute resolution application forms were too vague and had to be returned for clarification e.g. anti social behaviour was alleged to be the reason for terminating a tenancy but was not explained and it is defined in section 17 of the Act. There is a standard application form for applying for either mediation or adjudication which can be got from the IPOA offices.

Currently the Board receives 25-30 calls a day re landlord tenant disputes. A number of people also call in. The calls, it would appear, break down 50/50 between landlords and tenants. Illegal evictions, exchanging locks on doors continue as some people do not appear to have heard of the Legislation. As a result evicted tenants have contacted Threshold or the Board and landlords have been forced to eat humble pie and let the tenants back in.

Evictions will cost €25+€40 if appealed to the tenancy tribunal but if representation is involved the process will cost much more. Determination orders will be enforced through the circuit court on application from either the landlord or the Board.

Some useful Tips

- * Be aware of the break clauses, which are available to you after the 6-month probationary period section 34
- * Remember to get an inventory of the condition of the contents signed by the tenant on commencement of each tenancy - refer to IPOA rent book.
- * Also if a tenant falls into arrears of rent give 14 days notice before you issue notice of termination if the failure has not been completely rectified.
- * Document everything and keep records if tenants start to misbehave because if you are

well organised and convincing you are far more likely to get the desired result at adjudication.

* Under no circumstances change locks on doors - forfeiture and re-entry is gone.

6. I.P.O.A. INSURANCE SCHEME

This scheme is gaining popularity among the members and is now being extended to cover the private family homes of members at very attractive premiums, showing savings of up to 25%.

For quotation without obligation contact David, Emmet or Padraig on 01-8245555

7. UIPI

U.I.P.I. INTERNATIONAL DEVELOPMENTS

The international property owners association held its latest meeting in Brussels on the 19th and 20th February. A number of meetings took place with senior EU officials among the issues raised with officials is the practice in some countries most recently Greece, to effectively render the value of properties useless on foot of the introduction of drastic environmental protection measures without compensating the unfortunate owners. The case in question involved a species of rare turtles on the island of Xanthos and local authorities yielded to pressure from enthusiastic environmentalists. The argument was advanced by UIPI that for the future EU directives of this kind should contain a compensation provision where property owners were victims of such measures.

A number of delegates raised some interesting developments in their respective countries viz:

The UK delegation drew attention to the proposed new licensing scheme. While the fee is as yet undisclosed it is expected to be in the order off £150 sterling on each rented unit and will be payable every 5 years. Property owners in the UK are very concerned about these developments. Legislation passed in Belgium implementing an EU directive on private life protection matters does not forbid the compiling of a list of non compliant tenants and the Belgian property owners association have been filing this type of data for some time It was inspired by the practice of Banks and lending agencies to keep a list of defaulting clients. The legitimacy of this new practice by the property owners association there has been challenged once unsuccessfully in the courts but it is expected that further challenges will arise. The government there following the principle the polluter pays initially levied tenants directly with waste management charges but recently have made landlords liable for collecting them.

In Switzerland when property owners are compelled to implement measures for energy savings in rented properties they can legally pass on 70 % of the costs to tenants who are in any event the primary beneficiaries of the improvements. A landlord tenant mediation service has just been introduced in Norway along the lines of the Irish model but on a voluntary basis and without bureaucracy and registration. In the Czech Republic a new landlord / tenant law is currently being drafted but progress in ending rent control there and in other new EU member states is slow and may take decades to achieve. Much work was devoted to preparing for the 38th international congress of UIPI, which will take place in June 16-19 in Oslo and where the new international legal services network will be launched: this is the service which will be available to investors in foreign properties. Further information is available on the UIPI website which can visited at www.uipi.com

8. PRESS CLIPPINGS

The IPOA has been quoted/interviewed and referred to in a number of recent press articles including:

SUNDAY BUSINESS POST ARTICLE - 12TH JUNE 2005
Being a full-time landlord: The pitfalls and the payoffs

by Aileen Power

First-time landlords who have made a killing on buy-to-let properties in recent years might be tempted to pursue the occupation full-time.

Before you give up the day job and embrace the joys of rising house prices, there are a number of tax pitfalls of which you should be aware.

For example, many people don't realise that the Revenue Commissioners do not consider full-time property management a business in the same way as auctioneering or property development.

The financial effect is that you are not treated as generously as other businesses when passing on your livelihood to a family member - there is considerably more inheritance tax to pay.

There are also disadvantages regarding your pension planning treatment. For example, income tax relief is not available for any pension contributions you make.

"Property owners who rent to tenants are being penalised by not having any tax incentives in the pensions market," said Fintan McNamara, spokesman for the Irish Property-Owners' Association (IPOA).

"This is inequitable and discriminatory treatment in an era when the government is encouraging all citizens to provide adequately for their retirement," he said. The IPOA has 1,500 members who are full-time landlords.

Many people may not feel much sympathy for property owners sitting on fat profits from the past few years, but newer property investors with less dramatic returns should be aware of the long-term traps before considering this option as a full-time income earner. For example, if you own a farm, a pub, an auctioneering firm or almost any other type of business, you are typically allowed tax relief of up to 90 per cent when passing it on to a son or daughter who will ensure the continuation of the business. This is not the case with full-time managers of their own real estate.

If you have a haulage business worth €5 million, you can pass this on to your family with up to 90 per cent tax relief.

However, in the case of someone who owns a property letting business also worth €5 million, if he passes this on to a son or daughter, the inheritor will end up paying 20 per cent capital acquisitions tax (CAT or inheritance tax) above the tax-free threshold (for sons and daughters) of €466,725 or 906,655 (€5 million, minus €466,725 times 20 per cent CAT).

The threshold amount of €466,725 assumes that the offspring has received no other previous gifts or inheritances - otherwise it would be reduced accordingly. To pay this bill, many families would have to resort to selling off some of the properties.

Fred Kerr, a partner in Tax Services and Pensions with Ernst & Young, said one could argue for some tax relief for full-time property developers, particularly if the business were faced with a huge tax bill which would mean having to borrow or sell a substantial part of it.

Clearly, this could mean the end of its life as a standalone business.

Another anomaly in the system that works against full-time property owners/managers is that their businesses are somewhat bizarrely described as 'unearned income' by the tax code.

"Property owners are considered to be investors, rather than owning a business," said a Revenue spokesman.

Under the Capital Acquisitions Tax Consolidation Act 2003, earnings from property are not considered pensionable earnings.

Income from a trade or profession qualify, as do earnings for PAYE employees.

"A property-owner whose only income is derived from property is not allowed any tax relief on his pension contributions," said McNamara.

"Every other business is allowed tax relief, but property owners are not.

"Letting property is a business in its own right, and should be treated as such," he said.

Property-owners argue that they work in the same way as others running their own firms.

They say retailers, professionals and so on can close their doors to customers each day, but burst pipes, bad tenants and angry neighbours have to be dealt with urgently and at all hours.

"Property-owners have done well in the past few years, and we're not denying that,"

said McNamara. "But to attract new investors and to make the industry more competitive and professional for both owners and tenants, it needs to have the same treatment as every other business."

He argued that property was not going to be a winner forever, and the industry and government needed to think long-term.

Revenue said the reasoning behind the tax treatment of property holdings for pension contributions was that most other employees or business owners are thought to have earnings that will come to an end on reaching retirement age at 60 or 65. Landlords arguably have a continued income stream if they continue to hold on to their properties. But what if they want to retire, are too unwell at 65 or cannot afford a full-time replacement manager? A further anomaly in the tax system that will affect the bottom line of a full-time property owner is that mortgage interest relief can only be offset against rental income for the months that the property is let.

This means that if the rental accommodation is unlet for two to three months (now common in Dublin, with the increased supply of rental units), the landlord would have no income during that period, and would have the additional expense of being unable to claim mortgage interest relief for the time the accommodation was not let.

Other businesses do not have this problem. If they borrow to invest in their enterprise they can automatically write off the loan interest against their revenue, even if there are no sales or income for several months.

When asked to explain the discriminatory tax treatment given to full-time landlords, the Revenue spokesman said it was a matter for the Department of Finance.

The department quoted the Capital Acquisitions Tax Consolidation Act 2003.

IRISH INDEPENDENT 10/6/05

Landlords lash tax proposal

By Donal Buckley

PROPOSALS from the social partners for a tax on second homes has provoked the anger of the Irish Property Owners Association representing landlords. The National Economic and Social Council, representing, business, trade unions and Government, aired the proposal at the recent National Housing Conference in Cork.

Immediately the IPOA said that this would hit the rental sector. However a spokesman for NESC said that its proposal would not relate to the rental sector as it was confined solely to "residences that were not usually occupied".

In other words they would be aimed at a range of property owners including city dwellers with holiday homes in the country, tax exiles and country people who occasionally visit city centres.

"We are concerned to see a more efficient using of housing stock. There are already two counties, Clare and Donegal, which have introduced levies on holiday homes in order to recoup the extra infrastructural costs of serving these homes," the spokesman added.

However the Institute of Professional Auctioneers and Valuers is also opposed to a new tax. Its chief executive Liam O'Donnell points out that it would be very difficult to police as owners may try various tricks to avoid paying it.

The IPOA also points out that most second homes used as holiday houses are in areas that would not necessarily attract first-time buyers. "The government introduced tax relief for holiday homes to cater for tourists. It would be contradictory to now impose a tax on these homes," it adds.

IRISH INDEPENDENT 10/6/05

Call for greater transparency of apartment service charges

The chairman of the Private Residential Tenancies Board has called for a

change in attitudes among developers and owners of apartment blocks that will lead to a culture of better management and maintenance. Donal Buckley reports

ALTHOUGH apartments will account for 90% of the homes built in Dublin over the next five years, serious issues are being raised as to how owners, investors and the government should manage these properties.

One of the problems highlighted recently is the issue of apartment block service charges.

The chairman of the Private Residential Tenancies Board, Tom Dunne, told the National Housing Conference in Cork recently that a number of apartment owners are reluctant to pay service charges.

He says that part of the problem arises because they compare service charges with the maintenance costs for a single house.

"This will be misleading as apartment costs are likely to be significantly higher. Common areas, structural elements and services, and the maintenance of apartment blocks require them to be managed communally and often through the services of appointed management agents. This can be expensive," he says.

"Many apartment occupiers may not fully appreciate the issues and the costs involved and particularly the need to set aside sinking funds to replace costly items periodically. If apartment blocks are not maintained properly this could lead to a serious deterioration in the quality of the urban fabric of our cities and towns. In turn this could make living in an apartment unattractive," Mr Dunne says.

If home buyers turn away from apartments, this in turn may accentuate the trend towards urban sprawl and clog up the roads as efficient public transport services are also less viable in sprawling suburbs.

Mr Dunne called for a change in attitudes among the developers and owners of apartment blocks that will lead to a culture of better management and maintenance.

"One difficulty with doing this would appear to be the present legal structures whereby owners acquire and hold their ownership of apartments. Indeed present structures for the ownership, management and maintenance of apartment blocks and other multi unit developments could be open to abuse in some circumstances and should be reformed," he advises.

Strengthening owners rights

One of the problems for owners is the way in which they own the apartment which is through a management company. Mr Dunne proposes creating a condominium/strata title which would provide owners with direct ownership. This would generate a stronger sense of responsibility and a stronger legal control over their property.

Alternatively he recommends changes to company law to cater for the special arrangements of companies set up to manage apartment blocks and to provide a forum where disputes between apartment owners (management company shareholders) can be resolved without having to go to the courts.

"Management companies should be obliged to publish accounts on maintenance costs to allow comparisons be made with other blocks. (This should incorporate a statement of fees paid to professionals including those paid to managing agents)." He also called for the regulation of managing agents.

Furthermore, to enable apartment buyers to have some idea of the requirements of a sinking fund, developers should provide statements of the design life of construction elements, estimates of costs of replacement of these elements and estimates of likely service charges for the first seven years.

IRISH TIMES 10/6/05

Policy on innovative housing criticised

By Frank McDonald, Environment Editor, in Watford

Government Ministers have been accused of "talking rubbish about the delivery of more affordable housing while doing nothing to promote more innovative ways of building houses".

Gerry McCaughey, managing director of Century Homes, Ireland's leading timber-frame house manufacturer, was speaking yesterday at the launch near London of a traditional-looking three-bedroom house that can be built for just £60,000 (€90,000).

The timber-framed house, clad in mortarless brick tiles made in Co Tyrone, has a livingroom and kitchen on the ground floor and three bedrooms upstairs, including a large master bedroom with an en-suite bathroom which has its own window.

Standing on pre-cast concrete foundations, the house can be built in just three weeks and has just been presented with an "Eco-Home" award by British deputy prime minister John Prescott in recognition of its high insulation standard.

Conventional houses built with concrete blocks and brick take an average of four months to finish. Labour costs, as well as exorbitant site costs and profiteering by developers, are among the factors making houses in Ireland more expensive.

The £60,000 house was produced by Century Homes in response to Mr Prescott's call to the building industry to provide well-designed, environmentally sustainable starter homes at prices lower-income earners could afford to pay.

One of its selling points for purchasers is energy efficiency; because the house is so well-insulated, it would only cost £160 (€240) to heat a year.

This, in turn, would make a contribution to reducing greenhouse gas emissions from the housing sector.

It is among several affordable homes on view at Offsite 2005, a major exhibition organised by Britain's Building Research Establishment (BRE) to demonstrate the use of modern methods of pre-fabricated construction in delivering new housing.

BRE's Peter Bonfeld said Mr Prescott's drive to create "sustainable communities" included a requirement that innovative building methods - such as timber or steel-framed construction - must be used for at least 25 per cent of new homes.

Mr McCaughey said Century had "proved" that an affordable family home could be produced for £60,000 - though this figure obviously excludes the site cost, development levies and VAT at 10.5 per cent (in Britain, new houses are zero-rated).

Though he praised the British government's "impressive track record" in embracing new forms of construction, Mr McCaughey complained that the Irish Government was still "contemptuous of any building method other than

concrete".

A report on timber-framed housing - now commonplace throughout the world - had "quite ridiculously" called for pilot programmes for social housing in Ireland and, 18 months later, "none of its recommendations have been implemented".

THE IRISH EXAMINER 19/5/05

Investors exit rented residential property market

By Conor Keane, Business Correspondent

THE exodus of investors from the rented residential property market has increased by 30%.

Low rent yields, extra regulation and difficulties sourcing tenants have pushed property owners to invest in equities or overseas properties, according to the Irish Property Owners Association (IPOA).

The IPOA said more investors are leaving the rental market, than entering it, due to poor rental returns and over-regulation.

"Rents are decreasing and costs associated with lettings have increased. Managing properties is time consuming, frustrating and costly and with the recent registration changes and waste management charges many property owners have had enough. Income from rental property is treated as unearned income and is not treated by Revenue like any other investment," complained IPOA spokesman Fintan McNamara.

In 2004 26% of all residential property sells-offs were made by investors, this jumped to 35% in the first quarter of this year, according to Sherry Fitzgerald's in-house economist Marian Finnegan. But investors bought 30% of properties in the first quarter of 2005, up from 22% in 2004. "Approximately two-thirds of the investment properties sold were purchased by owner occupiers indicating a reduction in terms of the stock of rental properties available on the market," she added, in her first quarter report on the Irish residential property market.

Mr McNamara further argued that, while investors are selling off larger, older houses containing several residential units in small flats or bed-sits, investors are buying single unit properties, reducing the number of rental units on the market.

Property investors in Ireland can expect returns as low as 1% while returns of more than 6% are available in France with guaranteed rents, said Mr McNamara.

"The Government has now successfully stifled the rental market, with unnecessary bureaucracy and an unfair tax regime, like income tax on unearned income inclusive 44%, stamp duty at 9%, VAT at 13.5%, capital gains at 20% and no relief on capital acquisition tax, like in a family farm and so on," he added.

Mr McNamara said the sell-off of larger multi-unit properties results in tenants having to move out of affordable accommodation, being converted to private accommodation, to dearer apartment-style homes.

Just last week Davy Stockbrokers' head of research Robbie Kelleher said Ireland was building far more houses than it requires, with the record 77,000 houses constructed last year expected to be equalled this year. Taking all the factors into consideration, including first-time buyers and inward migration, house demand is only estimated at between 40,000 and 55,000.

THE IRISH TIMES 19/5/05

Landlords criticise PRTB

CityLiving: Tenant power 'leaves landlords sitting ducks' they tell Edel Morgan

How times change. Once upon a time to become a tenant you had to be prepared to prostrate yourself before a landlord and beg (or bribe) them to take you in. Once in, a good tip for survival was to immediately lower, or better still, drop your standards. Unless your landlord was of the progressive variety, any hifalutin notion of asking the landlord to "upgrade" the property could see you swiftly and unceremoniously downgraded to a cardboard box.

Now the situation has reversed to the extent that the landlords of Ireland

are having to look at ways to protect themselves against what they describe in a press release as "ever increasing tenants' rights". And who is allowing these power-mad tenants run amok? The Private Residential Tenancies Board (PRTB) which is currently wading through the 70,000 registrations of tenancies they have received.

With tenants being so transient these days, by the time the registrations are processed, in many cases the tenants have moved on and the landlord has to go about registering the new ones. The Irish Property Owners Association (IPOA) says it is considering mounting a legal challenge against what it calls the "unworkable bureaucracy" of the PRTB, which it contends has had to return around 20 per cent of registration forms which were incomplete - mostly due to tenants giving either an incorrect or no PPS numbers.

The eight-month delay in dealing with registrations has not only left IPOA members "in severe difficulty" with frequently changing tenants but with non-payment of rents and anti-social behaviour. "The property owner cannot get any redress regardless of his most diligent efforts to comply with the legislation," says the release. It's about time legislators listened "to the people who supply private rented accommodation and implement a workable system as was recommended by the Commission of the Private Rented Sector".

With an increased supply of rental accommodation on the market since the Government re-introduced mortgage interest relief, young professionals are in a position to be choosy about where they live. The "power" they have acquired is effectively bargaining clout. Landlords can no longer call the shots if they want to hold on to a tenant. They have to continually upgrade their property and keep rents at a reasonable level.

IPOA spokesman Fintan McNamara is quick to point out it's not that landlords want to deprive tenants of their rights, but that "some tenants are abusing their increased rights", leaving landlords as "sitting ducks".

He says that even if the board arbitrates a dispute between a landlord and a tenant who isn't paying rent, that tenant could "manufacture" reasons why the rent was withheld so the board will find in their favour.

Landlords should not have to register tenants so frequently, he believes, and Ireland should follow the UK example where it is proposed to register once every five years for a flat fee of £150.

Members are having to resort to "alternative agreement structures", says McNamara, "so they have some protection against tenants rights". By "alternative agreement structures" he is referring to short term licencing agreements where the tenant does not have exclusive occupancy of the property or business lettings where a tenant works from home and is arguably exempt from registration.

City Living attempted to contact the PRTB for a comment, to no avail. The main number was constantly engaged, an email went unanswered and the Department of Environment and Local Government press office said they could not get through either.

This is only one in a long list of grievances of the IPOA. In another press release fired off by their new PR people this week they claim that the rental market is "collapsing" and many investors are at their wits end. Apparently, they are selling up in their droves due to poor rental returns, over regulation of the market, an unfair tax regime, stamp duty at 9 per cent, VAT at 13.5 per cent and capital gains at 20 per cent.

"Managing properties is time consuming, frustrating and costly and, with the recent registration changes and waste management charges, many property owners have had enough."

"The Government is ripping off the property owner and the tenants are having to move out of affordable accommodation that is being converted from multiple units to private accommodation, and have to rent in costly apartment blocks instead."

While it is true that there is less budget accommodation available for lower income tenants, the DAFT.ie quarterly report flatly contradicts the IPOA's claims of a collapsing rental market. "Previous gloomy predictions for the Irish rental market were misplaced," it says, reporting a "very orderly adjustment of rents to a quite dramatic increase in supply." It also claims that properties are letting more quickly, fuelled by inward migration.

So if the DAFT report is to be believed, it looks as if way the rental catastrophe being experienced by IPOA members has yet to affect everyone else.

Sunday Business Post 15 May 2005
Landlords complain of board backlog
By Susan Mitchell

Landlords say they are facing lengthy delays with the new tenancies board. The Private Residential Tenancies Board (PRTB) has received more than 80,000 applications for registration of tenancies, but the Irish Property Owners' Association (IPOA) said delays in dealing with registrations had resulted in a huge backlog.

"Some landlords have had to wait up to eight months before they have been registered," said Fintan McNamara of the IPOA. "I know of no landlord who has received a receipt or a registration number.

"This has created severe problems for those dealing with changing tenants and non-payment of rents.

"Many property owners cannot get any redress when problems arise, irrespective of efforts to comply with the legislation. Some are resorting to alternative agreement structures in order to have some protection against ever-increasing tenants' rights."

McNamara said he would not rule out a legal challenge.

"It is time that legislators listened to the people who supply private rented accommodation and implemented a workable system, as recommended by the commission on the private rented sector," he said.

But Bob Jordan, research and communications manager at the tenants' organisation Threshold, said that, while he was aware of some difficulties with the PRTB, Threshold remained confident that "the problems will be ironed out".

The IPOA wanted registration of tenancies to remain with local authorities but Jordan dismissed this call.

"Over 80,000 tenancies are set to be registered by the board. That is more than half of the country's estimated 150,000 tenancies. A mere 20 per cent of tenancies registered with local authorities in the past. This is definitely a better system," he said.

The PRTB was set up under the Residential Tenancies Act 2004 to provide a dispute resolution service for landlords and tenants. It is also responsible for tenancy registration.

Since last September, all landlords have had to register new tenancies with the board.

In addition, the PRTB carries out research to provide policy advice, guidelines and information on the private rented sector.

The PRTB said: "Arrangements are being made to expedite the generation and issue of confirmation notices in respect of all tenancies registered with the PRTB to date.

Due to difficulties with the board's IT system, only a limited number of notices have issued up to now. It is not possible to specify the precise

number that have already been issued.”

The board added that it was processing a large number of registration applications, as well as dealing with dispute referrals and many enquiries. “This is indicative of the positive response to the new legislative framework,” it said.

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