

**IPOA** *e-zine*

**Official on-line magazine of the Irish Property Owners Association**

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Registered members of the IPOA can subscribe to receive this regular update by e-mailing their name, membership number and e-mail address to: [ipoa@eircom.net](mailto:ipoa@eircom.net)

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**Editorial**

The Association was formed in 1993 and our Company, The Property Owners Association of Ireland Ltd., was registered with Limited Liability in 1994 - a structure which we were advised was the correct tool to develop the I.P.O.A. At various stages since then I was looking at alternatives and in 2002 our committee held a half day meeting to discuss this subject, but no conclusion was reached. In the meantime, I sought and received various formulas from professionals, with no definite direction. In October 2005 we had a Committee Meeting which discussed at length the subject and the majority of members present felt that what we have has served us well, why change? In order to have total confidence in the ongoing development of the Association under this structure, I requested the advice of Mr Brian Walker B.L., an expert in company law (who initially formed the present company) and his advice was that we have outgrown the usefulness of the current structure and he would recommend a Company Limited by guarantee.

Based on this advice we are in the process of going that route, which will entail a lot of time, energy and vision in its development. We will keep you posted on progress.

As promised at the General Meeting, attached is the current code of ethics for members.

*Stephen A. Faughnan, Chairman*

### **UPCOMING MEETING**

There will be a members meeting in Cork on 7th June at 7.30p.m., in the Silver Springs Moran Hotel. Alan Moore, a partner in Mazars Accountants and author of Tax Magic, will be a guest speaker. We would also hope to have a speaker from a financial institution on investments abroad. National issues and local issues will be discussed with an update on relevant issues like the PRTB and RAS.

### **17th OCTOBER 2006**

#### **A VERY IMPORTANT DATE FOR YOUR DIARY!**

The IPOA present a day long conference on the impact of the impending Energy Directive on your property  
not to be missed !  
see page 4 for full details

### **Report on General Meeting**

Our general meeting was held in Morans Red Cow Hotel on the 9th March. We would like to thank the members who attended and contributed vociferously to the meeting. It was a stormy evening weather wise and between 300 and 400 of our loyal members braved the elements to attend. The Minutes of the previous meeting were accepted and the financial statement for the year ending 2005 was discussed.

The ongoing development of the Association was outlined dealing with the company structure - both its code of ethics and code of practice.

Education and training possibilities were outlined and the Energy Conservation Directive discussed. This is going to be very important to members particularly and to home owners in general because it will be necessary to have an energy rating on each property you sell or rent.

A comprehensive update on the Residential Tenancies Act was given at the meeting. There was quite a number of questions from the floor, altogether a very successful and productive meeting.

### **SURVEY RESULTS**

Our March 2006 survey revealed some very interesting although, not unexpected results.

51% of our members are dissatisfied with the PRTB.

Only 7.8% of our members have had cause to use the PRTB Dispute Resolution System.

Of the members who used the system 50% were unsatisfied.

84% of our members have not been inspected (this makes us wonder for what our registration fee is being used?)

91% of our members have not been contacted by RAS (Rental Accommodation Scheme).

2% of our members have participated in the RAS Scheme.

56% of our members are interested in a Property Grading Scheme.

### **PROPERTY GRADING SCHEME**

A pilot Property Grading Scheme commenced in May. This is a first for the association and we are putting a lot of time and effort into its development. As the only Association representing property owners in the private rental sector in Ireland we need to be proactive in setting and maintaining standards.

It is a condition of membership that your properties should be at least up to the minimum standards set out in the Housing (Standards for Rented Houses) Regulations 1993. If you wish to put forward properties for grading, contact the IPOA office.

### **OPTIMISTIC PROPERTY MARKET**

The figures for the first quarter of 2006 show that investors purchased 40% of properties traded compared to the same period in 2005 where 30% of properties were purchased by investors. This is quite a substantial increase of 10%. There is also a decrease in the number of investors selling property which was 35% in the first quarter of 2005 and 29% in first quarter of 2006. This does seem to show increased optimism in the rental market.

We would advise members to research these purchases very carefully. There seems to be no difficulty at the moment in letting property, but be sure that you purchase in an area that will always have a demand for rental property. Also, be sure to stress test your borrowings so that you know that you can still make the required mortgage repayments, even if interest rates increase.

### **RAS (RENTAL ACCOMMODATION SCHEME)**

In the past few issues of IPOA News, we have mentioned the RAS Scheme and a representative from RAS gave a talk at two of the meetings last year. This was of course to keep all the members informed of what is on offer to property owners. We recently heard from a member who put forward a number of properties to local authorities and he has kept us informed of how these are working out.

Unfortunately, it is not working. It appears that guaranteed payment does not mean that you get it on time - his first two payments were late and he had to chase his third

payment. It finally arrived a week late. There appears to be a problem with their computer system. The most persuasive argument to go with RAS is that you are guaranteed the money. If you are investing in property at today's prices you need the money to be in the account on the correct day simply to meet the mortgage payments and expenses.

He recently offered a two bedroom property to a local authority which they accepted. The property was inspected and the landlord signed the contract. The local authority paid the first month's rent into the account and then took it out again. They decided not to take the property after all. Subsequently they decided they did want the property and have paid the rent, but the property owner is still fighting to have the legal costs reimbursed as a result of their action. This landlord had been very happy with everything he had been told about the RAS and is disappointed and disillusioned at how things have turned out. The bureaucracy of the system appears to let down the initial concept.

Be aware if you are signing up to the Rental Accommodation Scheme that you need to include a rent review on a yearly basis as there is no such clause in their contract and also insist on knowing your tenant.

### **PRTB GAGS BOARD MEMBERS**

The Association is gravely concerned at the manner in which the Board treats its members by binding them to a code of practice that eliminates the possibility of them being able to represent the organisation that nominates them in the first place. In our case, our member on the board, Fintan McNamara, being our PR spokesperson, has been totally curtailed in carrying out the work which he has done for many years in matters related to PRTB business, or other IPOA work for which he may receive remuneration. To that end, we have made new arrangements for our PR work. Tom Reilly, active member of our Cork Committee and Margaret McCormick from our Dublin office will now be our press spokespeople. Margaret has recently featured on national tv and radio on IPOA issues. They will work closely with PR company Ion, to further positively enhance the profile of the organisation and property owners and no doubt you will see the fruits of their work throughout the coming years.

### **Congratulations**

We would like to congratulate Fintan McNamara who has taken on a new role in his day job as CEO of IPAV. From the school where he has been teaching for 20+ years to now teaching auctioneers we wish him well in his task.

### **CONTRACTS**

Be aware when you put a contract in place for a tenant that you are giving them a right to stay for the period of time of the contract. We recommend that you only put an initial contract in place for a six month period. Six months is the probationary period after which a tenant will have an automatic right to a part four tenancy. When a six month

contract is in place if you are not happy with the tenant you can serve notice without giving a reason ensuring the time period is 28 days or more but allowing them to remain to the end of the six month contract. If you have a contract in place and you want to serve notice of termination as a result of breach of lease then you have to specify a reason for the notice of termination and obey more onerous obligations under the act, e.g. if it is for non payment of rent a letter has to be given to the tenants asking them to bring the rent up to date within 14 days, and after that 14 days elapse, and following which a notice of termination can be served. This also applies when the tenant has a part 4 tenancy.

If there is no contract in place and you want to serve a notice of termination in the first six months you may do so giving the tenant 28 days notice under the Residential Tenancies Act 2004 without giving a reason. We would recommend 30 days to err on the side of caution, you cannot count the day you serve the notice and the tenant has the full 24 hour period to leave on the last day.

Please contact the office for more details or refer to the Residential Tenancies Act 2004.

### **PRTB REGISTRATIONS UPDATE**

Members are dissatisfied with their dealings with the Private Residential Tenancies Board. Although the staff are generally helpful the bureaucracy and delays in getting anything done are the biggest problem. They do not answer the phone in the afternoon and it is really difficult to get through in the morning.

Members are still finding the continual filling of forms when tenants come and go on a frequent basis time-wasting, not to mention the continual payment for absolutely nothing. The board is taking a €70 fee for every registration made within a month and €140 if it is not registered within a month of the tenants coming in.

An estimate of 100,000 tenancies are registered which would produce an income of €7m to the board of which €6m is to be transferred to the Local Authority in order that they carry out their task of inspections. No figures have yet been provided by the board to verify the income /outgoings which leaves the thought that the board is another talking shop with absolutely no teeth or vision of reality. No report is yet available to confirm or deny this figure.

### **PROPERTY OWNERS BE AWARE THAT IF THE TENANT DOES NOT SIGN THE PRTB FORM YOU HAVE NO RECOURSE**

You will be unable to take the case to the board as they will refuse the application without the tenant's signature

You have no right to go to the courts under the 2004 legislation.

This is a very, very serious situation which will effectively leave you powerless and you

must be very cautious in letting property to tenants who are not willing to sign the necessary documentation.

We are currently seeking legal clarification as to what our next move will be in this regard on how to treat this anomaly.

### **PRTB DISPUTE RESOLUTION SYSTEM**

The promised quick and easy dispute resolution system is in chaos with disputes taking six to twelve months until they are heard. In one instance a property owner applied to have a tenant who is not paying the rent removed in May 2005 and that tenant is still in-situ with no payment being made. The matter is now going to Tribunal but the tenant is still in the property and the landlord will probably never get paid. This is enough to force some investors out of the market. Mortgages have to be paid.

Another member who has an anti social tenant in a property and has now lost the tenants in two other apartments as a result of this persons threatening, antisocial behaviour has waited six months for a date for a hearing. No rent is being paid. Even if a determination order is issued in her favour the tenant will in all probability not comply. It is possible that this property owner will be forced to sell the property as a result of this tenant. Where is the fairness of this, with two other sets of tenants who had been living happily in the property for a number of years forced to find alternative accommodation. This is a ridiculously unjust situation. The PRTB's dispute resolution system is not working; it is too slow and bureaucratic.

A third property owner who followed the correct procedures and had a dispute resolution hearing on the 20th March still had not been informed of the decision some 58 days later. This property owner still has a tenant not paying rent and is continually ringing the board for a result. The Board is in Crisis, it is too slow and property owners are getting desperate.

If a client in a hotel does not pay their bill they won't still be there a year later. If a restaurant had someone coming in for dinner every day and not paying they would not serve them but we cannot get a tenant out of a property for months maybe years

### **I.P.O.A.**

#### **INSURANCE SCHEME**

This scheme is gaining popularity amongst 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 Pdraig on 01-8245555

### **RESIDENTIAL TENANCIES (AMENDMENT) BILL 2006**

With over 100,000 apartments having being built in the last number of years there are increased difficulties facing investors and owner occupiers in respect of Management Companies and Managing agents. A new regulatory framework is needed in this respect.

Deputy O'Dowd proposed the Residential Tenancies (Amendment) Bill 2006, the purpose of which is to introduce a new regulatory framework for the management of multi-unit residential developments as it relates to both management companies and managing agents employed by management companies to ensure the appropriate day to day maintenance of developments. This bill proposes to give this function to the Private Residential Tenancies Board. The Minister for Environment seeks to postpone the second stage until he receives the report from the Law Reform Commission which is examining the issue of the regulation of these companies and also while he awaits proposals from the Equality and Law Reform who are developing proposals for a national property service regulatory agency. The debate was adjourned at the second stage. We will keep you informed of progress.

### **The IPOA presents The Green House Sessions**

A one day conference on the impact of the energy crisis on property owners.

As we have been reminding our members, the new Energy Directive for Buildings is close upon us. The importance of this Directive and its impact on property owners cannot be stressed enough. In order to provide our members with a complete picture of the impact of this and other energy matters on their business we are holding a one day conference. Entitled The Green House Sessions, the event aims to impart vital information to the delegates to enable them to prepare for the necessary changes that need to be made to property and what the implications will be both financially and logistically.

The Green House Sessions will take place on 17th October 2006 in the Hogan Suite, Croke Park, Dublin 1. The event has been designed in conjunction with acclaimed architect and energy expert Duncan Stewart. It will comprise 4 separate sessions, each with a panel of 3 expert presentations followed by Q+A. This will give the audience an opportunity to put their concerns and questions to the experts.

There will also be an exhibition section in the foyer outside the conference room where up to 14 exhibitors will display the products/services which will be required in order to become more energy compliant. There will be a dedicated time slot for delegates to visit these stands and receive vital information from the exhibitors.

We have put together a very professional schedule of events (see opposite). We have a capacity for 500 delegates and will open the event to non-members in the business who will also be directly affected. There is a small charge for attendance which will include access to all sessions, exhibitors, lunch and coffee breaks. Parking free. The cost is €100 for members and €160 for non-members. Bookings are on a first-come- first-serve basis so we urge you to get in quickly. To book and for further information contact the IPOA on 01-8276000 or [ipoa@eircom.net](mailto:ipoa@eircom.net).

## PROGRAMME\*

### Schedule:

8.00-8.45 Registration

8.45 - 9.00 Introduction by Minister

#### Session 1

The Energy Crisis: An overview of the pending energy crisis and its impact on residential property in Ireland

9.00 - 9.10 Introduction Duncan Stewart

9.10 - 9.30 Energy Efficiency in Relation to Residential Property Kevin O'Rourke, Manager Built Environment, Sustainable Energy Ireland

9.30 - 9.50 Practicalities of Energy Efficiency of Investment Property in Ireland Bill Quigley, Engineer, National Irish Centre for Energy Rating

9.50 - 10.10 Q + A

10.10 - 10.40 Coffee Break

#### Session 2

Energy Performance & Health

10.40 - 10.50 Introduction Duncan Stewart

10.50 - 11.10 The Impact of Energy Efficiency Methods on Residential Property Value Alan Cooke, FIAVI FRICS FSCS, Chief Executive, IAVI

11.10 - 11.30 Creating the Most Energy Efficient Property with the Lowest Financial Input Charles Roarty, General Manager, Energy Action

11.30 - 11.50 Q + A

11.50 - 12.30 Exhibition Viewing & Presentations

12.30 - 1.45 Lunch

#### Session 3

Upgrading Property: How to Upgrade your Properties and Use Renewable Energies

1.45 - 1.55 Introduction Duncan Stewart

1.55 - 2.15 Overview of Renewable and Cost-effective Energies: Comfort and Healthy Environments, Low-Energy Running Costs, Low Co2 Emissions Brian O Brien, Architect & Partner Solearth Ecological Architecture & Daintree Ltd.

2.15 - 2.35 The Most Effective Methods of Upgrading specific to your Property Type: Insulation, Ventilation Control, Heating Systems and Renewable Energy Sources Dr Ken Beattie, Department of Building Services Engineering, DIT

2.35 - 2.55 Q + A

2.55 - 3.10 Coffee Break

Session 4

The Energy Performance of Buildings Directive: Details and Implications

3.10 - 3.20 Introduction Duncan Stewart

3.20 - 3.40 The Directive and its Implications on Property Investment in Ireland/Energy Auditing and Labelling Paula Rice, Programme Manager, Sustainable Energy Ireland

3.40 - 4.00 Case Study: tbc

4.00 - 4.20 Q + A

4.20 - 4.30 Summary & Analysis for Future

We have taken great care to ensure that the topics covered are those that will affect our members most and have in turn sourced speakers that are experts in the areas outlined. We highly recommend that our members attend. This is a most important issue that will have a serious impact on your property and in turn your pocket.

\* maybe subject to slight changes

The importance of this matter on your property cannot be stressed enough. This is an event you cannot miss.

***This e-zine was compiled by the staff and members of the IPOA together with PR company Ion Entertainment Ltd sponsored by S. A. Faughnan Group.***

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