

The Green House Sessions

17th October 2006

THE IPOA'S CONFERENCE ON THE IMPLICATIONS OF ENERGY ISSUES ON YOUR PROPERTY

Summary Report



Stratos Paradias, President, UIPI, Stephen Faughnan, Chairman, IPOA, Minister Noel Dempsey, T.D.



Kevin O'Rourke, Head of Built Environment, Sustainable Energy Ireland



Alan Cooke, Director, IAVI, Duncan Stewart, Conference Chairman & Charles Roarty, Manager, Energy Action Ireland



Green House Sessions Panellists

THE IPOA WISHES TO THANK THE CONFERENCE PARTNERS AND EXHIBITORS FOR THEIR CONTRIBUTION TO THE SUCCESS OF THIS EVENT - BALCAS, CAPEL ABBEY, CONSTRUCT IRELAND, CONTECH, DIMPCO, ENGINEERS IRELAND, GLAS, IAVI, IRISH EXAMINER, RAS, PRTB, PROPERTYNEWS.COM, S.A. FAUGHNAN BROKERS LTD., SUSTAINABLE ENERGY IRELAND AND TOTAL ENERGY IRELAND.

The Green House Sessions Conference, attended by 400 delegates, was first addressed by **Stephen Faughnan**, Chairman IPOA, who welcomed all the delegates, outlined the programme for the day and highlighted the importance for property owners to be informed of the EU Building Performance Directive which will effect them from 1st January 2007 for new property and 1st January 2009 for second hand houses. Stephen introduced **Minister Noel Dempsey, TD**, Department of Communication Marine and Natural Resources. Minister Dempsey officially opened the conference and delivered a speech that outlined the many aspects of energy conservation and the work that his Department is doing to make the Directive effective. He referred to the Green Paper and the "Power of One" campaign and some of the many reports that have been issued to give people an opportunity to understand the arguments and the effects on how everyone who owns property can achieve savings in their energy consumption. He wished the conference well and complimented the IPOA on their initiative in holding this excellent conference. **Duncan Stewart**, conference chair, outlined the programme for the day and gave a brief description of what the EU Directive will hope to do in terms of energy conservation, what we as individuals should be aware of and where we can go to get best advice and materials to upgrade property. Then Session 1 entitled The Energy Crisis: An overview of the pending energy crisis and its impact on residential property in Ireland commenced. **Kevin O'Rourke**, Head of Built Environment Sustainable Energy Ireland, the body charged with the job of Energy Directive implementation, outlined what the Directive means, how it effect's home owners both new and 2nd hand, how the energy certification process will work and, what types of insulation can be used on the varied type of construction. He went on to outline the type of heating that will be user-friendly, the fact that ventilation must be property handled and the users must be informed on the best use of systems installed. He dealt with properties in units for lettings, apartment blocks and outlined comparable buildings such as hotels. He stated that "much information was needed to apply energy efficiency in multiple lets, pre-63's etc. and developments are ongoing to satisfy requirements in that area". **Patrick Duffy**, Chartered Engineer and Chairman of Construction Industry Standards Committee, outlined the decline in oil availability and the fact that the cost per barrel may rise to €100/120 in the short term. He went on to compare the options that are given to people e.g. insulation, solar panels, new boilers, controls micro generators etc. According to Duffy "All of these options cost money and must be factored into the equation prior to carrying out works in the most efficient way". Questions ensued the first session leading to a heavy debate on types of insulation/heating, protected structures, pre-63's, the challenges facing property owners on how to save energy for tenants who in many cases will be the people paying for light/heat etc.

The first speaker in Session 2 on Energy Performance & Health was **Alan Cooke**, Chief Executive of the main Auctioneers body, IAVI. Mr Cooke complimented the IPOA on this timely conference and then addressed the energy performance of buildings and how it will affect values of property and rental incomes in the future. He announced the results of a survey of IAVI members on the subject and felt that properties that are energy efficient would be well placed to hold and indeed increase values in the right market. On the other hand, properties that were not well insulated, especially older properties, could well lose value on both rated and capital values. **Charles Roarty**, Accountant by profession and founder member of Energy Action, outlined the training that will be necessary for people to take on jobs in the energy sector and how to get the best value in property for the least financial input. He presented the issue of fuel poverty, how it can affect homeowners and must not be sacrificed in order to comply with the requirement end of the rental sector. He outlined the different house types, the running costs associated and the pay-back period for carrying out insulation (1 to 2 years) and heating (20 years). Again, he stressed that energy will not be cheap on an ongoing basis. He stated that "energy advice can save more money than any other" and encouraged a general awareness of how to reduce bills and how utility companies can have a more active roll in the whole area of energy conservation. Duncan Stewart's summary looked at the areas where savings can be made and how tenants need to be informed on the proper use of heaters, lights, thermostats, kettles etc. "...you can reduce by 1% the energy used on lighting by just switching off lights when not needed". He also outlined how asthmatic attacks in Ireland are 9 times worse than in Poland from dampness and lack of ventilation etc. Again questions were requested from the floor and another debate arose on the topics discussed which included the need for a unit to monitor the loss of heat, what smart metering can do help energy ratings awareness when purchasing appliances, the need to switch off electrical items at the plug, not leave them on standby and again tenants should be made aware of this. The question of pre-63 properties arose and it was asked how property owners can interfere with some buildings that are on the protected

structures list. It was established that real help is non-existent in the rental market and to address this, a package of measures must be put in place because a 3% return on your investment does not leave much for expenditure on energy conservation. Selling is not an option as your price will reflect the energy efficiency of the property. The most efficient way forward as per Duncan Stewart is to carry out an energy audit, do a costing or betterment e.g. roof insulation, wall insulation, windows etc., see where the material is graded and get a suitable qualified person to carry out the work. Find the person most competent and make sure that they are registered with the body that controls their particular trade. This is an area where in the future IPOA may form panels of suitably qualified personnel.

The conference continued post lunch with Session 3 entitled Upgrading Property: How to Upgrade your Properties and Use Renewable Energies. **Michael Haslam**, Architect & Partner Solearth Ecological Architecture & Daintree Ltd. was the first speaker. Mike discussed the importance of green energy and its incorporation to our health. He stated that "there are a lot of new opportunities with high performance low impact products and where the integration of these products into building design and existing buildings will increase their energy efficiency". He outlined these products which would reduce running cost, help reduce fuel poverty and reduce our dependence on imported fuels. Highlighting the importance of super insulation, air infiltration, and ventilation, Mike reiterated the saying "Build tight ventilate right." **Ken Beattie** focused on The Most Effective Methods of Upgrading specific to your property type: Insulation, Ventilation Control, Heating Systems and Renewable Energy Sources. He went into very specific details about the usage of these energies and used the green Building in Temple Bar as a sample case. He stated that "the building is using 81% less energy and producing 64% less carbon dioxide than a conventionally designed building". He closed his presentation by stressing the importance of designing with renewable energy sources for low energy property and a good BER.

The final session, session 4 ensued to investigate The Energy Performance of Buildings Directive: Details and Implications. **Paula Rice**, Head of Development at Sustainable Energy Ireland, gave a wide-ranging presentation outlining the requirements of the Directive. Old properties will have to be visited in order to calculate a BER while new builds will be evaluated off-plan. On receipt, a certificate will have a life span of ten years. However if material changes have been made to the energy status of the property you can apply for it to be re-rated and thereby reflect the improved status of the property to a prospective purchaser or renter. At present the cost of an inspection has not been fully agreed however a figure of Euro300 has been featured. Advice given by Paula was practical and in many cases easy and inexpensive to carry out. Examples of what you can do to improve your efficiency in the use of energy include: Service Boilers; Dry Line Walls; Use Solar Panels; Use Double/Triple Glazing; Use Energy Efficient Light Bulbs; Insulate Attics; Close Chimney Flues if not in use; Close Doors; Use Heavy Curtains; Draught Proof the house. Why boil a kettle of water if you only need a cup? **Susan Roof**, architect and author of the Eco House series, looked at the impact of global warming and showed some alarming affects of the melting ice caps and the vast tracts of land that would be submerged. As has been well documented recently, some of the land masses affected contain large cities and areas of dense population. If the current volume of ice on land were to melt it would raise the sea levels by 7 metres. "The western world needs to mend its ways and reduce its reliance on fossil fuels if we are to reduce those risks". The message is clear, the more industrialised the country the more pollution is generated. Susan declared "Can you imagine being unable to get insurance for your property?", and proposed the prospect of a Fuel Tax and emphasised planning for the future. The final speaker was UIPI President, **Stratos Paradias**. According to Stratos "the implementation of the EU Directive will involve significant financial input in order to upgrade older properties and provide a better opportunity of getting a better energy rating certificate. Such costs will have to be borne by the property owner who will see no immediate benefit in the form of increased income generation. Who will benefit? The tenant will and the country will". Paradias believes that there should be Tax Reliefs instituted to support property investors in their efforts to improve energy efficiency in their properties. Grants are also required to aid the upgrading of old properties while the aspect of VAT payable needs to be considered in the overall picture. On the subject of new builds, similar financial incentives need to be part of the overall package designed to encourage the inclusion of energy efficient systems in the house. Data was provided on the current state of rollout of the Directive in other EU Country's and their progress towards full implementation on January 1st 2009.

The conference ended with a further Q+A session and a summation by conference chair, Duncan Stewart. It was agreed by Stephen Faughnan, IPOA Chairman that this was only the beginning of an issue that the IPOA will develop and carry forward for its members.

IPOA

OFFICIAL NEWSLETTER OF THE IRISH PROPERTY OWNERS ASSOCIATION

News

VOLUME 11 ISSUE 4: DECEMBER 2006

Editorial

The Association had an extremely busy and progressive quarter at the IPOA. Many of you were involved in our recent activities most notably the Green House Sessions conference. Our 1st ever annual conference took place in Croke Park on 17th October. The event was a resounding success with a great attendance incorporating our property owner members and other property professionals. The panellists were of excellent calibre and provided both informative and exciting presentations leaving a lot of food for thought. We are providing you with a summary report on the event on the reverse and for those of you who missed out we are organising a disc which will be available to members at a small cost.

I would be delighted if you would all attend our 13th December members event which will impart recent industry information to you, launch our 2007 Diary and host our fundraising draw, Home For Christmas, in aid of Focus Ireland. So join us for some Christmas cheer and help silence the Landlord critics, if only temporarily.

We are planning for the year ahead at present and would value your input in our activities. On this note we are including two short questionnaires which are designed to help us progress important new initiatives which will benefit you so we would be grateful if you could fill them in and return to us.

Stephen A. Faughnan, Chairman

IAVI Survey

99% of estate agents surveyed by IAVI believe that the value of existing residential property will be affected by the new Energy Rating Certificate requirement. Speaking at The Green House Sessions, the IPOA conference that took place in October, IAVI Chief Executive, Alan Cooke presented the results of a survey carried out amongst members. The survey related to the effect of the Directive and the compulsory energy standards to be implemented as part of it. 81% of IAVI Members believe that the value of existing residential properties with good energy rating levels will rise.



Alan Cooke, Chief Executive, IAVI



Stephen Faughnan, IPOA Chairman, Duncan Stewart, Conference Chairman and Stratos Paradias, President, UIPI at The Green House Sessions IPOA Conference, 17th October 2006

UIPI Property Owners United in Europe

As the National Association in Ireland we value our input to the UIPI, the International Union of Property Owners in Europe. Stratos Paradias's, President of the UIPI, recent contribution to our conference was extremely relevant and pointed. Stratos stated that to upgrade properties to provide better energy efficiency will benefit tenants and the country but will involve substantial cost to the property owner. Financial incentives or grant aid is needed to be part of the overall package designed to encourage the necessary upgrades of older properties.

Stephen Faughnan attended the first Executive Committee meeting of the new UIPI in Vienna on 1st December which was a very productive meeting. This was the first meeting since the new UIPI structure was introduced. The interests of our members are now being looked after firmly in Europe.

DECEMBER MEMBERS MEETING
13th December 2006, 7.30pm
IPOA Offices, Ashtown Business Centre

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Support the IPOA 2006

Home for Christmas

campaign in aid of Focus Ireland



This Christmas, the IPOA is hosting an initiative that will make a difference to those out-of-home. We are inviting you, our members, to contribute to the Home For Christmas Fund in aid of Focus Ireland to make Christmas that bit easier for the homeless of Ireland. In return for your donation, you will be in with a chance to win one of the following:

1. A 32" Plasma Screen TV HD Ready
2. A weekend for 2 in London at a 3* hotel including flights
3. A Voucher for the Clarence Hotel including accommodation, and a meal for two

Tickets can be purchased for €25 each or three tickets at €50. Please contact us directly in the office to purchase tickets. The draw will take place at our members meeting on the 13th December in our offices in Ashtown. 100% of all money donated will go to the charity, and all prizes have been generously sponsored including spot prizes for the event. Deadline is Wednesday 6th December 2006. (Terms & Conditions apply).

We need to make it a decent contribution. Please participate and improve someone's Christmas. This is a first - lets make it a good one!



2007 IPOA Yearbook & Diary

After your enthusiastic response to our diary/yearbook last year we have again organised one for our members. As before it is self financing and does not cost the Association. We would like to thank the 2007 Diary advertisers; Eagle Star, S.A. Faughnan Brokers Ltd., Irish Life, O'Connor Shannon, Galco Steel, Absolute Fitout, ICS, RAS, Meadows, PRTB, Continental Windows. We will be sending each member a copy of the diary on receipt of their 2007 renewal fee and hope that you find it useful for documenting your lettings. Members who have set up standing orders with the Association will be receiving their diaries prior to Christmas. We will also be distributing the diaries at our 13th December members meeting.

DISPUTES RESOLUTION ADVICE

Members should avoid using the 7 day termination notice for anti-social behaviour except in very clear cases of abuse - it is extremely difficult to get the PRTB to find that anti-social behaviour is present.

When you have been notified about a dispute hearing by the board it is important that the list of witnesses and legal representation requirements of the board be carried out. This information should be sent by e-mail if possible and by letter as well and you will need to keep a copy of your correspondence to prove that it was sent. Otherwise you may not be allowed to bring your legal representation and witnesses on the day. You need to be sure that all your records are in order and that you can provide everything to prove your case at the hearing.

Anti social behaviour is very difficult to prove and members are experiencing problems proving it. Ensure that you have adequate proof if you are serving a notice of termination on these grounds. Make sure that you have statements from neighbours, copies of Garda reports etc. If there are other grounds for termination it is better to serve the notice and rely on these grounds as well. If you are appealing a determination order ensure it is sent strictly within the time permitted on the form and register it if possible. If you drop it in personally ask for a receipt.

REGISTRATION INFORMATION

At the commencement of a standard letting under the Residential Tenancies Act 2004 you must get the registration form signed by the tenant and their PPS Number before giving a key to your premises. If the tenant refuses to sign the registration form do not allow them to move in. You cannot register the tenancy without the tenant's signature and you have no rights under the Act if you have not registered. An unregistered tenant can go to the board with a dispute but a property owner cannot, you cannot go to the courts either so you will be left in serious trouble if the tenant does not pay rent or is in breach of the contract.

The completed registration form has to have been received by the PRTB within one month of the commencement or you will incur a double fee.

If there is some difficulty, fill out the form as much as you can, send it into the board within a month of the commencement and let them return it to you for completion that way you will not incur a double fee. It will cost double postage but not a double fee. They accept no excuses for late registration.

BEST PRACTICE REGISTRATION

Ensure that the tenant signs the registration application form and insert the PPS number (where available) before allowing them into occupation.

BUILDINGS ENERGY RATING CERTIFICATE

From 1st January 2009 every property we rent or sell will have to have energy rating certificate. The certificate will be valid for a 10 year period and is expected to cost around €300. This certificate can be organised in advance and activated on the National Data Grid on the first turn around of tenancy after January 2009.

Inspectors should be able to deal with the certification within a two week period from first contact with a property owner and this is to be written into the legislation. Property Owners with pre-63 style lettings should be able to negotiate a flat rate for the certification of their properties in view of all the common factors in each unit i.e. Their will be differences in each unit because of window orientation, window size etc but the basic components will be the same like thickness of walls, roof, central heating etc.

Each certificate will contain an advisory report and these will state how the energy efficiency of a building can be improved. It is expected that if you do carry out these improvement and apply for a new certificate the cost will be less because the inspector will only have to inspect the improvement the second time around.

1993 Standards Regulations

The 1993 Standards Regulations applying to rented accommodation (compliance with which is mandatory for landlords) specify minimum standards in respect of structural matters, ventilation, sanitary and cooking facilities, utilities, etc. and require that all out offices, yards, forecourts, boundary walls, fences and railings that are part of the rented dwelling be maintained in good repair. Enforcement of these regulations is a function of local authorities and they inspect properties periodically. You must ensure that you properties are up to these standards and maintained at a high level.

Inventories are Very Important

We cannot stress the importance of inventories. The need to accurately reflect the condition and age of each item listed. The inventory should include everything at the property and state the condition of windows, sockets etc. It is possible to photograph or video the property and have these signed by the tenant at the outset that this is a true and accurate reflection of the property. If there is a dispute as a result of deposit retention for damages at the end of a tenancy this information will be required.

Financial Input of Property Investors - 2007



Recent figures have indicated that next year investors will purchase 43% of all properties built. With approximately 90,000 properties being built that will mean around 38,700 properties will be purchased by investors. The average price per property bought is 297,662 with 40% going directly to Revenue and this is the most up to date figure from Mr Hubert Fitzpatrick, Director, Irish Home Builders Association. This means that investors will be putting over 4 billion in to the coffers of the government. It is a very expensive business purchasing property in today's market and will take 30+ years before the property is finally owned by the investor. With average incomes of 1,000 per month and 38,700 properties purchased next year and a tax on income at 47% property owners investing this year will be swelling revenues coffers by approx 3 million a year for the next 30 years. We pay another 3 million to register these properties with the PRTB and this excludes property currently held by investors. Yet, property investors paying this huge amount of money to government in tax have no pension relief, no tax relief in transferring business to children as publicans and farmers can, and are taxed on an unearned income basis. We contribute hugely to the Irish economy but letting a property is not considered a business!

MEMBERS EVENT

13th December, 7.30pm
IPOA, Ashtown Business Centre, D15
including draw and presentation to Focus Ireland

This will be the final members meeting of 2006 and is full of information and activities. It will take place in our own Conference Centre in Ashtown which was formally opened last December. The evening will involve:

- *the launch of the 2007 IPOA Yearbook & Diary
- *the results of our Home For Christmas draw and presentation of proceeds to Focus Ireland.
- *an update by our Chairman on IPOA activities.

We would appreciate your attendance and promise an interesting and entertaining evening.

Directions: See Map Below.

OFFICE UPDATE

With a continually increasing membership we endeavour to enhance our resources and activities and provide you with an improved service. In 2006 we had 4 newsletters and bi-monthly e-zines in addition to a number of meetings through out the year in Dublin and Cork. Our first ever conference, the Green House Sessions was held in October and attended by over 400 delegates. We were involved in numerous discussions and meetings including the RAS National Committee, Sustainable Energy Ireland etc. Our PR department dealt with interviews on both tv and radio and contributed to articles with numerous papers. Correspondence was entered into with a number of agencies including the PRTB, Local Authorities and Government Departments. This is apart from our day to day working of dealing with phone queries, members calling into the office, answering correspondence, dealing with e-mails and selling leases and rent books. Altogether a very busy and productive year!

We shall continue to work hard on your behalf throughout 2007 and value your continued commitment and support of the Association.

Directions to the IPOA Offices and Conference Centre

From M50 take exit to Castleknock. Go on to Navan Rd and through roundabout. Pass by garage and take next left into Ashtown Business Centre (before Halfway House roundabout).

From town go to Navan Road and continue upwards through Halfway House roundabout. At next roundabout take 3rd exit (doubling back), pass by garage and take next left into Ashtown Business Centre.

Free and plentiful parking.

Public transport: Bus 37, 38 from city centre. Trains from Connolly and Drumcondra to Ashtown Station.

2006 PUBLICITY FOR IPOA

This year was very busy for the IPOA on the publicity front. The topics we presented to the press included Estate Agents React to Forthcoming Buildings Directive, Property Owners Beware! What Will Our Soon To Be Energy Rated Properties Cost Us?, Minister to Open Major Conference on Energy Efficiency and Property, PRTB Continues to Scapegoat Property Owners for Its Lack of Progress, The Irish Property Owners Association Condemns D4 Rental Scam, The IPOA Await the Facts on Recent Allegations. All of these items received substantial press interest and coverage included articles in the Irish Times, Sunday Times, the Sunday Business Post, the Irish Independent, Sunday Tribune, Sunday Independent, Irish Examiner & Construct Ireland; and radio discussions on the Pat Kenny Show, 98fm, Newstalk, the Last Word, and all the major news shows on Irish radio. Our new spokespeople Tom Reilly and Margaret McCormick have been exemplary advocates for the cause.