

IPOA News

OFFICIAL NEWSLETTER OF THE
IRISH PROPERTY OWNERS ASSOCIATION

Caution Using C.C.T.V.

Caution should be exercised in the Use of C.C.T.V. It should not be used in living areas but is useful security in common parts and outside buildings. Ensure that where C.C.T.V. is being used, there are clear signs outlining its presence and usage. In general this additional security is welcomed by tenants. Safety and security is an important issue for tenants and is often a requirement when looking for accommodation.

From the Irish Times, Wednesday 14th November 2007:

Landladies ordered to pay students €115,000 in damages

Simon Carswell

Two Dublin landladies have been ordered to pay damages totalling more than €115,000 to 10 students who were tenants in their house after the Circuit Court found they had kept the students under secret electronic surveillance. The tenants, from Mayo, Galway, Donegal, Armagh and Monaghan, rented rooms in 46 Mobhi Road in Glasnevin from Rita McKenna and her daughter, Edel, in 2003 and 2004 while studying at the nearby colleges, Dublin Institute of Technology, Dublin City University and St Patrick's College in Drumcondra.

The students became concerned in late 2004 that their conversations and activities were being monitored when the McKennas referred to details the students had discussed in private in the house. When they raised the issue with the McKennas, the students were evicted. One tenant, Patricia Hegarty, brought a case against the mother and daughter in 2004, which was later settled out of court. Ten more tenants of the McKennas subsequently sued them for breach of privacy. The case was heard last Thursday and Friday, and on Monday of this week. Judge Gerard Griffin yesterday found that the evidence in the case left him "in no doubt whatsoever that the defendants had kept these plaintiffs under electronic surveillance". The judge said he could not say whether it was audio or video surveillance or both, but he was concerned that yellow wires found in the house were of the international standard used for video recording.

The wires were found during a search on December 3rd, 2004, when Ms Hegarty's solicitor and a garda called to the house on the back of a court order. Solicitor Fergus Gallagher and Garda Alan Sherlock found themselves locked out of the house by the McKennas when they arrived. The judge said the evidence of Mr Gallagher and Garda Sherlock left him with the "inescapable conclusion that both defendants set out to obstruct and nullify the order of this court, as I find that their conduct has no other rational explanation".

The students paid €80 a week for a shared room and €90 for a single room, and an extra €5 for a meter-operated television. The McKennas lived in a separate part of the house. Nine bedrooms in the property were rented out, mostly to students. The judge said the tenants were "unceremoniously evicted with less than four hours' notice and left to their own devices with their belongings in black bin bags and boxes". He found the students' rights to privacy had been infringed and he awarded them damages varying from €7,500 to €12,500 each.

Rent Increases

Market rents have increased in a lot of areas, particularly in city centres and larger towns. Under the Residential Tenancies Act 2004, you are required to notify your tenants at least 28 days in advance, in writing, of any proposed rent increases. We have standard forms available from the office to do this. The rent can not be increased in the first 12 months of a tenancy and only once a year after that at the market rate. A tenant can if they think that the rent is above the value for the property, take a case to the board within 28 days from receipt of the notice.

International Property Day UIPI

The 10th of December of each year, internationally celebrated as the UN "Human Rights Day", has been highlighted by the UIPI to remind the world of a basic human right, crucial for everybody, which is often "forgotten" by human rights activists worldwide. For this reason, UIPI organises, an international event named "World Property Day" in a different country, invited by one of its members. This year's event is in Tirana.

UIPI has decided to celebrate this year on Saturday, December 8th (10.00 h.) in Tirana, Albania, with "Property with Justice", a large public meeting organised by the National Albanian Association of Dispossessed Property Owners, at the meeting room of the Historical Museum of Tirana. See www.uipi.com for further details.

Tenant Victimization

The Department of Social and Family Affairs cap on rent is causing discrimination to tenants who are in receipt of this supplement.

Example: Dublin 1 - Two bedroom apartment	€1600 market rent per month	
Rent supplement Cap	€1200	A 25% differential.
RAS Rental Accommodation Scheme	€960	A 40% differential.

This discrimination is countrywide and causing great distress to property owner and tenants and must be addressed urgently. All this is adding up to poor standard of accommodation being tolerated in the market place, tenants being forced to move, education being disrupted, and tenants losing the support of their immediate families and neighbours leading to social problems.

The payment of rent supplement should be payable directly to the property owner to ensure security of tenure for vulnerable tenants and reduce the amount of disputes (going to the PRTB) for rent arrears that are very costly both in terms of stress and time for both parties.

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

The views expressed by writers and contributors are not necessarily those of the IPOA nor the publishers and neither accept any responsibility for them. E&OE.

Editorial

It is interesting to note that Minister Cowen announced in his 2006 budget, that he is removing the refurbishment relief from the private rental market in 2008. It is to be hoped that the Minister will reconsider this decision.

We would hope that he will not alone retain these tax concessions, but increase them and encourage improvements in standards and make the energy directive in buildings more meaningful by grant aid.

It is high time that our industry is treated as a business, the anomalies currently existing removed for the good of all.

- Taxed like any other business - not considered unearned income.
- Pension relief allowed.
- Succession rights treated as any other family business.

Members lobby your Local Representatives and T.D.s for these changes.

I will take this opportunity to wish you a Happy Christmas, a prosperous new year and hope you make good use of our complementary 2008 Diary/Yearbook.

Stephen A. Faughnan
Chairman

2008 Diary/Yearbook

All current members will receive our 2008 Diary/Yearbook to assist them in the management of their business. Again the cost incurred in producing these has been covered by the sponsors who advertised within the diary. Have a brief look and if you have need of any of the services advertised, consider contacting them. Support those who support us.

It is vitally important to ensure that you keep good records and essential that you keep note of rents received, problems encountered etc. Even with the best will in the world it is easy for people to forget things, or not be sure of dates and these are required if you have to go for dispute resolution.

TRAINING COURSE

As you will be aware we have just completed our first training course for landlords. This was a great opportunity for us and our members who attended to learn about different aspects of property managing, including legislation, finance, standards, the BER and letting in today's market. Our member's who attended, raised relevant issues and questions and made the whole learning experience truly interactive for all of us. The level of expertise and the amount of knowledge that came from the floor was educational.

We would take this opportunity to thank the members who attended and the contribution they made to make our first training course such a success.



Upcoming Events

HOUSING MINISTER ADDRESSING IPOA MEMBERS MEETING

4th DECEMBER 2007 @ 7.30pm

Minister for Housing Urban Renewal and Developing Areas, Batt O'Keeffe, TD will be addressing our members meeting in the Red Cow (Moran's) Hotel on the 4th December commencing at 7.30pm.

Issues facing property owners managing property today including: Registration, Standards, Good Practice and the Buildings Energy Rating will be highlighted

We are also delighted to have Ruth Cannon BL attending as a guest speaker, addressing the meeting on the Residential Tenancies Act 2004, three years on, with particular emphasis on Dispute Resolution.

An event not to be missed.

MEMBERS MEETING CORK
5th DECEMBER 2007 @ 7.30pm

For all members, particularly those in the Southern Region, we will be meeting in the Silver Springs (Moran's) Hotel in Tivoli on the 5th December at 7.30pm

This meeting is intended as an update for members in the Southern Region, but all members can of course attend. Issues including the Residential Tenancies Act 2004, the Dispute Resolution Process, and the EU Energy Directive on Buildings will be featured on the Agenda. This will be a very and interesting and informative meeting.

Contents

Editorial	1.
Upcoming Events	1.
Diary/Yearbook	1.
Training Course	1.
Successful Apartment Living Report	2.
Deposit Retention	2.
Green Paper on Pensions	3.
Energy Flyers	3.
Property Service Regulatory Authority Bill	3.
Caution Using CCTV	4.
Rent Increases	4.
International Property Day	4.
Tenant Victimization	4.

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Successful Apartment Living Report

Dublin City Council recently published a report, following extensive research on apartment living. This is an issue facing 10% of the population and one that interests our members a great deal. The report is available on their website:- www.dublincity.ie.

With the aid of this report, prospective buyers will know:

- what to look for when buying an apartment,
- what areas should be discussed at their annual general meetings and,
- whether or not they are getting real value for the annual service charges they pay.

The report also identifies things which affect costs, for example:

- electric gates,
- number of lifts,
- underground car park,
- energy efficiency of lighting systems,
- extent and type of landscaping,
- levels of security and additional facilities

It highlighted the following issues:

- The Low Level of sinking funds provided by owners to pay for long term maintenance and replacement of capital items such as roofs, lifts and common areas generally. The average set aside each year by owners is €35 per unit, this is very low when you consider that expenditure on repairs is €283 per annum.
- Another major cause of concern is the delay in filing accounts and the lack of consistency between accounts, which makes it difficult for new owners and purchasers to assess how much service charges will be in the future. It makes it difficult for owners to determine whether there is likely to be a lump sum bill waiting for them for capital repairs in the future as this is not shown in the accounts. It also makes a comparison of accounts very difficult.
- In 1992 the average service charge was €941 per unit whereas in 2007 the average charge is €1,530 per unit. The major differences in cost were found to be in the cost of insurance, repairs and cleaning. Costs for security, landscaping, lifts, administration (including agents' fees) decreased as a percentage of the total bill between 1995 and 2005.
- Accounts provide very little information about whether the common areas in a scheme have been vested in the apartment owners; it appears that very few apartment schemes have gone through the formal legal process. Even older schemes remain in the control of the developers and not the owners which is not how it is supposed to work.
- Apart from looking at tenure, service charges and vesting, the research looked at the appearance of schemes and rated schemes based on management and facilities provided. The research also compares agents and their services. During the research it became clear that good design influenced ease and cost of management. There was a worrying lack of provision for children and families in the schemes and areas closest to the city fared least well in a number of respects including management and facilities for children. Tenure was raised by agents as a cause of management problems. Agents believe that owner-occupied schemes are easier to manage than schemes which are mostly rented. Agents and owners both raised concerns about lack of regulation and confusion about the role and responsibility of agents. Agents claim that owners' frequently take out frustrations about problems in their apartments on the agents rather than addressing them to the developers who cause the problems by not completing estates or by poor standards of construction or design.
- A number of issues were raised in the report which can be tackled in order to improve apartment living. A detailed report from Dublin Fire Brigade about fire prevention and safety in apartment developments is included.



DEPOSIT RETENTION

Deposits belong to tenants and where ever possible should be returned to them. They are taken for damages above normal wear and tear. Deposit cases are clogging up the dispute resolution services of the PRTB. 43.16% of cases dealt with in 2005 were for deposit retention. If we could reduce these cases it would help to speed up the more serious cases of anti-social behaviour, rent arrears and over-holding.

Ensure that you have a good detailed inventory agreed and signed by you and your tenants.

When your tenant leaves go through it with them to ensure everything is in order. If something is not, then be as reasonable as possible and try to come to a compromise.

If you have to attend a hearing it is a waste of your time and energy, involves a lot of preparation and stress, in some cases, for small amounts of money.

Think twice before you hold a deposit.

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IPOA 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 or Emmet on
01-8245555

Green Paper on Pensions

The Government have recently issued a Green Paper on Pensions which is available on the internet. It was published on the 17th October 2007 and can be downloaded at www.pensionsgreenpaper.ie. This is a comprehensive document outlining the current situation in respect of pensions. Pensions are an issue that is very important to all our members. Pensions are an issue where active property owners whose sole income is derived from Rental Income are being unfairly treated. They are allowed no tax relief on contributions to their pension. This is a ridiculous situation where property owners in the private rental sector are being treated differently to everyone else. This is a situation that we have been raising with the Government for the last 10 year, but one they have been ignoring. Now is the time that reform is required and the government has invited submissions/comments on pension issues, the IPOA will of course be putting in a submission on behalf of members. However, it would help highlight the issue more if members sent in their own letters outlining the unfairness of the current system and the changes they feel should be made. You can also make a brief submission through their website which would be quick and easy to do. This is an opportunity that does not come often and changes will be made over the next few years and hopefully we will be able to influence these changes.

Energy Flyers

Following our very successful conference on Energy Efficiency on 17th October 2007, and in keeping with our commitment to educate, inform and assist members in complying with the Energy Performance in Buildings Directive, we have published a document on Energy efficiency.

On the 5th October 2007 the Irish Property Owners Association published a document entitled Energy Testing of Property; this was distributed by the Irish Independent in association with propertynews.com and Kingspan. This document was compiled by an expert committee on energy and a copy of this document is being sent to all our members. It deals with the Buildings Energy Rating Certificate that will be required on all properties that are being let or sold from the 1st January 2009. The (BER) certificate will outline the energy efficiency of the property and the document outlines simple changes that can be made to help get a better rating and save energy. The document contains valuable information, including details on the impact of the energy rating on property sales, the European outlook and the Directive.

We would like to take this opportunity to thank everyone involved, particularly our expert committee, Ken Beattie, DIT; Kevin Daly, Arbor Wood Pellets; Patrick Duffy, NICER; Des Foley, Propertynews.com; Noel O'Reilly, IAVI, Kevin O'Rourke, Sustainable Energy Ireland and Stephen Faughnan, IPOA.



Property Services Regulatory Authority Bill

Minister for Justice Equality and Law Reform, Brian Lenihan T.D., officially opened the new head office of the Property Services Regulatory Authority in Navan, Co. Meath.

The Property Services Regulatory Authority is being established under the Property Services Regulatory Authority Bill, which is due to be published in 2008. The setting up of the Authority is one of the key recommendations of the Auctioneering/Estate Agency Review Group which was established by the Government in 2004, to carry out a review of all aspects of the auctioneering profession in Ireland and to make recommendations for any changes to ensure a proper and appropriate standard of auctioneering, estate agency, property letting and property management services. **The IPOA consider this to be a very welcome move and it will have positive effects within our industry.** It is interesting to note that ultimately the register will include relevant details on all property service providers including Managing Agents.

The main functions of the new Property Services Regulatory Authority will be as follows:

- To operate a comprehensive licensing system covering all providers of property services, i.e. auctioneers, estate agents and property management agents. This extended system will replace the current licensing system for auctioneers and house agents under the Auctioneers and House Agents Acts 1947 to 1973 which is based in the District Court;
- To set and enforce standards for the grant of licenses (e.g. educational/training standards; levels of professional indemnity insurance) as well as standards to be observed in the provision of property services by licensees;
- To establish and administer a system of investigation and adjudication of complaints relating to the provision of property services;
- To promote increased consumer protection and public awareness (where appropriate in liaison and cooperation with other statutory bodies and with relevant professional and consumer bodies) of property services in general and the cost to consumers, risks and benefits associated with the provision of those services;
- To establish, maintain and administer the Compensation Fund.

This is a very positive step and all training including, the IPOA Certificate Course in Private Rented Accommodation Management will establish more professional standards going forward, for property owners, agents and ultimately for our customer, tenants.

The Code of Practice identifies the key principles and values which should guide property services providers in their daily business and sets out the minimum standards of professional conduct to be expected of them in the provision of property services. It also provides for a complaints procedure and a Disciplinary Board. Pending the introduction of the new legislation, the Code is being introduced on a voluntary basis. He also launched a new Code of Practice for the property services industry and the Public Register of Licensed Auctioneers and Estate Agents.

The Code of Practice contains some serious anomalies particularly for the client and the IPOA will be submitting changes prior to the Bill being published in 2008. The Code of Practice and Public Register of Licensed Auctioneers and Estate Agents can be accessed on the National Property Services Regulatory Authority website at www.npsra.ie.

3.