

Sunday Independent

REAL DEAL

THE BUSINESS OF PROPERTY BY PHILIP FARRELL



Brexit wins

SO the UK has voted to leave the UK. First reactions included the biggest fall in sterling since 1985, while values in shares of two of the largest residential agencies in the UK fell by 20pc on Friday morning. UK investors who have been very active in the Irish property market over the last three years are now looking at a 10pc increase in the cost of buying in Ireland. What next? Well, it's anyone's guess. We're in uncharted waters, but it is likely to create volatility in property prices both here and in the UK in the short term – and it will be sometime before the dust settles.

End of term report

THE customary wind-down for the holiday season is fast approaching. While the market is less seasonal today than it has been in the past, it still tends to cool off from mid-July to the end of August. Traditionally the 'builders' holidays' were the catalyst for this and they continue right through to the last week in August. So how is the market looking? All those involved in the housing market are collating information for Q2 to the end of June. The lack of supply of both rental and sale properties has been well documented. There seems to be a consensus from agents around the countries that shortage of supply is a continuing issue. Realistically priced properties are selling whether by private treaty or auction. The second quarter has been less active in Dublin and more active in the regions, than the first quarter. One common theme among all agents is the continued difficulty of bringing properties from sale agreed to sale complete, primarily because of difficulty in drawing down finance due to the onerous requirements imposed by lenders. According to Liam Hargaden of Jordan Auctioneers in Co Kildare, one first-time buyer had pre-loan approval agreed to purchase a property with him recently. They informed their mortgage provider who then confirmed that they were only prepared to provide 90pc of the initially agreed amount.

Hargaden sees a shortage of supply in three-bed starter homes with more and more buyers moving out from the capital. Mick O'Donoghue of REA O'Donoghue Clarke, based in Cork city, maintains that "lack of supply and the onerous lending restrictions continue to be the primary issues. There is a very strong demand for typical three- and four-bed semi-detached homes with good access to Cork city." Both agents agree that the second half of 2016 will experience the same challenges and it will be some time yet before the supply side sees definite improvement.

Remember that old cliché that the three most important property features are 'location location, location'? It is clear now that the three most important requirements to solve the housing crisis are 'build, build, build'.

Where there's a will there's a way

HOW often have you thought about putting a will in place, just in case. Even so, it's natural to hold off preparing a will in early to middle adulthood as you think, "Sure, there is plenty of time for that!" If you're the legal owner of a property asset, however, the importance of having a will in place can't be underestimated especially where there are children involved.

If someone with a husband/wife and children dies without a will, two-thirds of the estate automatically goes to the spouse and one-third to the children. But if the children are under 18, the property is then tied up and untangling it can become very complicated. In the unlikely event that both parents die, it is vital that a will has been made with a provision inserted for the appointment of a trustee to look after the estate until such time as the children are in a position to do so themselves. It's also important when making a will that provision is made for an 'enduring power of attorney'. This means someone is appointed to look after your affairs if you, through illness such as stroke, dementia or some similar condition, aren't able to look after your own affairs. The process requires certification from a doctor and solicitor to ensure the individual

Sunday Independent

seeking it is of sound mind when initiating it.

Unfortunately, there is ample case law available to illustrate the importance of having a plan in place as to where or to whom you wish to see your assets go — and how crucial it is not to postpone it.

View from the ground up from SVP

LEADING charity and stalwart of the social housing sector St Vincent de Paul expressed real reservations about the Government's current housing strategy in their pre-budget submission published recently.

The Government's Social Housing 2020 strategy proposes meeting 70pc of social housing needs through supports in the private rented sector through the likes of Rent Supplement and Housing Assistance Payment (HAP) with the remaining 30pc through the provision of social housing units through local authorities and housing bodies.

SVP wants to see this strategy reversed with local authorities and approved housing bodies providing the 70pc and the balance through the private rented sector. There is real merit in what they are proposing. As private rents continue to increase, people are being priced out of the market with homeless families being housed in totally inappropriate emergency accommodation for extended periods of time.

According to the charity, housing is the key concern for its members who are working with families daily who are worried about losing their rented accommodation as well as families who have already lost their rental homes as a result of sharp increases in rent recently.

Let's hope their views, which are gleaned from on-the-ground experiences, are given due consideration before the announcement of the new housing strategy.

Philip Farrell is a property expert and market commentator

3.8pc DECREASE IN PLANNING PERMISSIONS FOR NEW DWELLINGS (Q1 2015 TO Q1 2016)

Sunday Independent



Congrats to Peter Carroll and his team at A2 Architects who have just been awarded the prestigious **RIA** award for Best House Build for their Folding House in Cork, a 180 sqm house, pictured, built on a deep and narrow plot. It's been a good year so far for A2 — in April they were appointed architects on the Dun Laoghaire Public Baths Complex with Dun Laoghaire Rathdown County Council architects department. McCullough Mulvin Architects, no stranger to a gong or two themselves, won the Best House Extension award for their Hidden Garden. Photographs by Marie Louise Halpenny