



IAVI President Robert Ganly and Sir Gerry Robinson speaking before the 2007 President's Lunch held in the Burlington Hotel on October 26th.

IAVI President rams home message on Stamp Duty at annual event

The 5th Annual IAVI President's Lunch, held in Dublin's Burlington Hotel on Friday October 26th, saw IAVI President Robert Ganly deliver a strong message to the Government on the Stamp Duty issue, which was widely covered in the national media.

Calling Stamp Duty in its current form a "Tax on Hope, Ambition, and Aspiration", the President said that the Government's intransigent attitude to reform of the tax was contributing heavily to the current underperformance of the property market. He also said that it was now time for the Minister for Finance to "show some courage" on the issue.

He drew a direct comparison between Stamp Duty and Capital Gains Tax, reminding the public that reform of CGT had led to an increase in economic activity and consequently to higher revenues for the exchequer, saying that Stamp Duty reform could become a similar "win-win" situation for property buyers and sellers and Government alike. Mr. Ganly also had very harsh words for the producers of a "Prime Time Special" programme on RTE in December last, which

he said had been unfair, unbalanced, and hugely detrimental to the performance of the market:

"In the aftermath of the airing of the programme, IAVI members around the country, and the vast majority of other auctioneers who are honest, decent, trustworthy business people, suddenly found consumer confidence in them, and the entire property sector, shaken."

He went on to say that it was obvious that a belief in fair play was no longer a requirement if one was applying for a job as a documentary maker for RTE.

The President's comments drew extensive coverage in the National Media, which saw him make appearances on TV3 News, The Last Word with Matt Cooper on Today FM, and most National Radio news bulletins. His remarks were also featured as the second leading story on the RTE news website for most of the day.

The story was also featured on the front page of the Irish Examiner by Political Editor Harry

McGee on the morning of the lunch, and gained extensive coverage in the days following, culminating with the IAVI being extensively quoted in Jody Corcoran's leading front page story of the Sunday Independent on October 28th, which took an editorial line strongly in agreement with the position of the IAVI.

The IAVI has followed up this message by taking out a series of prominent advertisements in the National Press, calling on the Minister to reform stamp duty as a matter of urgency.

Fianna Fáil junior minister Batt O'Keeffe implicitly attacked the IAVI on the floor of the Dáil for its campaign in the week following the President's lunch. Minister O'Keeffe accused the IAVI of "scaremongering" and acting in its own selfish interests.

Responding, Mr. Ganly said that the Minister's comments were evidence that the force of the IAVI campaign had rattled the Government:

"Obviously, we know that Government inaction on Stamp Duty is hurting the market by inhibiting those second and third-time buyers, mainly young families who want to trade up, from entering the market.

We have put a clear, concise, and convincing case to the Government, and at all times we've tried to carry out our campaign in a reasoned and dignified manner. The wheeling out of Minister O'Keeffe is evidence that the Government is afraid to do what's right for the country, and would rather engage in petty attacks designed to call our motives into question.

We are quite clear in what we are saying to the Government. Lower stamp duty rates will help the market by encouraging more transactions, - but they will also help the exchequer by making a greater number of transactions available to be taxed. Stamp Duty receipts have fallen by 11% this year because the Government is insisting on taxing buyers out of the market. I'm glad that our message is starting to be heard, and we can only hope that the Tánaiste will take heed when he unveils his budget in December".

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Reminder on responsibilities under the Consumer Protection Code

- Breaches of the Consumer Credit Act, 1995 (as amended) by authorised mortgage intermediaries

The Financial Regulator has requested the IAVI to remind those of our members who hold a mortgage intermediary authorisation of their responsibilities under the CCA, the Consumer Protection Code and any other regulatory requirements. In particular, mortgage intermediaries do not appear to be aware of their responsibilities under Sections 117 and 119 of the CCA.

In brief, Section 119 of the Consumer Credit Act 1995 states that if the holder of a mortgage intermediary's authorisation ceases to act on behalf of an undertaking specified or begins to act on behalf of an undertaking not specified in the authorisation, that holder shall notify the Bank in writing of the event and deliver the authorisation to the Bank. The Bank shall (at its option) either amend the authorisation, or issue another authorisation, that reflects the event. It is the responsibility of the holder of a mortgage intermediary's authorisation to notify the Financial Regulator of any additional appointments.

This requirement is advised to each authorised mortgage intermediary in a letter that accompanies its authorisation, either when the authorisation is first issued, or on renewal.

While the Financial Regulator understands that a firm may wait to obtain several letters of appointment within the space of a few weeks, before sending the letters to the Regulator, the Financial Regulator would still expect that any such letters (accompanied by the original document of the firm's authorisation) would be submitted to it within six weeks, at the latest, of receipt by the firm.

Should the firm proceed to engage in the business of mortgage intermediary with an undertaking (i.e. a mortgage lender or mortgage intermediary) not listed on its authorisation, it may be in breach of Section 117 of the CCA. This Section requires that the holder of a mortgage intermediary's authorisation shall display in a prominent position in any premises where the holder



FINANCIAL REGULATOR
Rialtóir Airgeadais

engages in the business of being an intermediary a certified copy of the authorisation and a notice clearly stating the name of any undertaking for whom the holder acts as a mortgage intermediary.

A breach of Section 117 is a statutory offence and can constitute grounds for a number of actions by the Financial Regulator including bringing a prosecution. In addition, if the Regulator suspects that an offence may have been committed it is obliged to advise An Garda Síochána of its suspicions. Members who act as mortgage intermediaries should familiarise themselves with their exact responsibilities under the relevant Sections.

Watch that address!

The Advertising Standards Authority has advised the IAVI that it will rely solely on An Post's Geo Directory Department, which is An Post's address verification service, in relation to complaints about advertisements in which it is alleged that an incorrect town land or suburb is used in respect of a property being sold.

In such cases, the view of the long standing owner of the property that he or she resides in a particular suburb of a city, for example, will count for nought with the Authority if An Post holds a different view. Neither will the fact that Thom's Directory, the valuable reference source relied on for decades by auctioneers and, we understand, by some State authorities, lists the property under the address used by the owner and by the auctioneer.

The only reference acceptable to the Advertising Standards Authority is the An Post Geo Directory Department so, if there is even a scintilla of doubt about whether a property is in one suburb or town land as opposed to another, then members should check the official address with An Post's Geo Directory Department and rely on it. We view the Advertising Standards Authority's dismissal of the much relied upon Thom's Directory entry to be questionable but, clearly, there has to be a final arbiter and the authority has plumped for An Post. You have been warned!

How green is your valley? - 2008 Conference

Make sure Friday 25th January 2008 is marked in your diary as this is when the new format Conference will be held in The Royal Marine Hotel, Dun Laoghaire.

The theme of the Conference is "How Green is your Valley" and there is an impressive array of speakers who are experts in sustainability in commercial and residential buildings, decontamination and agriculture and the environment.

The role of property in the economy- past and future is also another topic under scrutiny. One speaker with a marketing,

communication, and motivational theme is guaranteed to electrify delegates with his unusual style of delivery.

The programme and booking form has been sent to all members for whom we have emails and is also available on iavi.ie. A hard copy will also be sent to members.

To ensure a place and earn a maximum 12 CPD hours send in your booking form before the extended deadline of 30th November for residential delegates and 14th December for non residential delegates.



The 2008 conference will be held in the Royal Marine Hotel, Dun Laoghaire. The 2007 conference in Kilkenny attracted over 330 Irish and international delegates.



President's Lunch 2007



Kersten Mehl of Kersten Mehl Property Management Ltd and Joe Daly, Daly Investment Planning Ltd.



L to R: Nicholas Bielenberg, Hilary Roache, Past President John Dawson and IAVI President Robert Ganly.



L to R: Sir Gerry Robinson, Lord Andrew Hays and Paul McDowell, Past President of the IAVI.



Sir Gerry Robinson with IAVI Vice President Aine Myler and IAVI President Robert Ganly.



Sir Gerry Robinson and Ed Carey, Senior Vice President, IAVI.



L to R: Jimmy O'Toole from Co. Carlow, Fonsie Mealy, Kilkenny and Mark Smyth of Knight Frank Ganly Walters.



Frank McGuinness and Anne Carton, Regional Chairperson of the IAVI in the South East.



L to R: Jonathan Ganly, Gerrard Bakker of the International Real Estate Federation and Paul Jackson.



Sir Gerry Robinson's speech was both informative and entertaining.

SCS accreditation for IAVI/DIT BSc. (Hons) in property studies

The IAVI/DIT BSc. (Hons) in Property Studies, has been accredited by the Society of Chartered Surveyors in respect of all intakes and outtakes in the five years 2007-2011.

This accreditation automatically brings equivalent recognition by the Royal Institution of Chartered Surveyors. Graduates of the IAVI/DIT BSc. course covered by the years referred to above are eligible to apply to the SCS to undertake the Assessment of Professional Competence, which is required for full professional membership of the Society. Graduates of the course who completed their studies prior to 2007 who wish to pursue membership of the

SCS may apply to the Society and their applications will be considered on an individual basis.

This development answers any outstanding questions regarding any alleged disparity of academic standards between IAVI and SCS for membership purposes. This accreditation also belies the wrong impression that exists that the IAVI entry programme is geared for residential practitioners. It is not and the valuation and other technical content of the course are at equivalent level to full-time Honours level property degree courses in Ireland and the U.K.

IAVI Membership Directory 2008

The 2008 Membership Directory will be going to print by the end of November. If Member Firms have not completed their renewal process by supplying all the required documentation by the end of November their practice will not be included in the Member Firms section of the Directory.





PROPERTY BYTES

Professional Indemnity Insurance - Beware!

The majority of claims under Professional Indemnity insurance policies that are disallowed in the U.K. are disallowed because the insured (the practitioner) failed to notify the insurer of the potential claim within the time schedules laid down in the policy document and, therefore, the insurance company's ability to fight the claim is prejudiced.

All valuers and practitioners must notify insurers of potential claims as soon as they arise. This adds to the administrative burden and, frequently, potential claims come to nothing. But you can negate your cover if you do not notify the insurer promptly. Do not wait until you are on notice of proceedings. If you are on notice that a claim *might* arise, then the insurers should be advised so that they can take appropriate steps.

In a tightening market, with banks looking again at their mortgage books, the chances of an increased number of claims against valuers cannot be discounted. That said, a valuation is a snapshot of value on a particular day and a valuer who has undertaken the task diligently, who has not allowed himself or herself to be forced out on a limb and who has retained proper records, including comparative evidence, should have little to fear. That does not mean, however, that such valuers are always immune from a spurious claim and

failure to notify the insurers of any potential claim, even one you believe to be spurious, may result in you losing any benefit of the policy in terms of the cost of fighting an unsuccessful claim.

More generally, it is those who have provided valuations for properties they have not even inspected internally, those who bowed to unreasonable pressure to increase valuation figures beyond an acceptable level and those who, under pressure, omitted relevant detrimental information from written reports who need to worry. Don't expect the telephone call that resulted in such pressures, or the suggestion that, if you did not comply, future instructions could be curtailed, to be recorded anywhere in the lender's file.

All the lender needs is the valuer's signature against the final valuation figure at the end of a report where it can be proven that, at the time of the valuation, the valuation figure was too high and the lender relied on it. It's the valuer's P.I. policy that will be claimed against and those individuals who pressurised a valuer into erring will have little sympathy for the professional left exposed by over zealous approaches to lending or to borrowing, which thankfully have become a thing of the recent past.

Make sure that past does not come back to haunt you!

Media Campaign

As advised in the September issue of Property Bytes, the Institute has engaged McConnells to develop a media campaign to promote the brand and bring the quality of members' services to the attention of the public. Consultations have taken place with Council since September and a campaign will be finalised in December. The campaign will be ready to roll early in the New Year.



Demand for the IAVI professional courses remains strong.

Sold on Study

The IAVI is glad to report there has been no reduction in the demand for either of the professional courses that the IAVI runs in DIT Bolton Street.

This September the IAVI Residential and Land Agency programme was oversubscribed with 57 people signed up for the part-time two year programme.

In addition to this another 65 registered for the combined class of 1st year BSc Hons Property Studies degree programme and 2nd year of the Residential and Land Agency programme.

The robust state of the IAVI's education system was commented on within a small piece in the Irish Times earlier this month. The piece also claimed that "a slower market, it seems, has this unusual effect on academic courses - agents have the time for extra curricular activities and, wary of companies reviewing staff requirements, realise the value of an academic qualification".

National Association of Realtors Convention in Las Vegas

A delegation of 6 IAVI members and their partners attended the NAR Convention in Las Vegas last week. Among those attending were IAVI President Robert Ganly,

Vice President Edward Carey, Chief Executive Alan Cooke, Past President Cormac Meehan, Harry Clark and Alan Burns from Northern Ireland. The biggest gathering yet for the Convention comprised 32,000 realtors from the US and their affiliated associations around the world.



Alan Burns, Burns & Co, (Magherafelt), Co. Derry (left) chats to a visitor at the Irish stand in the International Networking Centre.