



# PROPERTY BYTES

JUNE 2010

## INSIDE THIS ISSUE:

IAVI/SCS Merger Approved	1
Confidential Advisory Panel	1 & 2
Upcoming Events	3
IAVI Courses	4

## IAVI/SCS Merger Approved

Members of the IAVI and SCS have voted in favour of the creation of a single professional body to represent the members of both organisations, to be known as the Society of Chartered Surveyors Ireland (SCSI). The merger was approved at two separate EGM's in Dublin last evening. 88% of IAVI members voted in favour of the merger and 54% of SCS members voted in favour. The Presidents of the two bodies, Kersten Mehl (IAVI) and Peter Stapleton (SCS) described the vote as a landmark decision.

## Confidential Advisory Panel

### Members experiencing problems with banks & overdraft facilities

There has been anecdotal evidence from members, through contact with some members of the Confidential Advisory Panel, that banks are seeking to replace existing overdraft facilities with term loans in a number of instances.

It is important to understand the underlying financial character of each form of debt, in that overdrafts are a funding mechanism designed to address short term liquidity issues and should only be used to smooth out the peaks and troughs of normal cash flow management.

Typically, the bank current account should be actually dipping into overdraft as required, but returning to credit periodically, for say a minimum a 30 days in any one credit period.

Where longer term working capital debt is required, banks will generally wish to fund this by way of specific term loans. These represent more secure funding as their repayment is regular and can be factored into a cash flow plan. There will usually be additional security required also.

In these financially challenging times, banks will probably continue to formalise as much lending as possible into term loans as they are deemed more secure. Also, whether or not an overdraft facility is utilised, the bank must allow for the full amount of that facility against its balance sheet, an important issue when balance sheet lending has now become critical to the bank's future loan capabilities. In other words, it is highly inefficient for a bank to have an unused overdraft facility.

Obviously, in order to reduce the requirement for credit facilities, cash management is critical. The following are a few best practice points that should help cash flow and improve debtor control:

- Where a project is long term in nature and where the total fee is not dependent on an event, such as a sale, occurring, agree with the client to bill time monthly in arrears on account of final fees due. This also helps the client budget their own cash management by not facing one large bill at some time in the future.
- Always ensure that all terms and conditions of the instruction, including fees and outlays, are unambiguously agreed at the outset and confirmed in writing as required by the IAVI rules of conduct. PSRA's code requires that the client sign the agreement and as this is likely to become a legal requirement shortly, it would be wise to adopt that policy.
- Once advertising and outlay budgets are agreed, always advise the client in writing of any proposed changes through the campaign that were subject to their authorisation. Where a specific advertising campaign is undertaken, wherever possible all funds due by the client should be collected before advertising expenditure is incurred.
- Where the advertising and outlay is ongoing, such as a private treaty sale, these costs should be invoiced and collected on a regular basis.

# IAVI Confidential Advisory Panel

- When fees become due, invoice promptly and phone the client a couple of days later to ensure that the invoice has been received and that the client is happy with its content. This will highlight quickly any issues that the client might have with the invoice or the service received, and if this is the case, then the problems can be rectified efficiently and promptly.
- If it is evident that the client has a problem with any aspect of the services provided, have the matter addressed fairly under your Internal Complaints Procedure, which all firms run by IAVI members are obliged to have in place.
- If it is evident that the client has a problem with any aspect of the services provided, have the matter addressed fairly under your Internal Complaints Procedure, which all firms run by IAVI members are obliged to have in place.
- Chase up debts diligently and if a problem develops, deal with it immediately. Unfortunately, in these difficult economic times, there are going to be more bad debts, insolvencies and bankruptcies. Do not be afraid to go the legal route if it is warranted and secure your debt ahead of others.
- Consider installing a credit card facility in your business as clients are happy to discharge smaller amounts via this method, such as valuation fees. It is instant and can be executed over the phone.
- Hopefully, if one pays acute attention to cash flow management and tight debt control, then the requirement for bank facilities, be it overdraft or a term loan, will be less likely.
- Remember always, in recession cash is king!

Footnote: If any Member has a particular issue with their bank, the Money Advice and Budgeting Service (Ireland) may be able to offer personal support and assistance – click on the following link to their website <http://www.mabs.ie/>

Remember too that the Confidential Advisory Panel members are always willing to listen sympathetically and with total confidentiality and although everyone is under severe pressure sometimes a trouble shared is a trouble halved. Just to remind you, the panel members are listed below:

## Dublin

Paul McDowell, Knight Frank Phone: 6623255 Email: [paul.mcdowell@ie.knightfrank.com](mailto:paul.mcdowell@ie.knightfrank.com)

Ross McParland, Sherry FitzGerald New Homes Phone: 6671888 Email: [ross.mcparland@sherryfitz.ie](mailto:ross.mcparland@sherryfitz.ie)

Patrick Stephenson, North's Property Phone: 4332222 Email: [pat.stephenson@norths.ie](mailto:pat.stephenson@norths.ie)

Neil Harper, Harper O'Grady Phone: 2832700 Email: [nharper@harperogrady.ie](mailto:nharper@harperogrady.ie)

John Younge, J.P. Younge Auctioneers Ltd Phone: 6618428 Email: [jyounge@eircom.net](mailto:jyounge@eircom.net)

## South East

John Dawson, Dawson Real Estate Alliance, Carlow Phone: (059) 9151142 Email: [john@dawson.ie](mailto:john@dawson.ie)

Paddy Jordan, Jordan Town and Country Estate Agents, Kildare Phone: (045) 433550 Email: [paddy@jordan-auctioneers.ie](mailto:paddy@jordan-auctioneers.ie)

Anne Carton, P.N. O'Gorman Ltd, Wexford Phone: (051) 421226 Email: [anne.carton@pnogorman.ie](mailto:anne.carton@pnogorman.ie)

## Leinster North

Aidan Heffernan, Sherry FitzGerald Royal, Meath Phone: (046) 9431525 Email: [aidan@sherryfitzroyal.ie](mailto:aidan@sherryfitzroyal.ie)

Paddy Quinn, Quinn Bros, Longford Phone: (043) 46237 Email: [paddy@quinnbros.ie](mailto:paddy@quinnbros.ie)

## Connaught/Donegal

Peter Tuohy, Tuohy O'Toole, Mayo Phone: (098) 28000 Email: [peter@tot.ie](mailto:peter@tot.ie)

Cormac Meehan, Sean Meehan & Co, Donegal Phone: (071) 9841351 Email: [cjmeehan@iol.ie](mailto:cjmeehan@iol.ie)

## Northern Ireland

Columb Henry, R Benson & Son, Derry Phone: (048) 70343677 Email: [dan@rbensonandson.co.uk](mailto:dan@rbensonandson.co.uk)

## Munster

Eddie Barrett, North's Real Estate Alliance, Kerry Phone: (066) 7122699 Email: [eb@northsreal.ie](mailto:eb@northsreal.ie)

Michael Fitzpatrick, Fitzpatrick & Co, Clare Phone: (065) 6821222 Email: [fitzco@indigo.ie](mailto:fitzco@indigo.ie)

Joe McCarthy, Irish & European, Cork Phone: (021) 4277606 Email: [joe@irishandeuropean.ie](mailto:joe@irishandeuropean.ie)

# IAMI Young Members Tag Rugby Event

The IAMI Young Members network is holding a Tag Rugby event for IAMI young members and their colleagues.

**Date:** Friday 18th June

**Time:** 18.30 (first match). Registration at 18.00

**Venue:** Old Belvedere, Donnybrook, Dublin 4

**Cost:** €70 per Team of 7 (guests allowed)



This is a fantastic opportunity to socialise with other IAMI young members and enjoy a game of tag rugby followed by some food and refreshments. Tag Rugby shorts can be rented or bought on the day from €5.

For further information click :

<http://www.iami.ie/EventsDetail.aspx?rowid=260918> or email [conor@iami.ie](mailto:conor@iami.ie) or [marcus@mfo.ie](mailto:marcus@mfo.ie)

Kindly supported by:

THE PROPERTY WEEK



# IAMI Golf Outing

A golf outing will be held on Thursday 24<sup>th</sup> June at Killeen Castle, Dunshaughlin, Co. Meath.


**Tee Times:** 1pm-2.10pm (every 12 minutes)

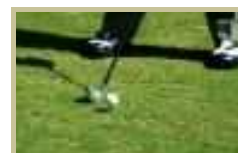
**Format:** 4 Ball Stableford

**Cost:** Special Offer of €85 to include Golf and 2 course meal afterwards

Available on a first come first serve basis when pre-payment (€85 to Killeen Castle) is received.

Send your cheque to book a tee time and reserve a place at dinner to Paul G. Grimes, Main Street, Ashbourne, Co. Meath  
email: [paul@grimes.ie](mailto:paul@grimes.ie)

Prizes are kindly sponsored by the 



# School's Out!



A group of Happy 4th year BSc (Hons) Property Studies students celebrating their final day at lectures in DIT.

# Apply now for IAVI Courses



Business for many property professionals is very quiet at the present time. It makes good sense for principals and employees to use the quiet period to upgrade their property qualifications. The best way of doing this in a business setting is to do one of the IAVI property programmes.

In partnership with the Dublin Institute of Technology (DIT), the IAVI run two part-time programmes in property studies.

One is a four year part-time honours degree programme, the IAVI/DIT BSc(Hons) in property studies. The other is a two year part-time Higher Certificate in property studies.

Lectures for both courses are held on fourteen Saturdays from October to May at the DIT Bolton Street. There is also an induction day at the end of September. Students also do project work, work based learning and attend locally arranged tutorial groups.

Successful completion of the Higher Certificate course provides the academic requirement for application for associate membership of the IAVI.

Successful completion of the BSc(Hons) course provides the academic requirement for application for Membership of the IAVI. The BSc(Hons) in property studies is also accredited by the Society of Chartered Surveyors.

The annual course fee for both the courses for the current (2009-10) academic year was €2,950 and it is hoped to keep the fee for 2010-11 as close as possible to this level. Income tax relief may be claimed on the fee.

**Applications are now invited for both courses.** Anyone interested should contact the IAVI education department, in writing at 38, Merrion Square, Dublin 2, by telephone at 01-6611794 or by email at [education@iavi.ie](mailto:education@iavi.ie) More details of both courses are on the IAVI website: [www.iavi.ie](http://www.iavi.ie).

Watch a video of recent graduates speaking about the course <http://www.iavi.ie/PropertyCareer.aspx>

## FIABCI and ICREA



The IAVI is a principal member of FIABCI (The International Real Estate Federation) and more recently was a founder member of ICREA (International Consortium of Real Estate Associations). Dialogue is currently taking place between FIABCI and ICREA regarding the possibility of increased cooperation between the two groups. While both groups have unique structures and member services, it is acknowledged that there would be value in joining the synergy of both organisations for the real property profession internationally. That said, the two groups differ greatly in their member and governance structures, so finding a scenario for both is not an easy task.

Earlier this year representatives from both organisations met to determine if there was enough agreement on core principles of governance and structure to pursue different forms of cooperation, including the option of a formal merger. A document outlining the elements of such cooperation was prepared for discussion by both groups.

The ICREA and FIABCI Boards met almost simultaneously in Madrid and Bali recently. The ICREA Board, while open to creating a new structure that would bring the two groups together so long as it was aligned with the core values and principles of ICREA and retained the efficient governance structure, was not prepared to dedicate resources at this point for a full merger, but was willing to continue work on increased cooperation in core areas such as Technology, Education, Advocacy, Communications and Administrative Support.

Both Boards have agreed to work together on the areas mentioned above as a first step to achieve the shared vision of administrative efficiencies, best use of resources and a unified process of setting standards for the real property profession internationally.

Eddie Barrett, current President of the Irish Chapter of FIABCI, has been officially appointed as one of the negotiating team to work on the next tract of negotiations.



## VHI - IAVI Group Scheme



A Group Scheme has been in operation for some time and IAVI members can avail of a 10% discount on their premiums by simply quoting the membership number 5/160. The VHI have introduced a new plan called Dental Starter which replaces PRSI cover and provides some increased benefits. Their existing Dental Plan is available to people looking for more enhanced cover. Log on to <http://www.vhi.ie/info/dental/index.jsp?gclid=CLO4vf6a8qECFQRsIAodG37rmQ> for more information and costs for both plans.