



EXTRACT FROM THE PRESIDENTIAL SPEECH OF **KERSTEN MEHL** FIAVI

Delivered at the **IAVI Annual General Meeting** on 22nd April 2010

I would like to take this opportunity to thank my fellow members in Munster, who backed my candidacy. Without their support, and that of the broader membership, I would not be here as President today.

In accepting this Office, I am humbled. While of course recognising the invaluable service to the Institute of my predecessors, I want to pay special tribute to the many members who have given sterling service to this Institute without ever holding the office of President. While I am elected to serve all the members, I especially hope to be deemed a worthy representative by that particular constituency.

It is over 30 years since I became a student member of this Institute, which coincided with the launch of its first full time educational course. Previously, it had been a correspondence course and, prior to that, it was conducted by day and evening release. It was recognised by some students of that class that the course needed improvement and this pressure to improve and grow the educational structure ultimately led to the establishment of three full-time courses in DIT, LIT and GMIT, primarily driven and assisted by the members of this Institute.

Of course the IAVI's own Honours BSc and Higher Certificate courses in Property Studies have since come into being under our unique partnership agreement with DIT.

This educational evolution was remarkable insofar as this Institute had no statutory role and no State granted regulatory role.

Nonetheless, the leaders of this Institute had the foresight to develop a process that would attract and educate those who wanted to work in this profession.

While we have constantly improved our educational standards, this evolution resulted in IAVI's membership more than doubling in a period of 20 years.

This influx of members brought with it a lot of creativity in the development of our educational courses and in enabling the Institute to meet the challenges that face it on a daily basis. Working outside a regulatory framework, this Institute has constantly had to set the standards for our members and I believe we have set benchmarks for others to follow.

We have also had to be conscious of how we addressed legislative issues and the effect our approach would have on our members and on the public. We have not been afraid to change our Institute to meet changing needs. Only in the last 18 months, we developed a new Council structure, not because the old one wasn't working but rather because our members felt it wasn't working well enough. I agreed whole heartedly with this.

It has been a privilege to serve on this new dynamic Council where 12 members have dedicated themselves to improving the flow of information to our members and to deal head-on with issues as they arise. Responsibility has devolved from the old Board to the Council, with the Executive working closely with Council to achieve shared goals.

At this time, Ireland and the IAVI both stand at a crossroads. However, this Institute is not like our country. It is not in a mess. It is strong and vibrant and, most importantly, has valuable assets and no borrowings. The manner in which the IAVI has been run is almost the antithesis of the way Ireland Inc. has been run in recent times.

IAVI lost 13% of its membership in the last 12 months. Given the general carnage in the economy and the market collapse over the last 3 years, this loss is understandable but it is also regrettable. It says a lot for the forbearance, strength, and financial foresight of our members that the reduction in membership numbers was not higher.

I would also like to point out that in this period of economic carnage, last year we had the first claim on our Voluntary Compensation Fund for over a decade. This says a lot for the integrity of IAVI members and I want to emphasise that word, 'integrity'. We have just cause to be proud.

This Institute has a vision; three years ago 2% of our members lost their membership because they did not fulfil their mandatory CPD requirement. The IAVI did not take the easy option and expelled these people as our members desire excellence and are prepared to pay the price to ensure high standards are maintained across our organisation.

It is ridiculous to think that I am the third successive IAVI President to highlight, in his inaugural speech, the fact that the

Property Services Regulatory Authority legislation is still before the Oireachtas. This relatively simple and non-contentious legislation has been delayed for months having first been introduced in early 2009 and only reaching its Committee Stage in the Seanad recently. The IAVI has supported this move since the Review Group's Report was presented to the Minister almost five years ago and again calls for its immediate enactment.

I have three words of advice for a Government to deal with the legislative backlog: take less holidays! The property profession and the public need this legislation in place. The PSRA is set up and ready to go. In the meantime, in my own area of practice, property management, there are many practitioners with no recognised qualification and no licences holding the deposits of thousands of tenants nationwide, which is unacceptable as they have no recourse or protection.

THE BANKS

I welcome the establishment of NAMA. It is a risk worth taking. I vehemently disagree with the view being propagated in certain areas of society that suggest we allow our banks default. I suspect I am no different from everyone else in that I was brought up by my parents to acknowledge and pay all debts as they fall due.

I also welcome the appointment of Messrs Elderfield and Honohan as the start of a rebuilding process and I have great admiration for the manner in which Brian Lenihan is now attempting to stabilise the nation's finances.

However, it was the Government's responsibility to oversee regulation for the banking sector and they failed miserably. Indeed, many of the legislators now accepting praise for appointing wise new regulators and beginning to allocate appropriate resources to do the job make no mention of their own collective failure to facilitate these things from the outset. Did they think the banks were like the

bank in the board game Monopoly? Were our legislators living in the real world?

Ultimately the citizens of this country have to pay the price and, as a nation, we must learn the lesson and ensure that nothing similar ever occurs again.

PROPERTY TAX

The IAVI National Council supports the recommendation by the Commission on Taxation in their report for the introduction of an annual residential property tax insofar as it broadens the tax base, creates a more level playing field and will help fund Local Authorities, which are very short of money.

Another reason to support such a tax is that it will be linked to a significant reduction, or even abolition, of Stamp Duty, which is a regressive tax that impacts on transactions and restricts the efficient use of our property stock, both housing and commercial.

Personally, I also support a property tax because in paying out money, the electorate will be much more searching and demanding in relation to the performances of their local Councillors. I genuinely feel that that this will lead to a better calibre of Councillor at local level and ultimately to a fresh intake of talent to the Dáil.

We need a vision of where we are going as a nation. For the last 15 years, many people have been absorbed in self-enrichment. That quest worsened, reaching a crescendo of greed in the early-to-mid Noughties, only to come crashing down with a vengeance just over half way through that decade.

Government seemed oblivious to what our society stood for or where it was going. Construction and property effectively became the economy, rather than an important component of it. Strong construction and property sectors reflect and contribute to a strong economy, but cannot create it on their own.

The result has been disastrous for Ireland, betting as it did on a one trick pony and we have all suffered. It is probably fair to say that everyone is worth less than they were three years ago, but that does not diminish any of us as human beings. As a society, we have got to understand that there has to be joined up thinking in our national strategies. As IAVI members, we have got to understand that the property industry is a vital component of the economy, but only a component.

We have to ask what sort of a country builds far more houses, shops or offices than are needed in certain locations, but at the same time does not have a proper infrastructure of roads, railways, water, schools for primary students or hospitals? It is the sort of country that badly needs professional creativity and proper planning, not of the four green fields variety but, equally, not of the *no* green fields variety, if you'll forgive the deliberate double negative.

We will shortly have an opportunity to merge with the Society of Chartered Surveyors and form an organisation that will represent over 4,000 property professionals who deal with every aspect of the profession from planning, construction, agency, and valuation to marketing and management. These highly qualified professionals can all work in synergy with the emergence of this proposed new body.

As with any professional body of merit, the new body should contribute to our own success in our chosen career but, as importantly, it should be viewed as a tool that we can use to enrich society. This can be done by providing sound, properly researched advice to Government on meeting the challenges facing the country's built environment.

Fellow Members, please stand with your Council and support the proposed merger, not because it will enrich both organisations but because it has the capacity to work for the country we know and love. ♦