

REAL DEAL

THE BUSINESS OF PROPERTY BY PHILIP FARRELL



The future of housing

THIS week Dun Laoghaire/Rathdown Council adopted the 2016-2022 Development Plan and became the first local authority in Ireland to introduce Passive Housing standards as a requirement for new builds.

So, what is Passive Housing? Is it affordable? The German concept of the Passive House is 25 years old and claims to reduce the amount of energy used to heat houses by up to 90pc and, better still for us, it works extremely well in the mild Irish climate. It primarily involves greater levels of insulation, efficient ventilation and effective draft proofing.

According to Dr Shane Colclough, chairman of the Passive Housing Authority Ireland (PSAI): "Passive housing is an excellent, low-risk way of achieving the near Zero Energy Buildings (nZEB) mandated to be built from 2018 throughout Europe due to the Energy of Performance Buildings Directive (EPBD)."

There are concerns that the extras involved in Passive Housing drive up construction costs. However, nowadays, this is much less of an issue as the building regulations in Ireland are, increasing energy standards all the time, thus increasing the cost of construction.

What are the possible savings for the buyer? The average cost of heating a typical three-bed detached Passive House is €200 to €300 per year. The cost of heating the typical home, even allowing for the recent fall in energy-fuel costs, would be approximately €1,000 per year. The savings, therefore, are potentially huge. And there are other — non-financial — benefits such as better air quality, improved sound insulation, low maintenance and sustainability.

In 1926... 69pc of households were in rural Ireland

In 2011... that figure was 35pc

In 2016... it is estimated to fall to 30pc

Time to update the Property Price Register?

THE arrival of the residential Property Price Register (PPR) to Ireland was welcomed with open arms back in 2011. It was long overdue. Historical figures had been available in the UK as far back as 1995. A PPR gives comfort and guidance to purchasers as it provides information on the actual price a property achieved.

Yes, there are anomalies. For example, where a large portfolio of properties is sold in one tranche to an international fund and no price is available for each unit. In these cases, the figure recorded may be an estimate.



One of the first certified Passive Houses in Cork, sits on the waterfront location in Carrigaline. Designed by Wain Morehead Architects, it was completed in 2010 at a cost of just 3.6pc more — but 1/10th of the heating demand — of a conventional dwelling at the time

Another issue for buyers is that, because the Irish property market is so volatile, prices fluctuate, so the price paid can be up to six months out of date by the time the paperwork is done and the sale is listed. One of the recommendations made in January following the banking inquiry was the establishment of a commercial Property Price Register.

But I think it's time to overhaul the residential PPR. More detail is needed on each property, including the number of bedrooms, type of property and a photo. It's information that could easily be provided by the vendor or their agent/solicitor on closing.

There is no downside to providing this type of information and it would be of real benefit and assistance to all involved. If nothing else, it would make the process more transparent.

Developers focus on commuter belt

A battalion of potential buyers last week marched to the auction of the Dept of Defence-owned Magee Barracks in Kildare town. This site in the centre of the town extends to a massive 20.6 hectares (51 acres). Kildare town, with its proximity to the M7, is very accessible to the capital. In recent years, The

Kildare Village complex has become one of the most-visited shopping destinations in Ireland with 3 million visitors alone in 2015. The guide price for the site was €2m and following active bidding from a number of parties, the site was eventually sold for a whopping €8.2m, or €160,000/acre.

It was purchased by BBF Capital Partners on behalf of an unnamed Irish developer. According to John Conway of Conway Auctioneers Kildare, who were handling the sale jointly with Lisney: "The level of interest in the site was unprecedented. Very noticeable was the level of interest shown by developers traditionally based in Dublin. Due to the significant shortage of development sites in the capital, they are now looking at alternatives in the commuter belt."

Based on its location and size, the completed project will probably be a mixed-use development of residential, commercial and recreational enterprises. A new Development Plan is proposed for Kildare town in 2017 so nothing will happen before then.

Let's speed up the sales process

IN property terms, how can we speed up the

sales process in Ireland? The Law Society, with the Government's approval, is working on an electronic process that will eventually centralise conveyancing online and involve all the stakeholders (eg, solicitors/auctioneers/the Land Registry/the banks). This is to be welcomed but surely something can be done in the interim to avoid the long delays that are an ongoing issue in property transactions.

Normally, when properties are offered for sale, it is only when a buyer is found that the vendor's solicitors requests the deeds. Very often, it can take a number of weeks or even months to receive the deeds from the bank.

Perhaps the process could borrow a trick or two from elsewhere. If a property could only come to market when the contracts for sale were available for inspection by all interested parties, it could save a lot of time and money for both buyer and seller. The contracts could be made available to interested parties online (as happens with many auctions). Purchasers could then have their legal advisor check the contract at an early stage to identify any issues before making an offer. A second source of complaint is the fact that lots of potential buyers carry out structural surveys on the same property (particularly for auctions). In the UK, it's mandatory for all vendors to provide a structural report on their property for the buyer. Couldn't we take a leaf out of their book?

AGENT VIEW

OWEN REILLY

Docklands: the challenges and the potential...



THROUGHOUT its history, Dublin's Docklands has been a bellwether for the national experience and today is no different: there is an apartment shortage in Docklands; it is hugely sought-after as a place to live and work; it will see further positive

change in the coming years.

I have lived in Grand Canal Dock for 11 years and have observed closely its transformation to a cosmopolitan city neighbourhood. While there are still social challenges, the 1,285-acre Docklands area is now home to some of the world's most important financial and technology companies, and its diverse neighbourhoods north and south of the River Liffey attract increasing numbers of young professionals and families from all over the world who want to live in the city; while overseas buyers represented 36pc of our market during 2015, 63pc of the tenants with whom we dealt were from overseas.

The physical development of the Docklands has recommenced and is clearly in evidence; the Central Bank's new North Wall Quay office and AirBnB's warehouse conversion on Hanover Quay will be completed shortly and their employees will add significantly to the Docklands community both north and south — as will the future employees of the many new offices now under development. Dublin City Council's master plan for the area emphasises the improvement of the public realm, and retail and leisure amenities.

The challenge for the Docklands now is: where is everyone going to live?

Dublin City Council's master plan provides for 2,600 homes for the Grand Canal Dock and North Lotts areas. The Boland's Quay and Capital Dock developments will transform two prominent locations and will include residential components and, while additional residential planning applications have been submitted in connection with local sites, they relate so far to hundreds of apartments only. In the risky world of apartment development, new guidelines that lower minimum sizes may motivate developers and, personally, I strongly hope that they will.

On the rental market, the build-to-let sector is in its infancy; in Dublin's Docklands, however, where demand for city accommodation is at its strongest, it does represent a potential part-solution and should be encouraged. There are vast, undeveloped tracts of docklands and the market conditions may now exist to usher in a new era of purpose-built, professionally managed accommodation facilities.

Owen Reilly is director of Owen Reilly estate agents