

SCS AGM 2009

I would like to thank you all for electing me to be your President for the coming year. It is a tremendous honour to be elected to the office of President of the Society of Chartered Surveyors by my peers and I am deeply humbled. Be assured that I am committed to working diligently over the next twelve months to ensure that I repay this honour that you have bestowed upon me

Firstly, I would like to take this opportunity to thank, on your behalf, Sean McCormack for his huge commitment and attention to the office of the President over the last twelve months and to congratulate him on what has been a very successful year. During his year of office we have seen substantial progress within the Society on a number of fronts including the very successful transition between our former CEO and our current DG, significant improvements in the Arbitration/Expert Witness Appointments service, an overhaul of our membership communications, and the provision of improved access for members to high quality CPD opportunities. It is fair to say that there has been an overwhelming improvement in the service to members during the last session. Congratulations Sean.

When Felix McKenna, back in early 2007, asked me to consider allowing my name to go forward for the position of Junior Vice President the world and indeed Society affairs were in a different place. Throughout the period 2002 to the end of 2007, the economy had an average growth rate of 8.1% and the construction and property industries were still on an upward trend. At that stage construction output was at €38.4 billion and represented 24% of Ireland's total GNP. Property transactions exceeded €3 billion in 2006 and the Society's Irish Property Index (published in conjunction with IPD) showed an annual total return from property of 27% for the full year ending in 2006. Membership figures of the Society also showed healthy increases year on year with a choice of employment opportunities for graduates. Newly qualified surveyors were being snapped up and there was a bounce in everybody's step.

What a difference a couple of years has made!

It is estimated that construction output will drop from the high of €38.4 billion just two short years ago to €17.4 billion in 2009 with a further deterioration expected in 2010 in the absence of any policy intervention or stimulus to a level of just €12.3 billion. Property transactions have also fallen from a high of €3 billion in 2006 to a situation where there is little or no activity in 2009. The annual total return from property has reduced from plus 27% in 2006 to a level of minus 34% by the end of 2008.

As a consequence of this economic downturn, we are now witnessing a sharp fall in employment levels amongst Chartered Surveyors. The Society's recent employment survey shows that there has been a 26% fall in employment amongst surveyors in the last twelve months and that graduate surveyors are hardest hit. It is expected that more than 50% of all graduate surveyors and over 14% of Chartered Surveyors will have lost their jobs by the middle of this year. These figures can only be described as a catastrophe in our profession, and they are similar to the trends in the other professions such as Architecture, Engineering and the Legal profession. In my opinion, it is beholden to us, the Society of Chartered Surveyors, to do as much as we possibly can to support and assist those that face the harsh reality of unemployment. Initiatives that the Society has undertaken so far this year include heavily discounted membership rates and the establishment of a career support

programme which is available free of charge to all members who have recently been made redundant. The Society recognises the need to do more to support those members during difficult times and we are currently exploring the establishment of a scheme that encourages retention of employees and the employment of graduate surveyors. We are also establishing a database of members who are available for short term/contract work. This will have a double benefit of providing employment (albeit temporary) to members who have lost their jobs as well as assisting member firms in employing suitably skilled surveyors to fill short term resource gaps. We are also going to make available a 'Hot Desk' facility here in Wilton Place so that these members will have access to IT facilities, work space and the availability of a meeting area if required.

I see it as central to my role as President to ensure that the Society is doing everything possible to make sure that those members who have been made redundant stay '**connected**' with their profession, stay '**connected**' with their professional body, and are afforded every reasonable assistance that we can muster.

During difficult times like what we are experiencing at the moment there is a need for well informed independent comment that is based on factual research and professional experience. The Society is using this opportunity to contribute to the current debate around so many issues and influence government policy such as:

- Governments decision to unilaterally apply the provisions of the Financial Emergency Act 2009 to design professionals including building and quantity surveyors
- the need to address the infrastructural deficit, that currently exists and is evident throughout the country
- the need to prioritize labour intensive projects within the public capital programme,
- the opportunity to take advantage of the value that currently exists in construction due to the sharp correction in tender levels
- the need to provide suitable cost effective stimulus to protect, maintain and create employment in the construction industry
- the dispelling of the recent bizarre suggestion that valuations for the new National Asset Management Agency should be undertaken by foreign based valuers,
- advising the government on the impact of outlawing 'upward only' rent review clauses
- the need and opportunity to revise government policy in relation to stamp duty on property transactions
- and the need to stimulate the property and residential markets to encourage activity and ease the market out of its current inactive position.

We have within the Society the most qualified experts to provide credible and experienced based comment on any of these issues, and indeed on many other issues and this is an area in which we are seeking to harness our influence more effectively than we have done in the past. By doing this we will not only raise the profile of the Society but we will play our part in ensuring that the public and the government are properly informed on policies that will have an impact in the shaping of the economy at this critical time for years to come.

Our relationship with the RICS remains extremely important to us and we are continuing to work with them to evolve a new basis of cooperation while ensuring that the development of the profession here in Ireland is at the core of any new arrangement. Council has recently considered proposals put forward by the RICS that include the establishment of an RICS Ireland Board, initially on a trial or shadow basis, to discharge the RICS functions of awarding the charter and regulating the profession. Such a Board would sit alongside the SCS and the SCS would continue its ongoing role providing member services and education. The detail of this proposal has yet to be worked out and members will be appraised of developments as they arise.

Council as you know has also recently approved a proposal to establish a joint working party together with the IAVI to examine the issues involved in the creation of a single professional body for the property and construction sectors in the Republic of Ireland to represent the combined membership of both organisations, approximately 5000 professionals. The Councils of both the IAVI and the SCS are of the view that the establishment of a single professional body would strengthen our position in our markets, with government and other influential bodies, and would make optimum use of the pooled resources of two respected professional bodies, with many joint members, who already work closely together. The Joint Working Group will report to meetings of the Councils of both bodies in June 2009. Whatever the outcome of this examination, members of both bodies will be fully briefed and given the opportunity to put forward their views. Ultimately, it will be a matter for the membership of both bodies to approve any proposals arising from the Joint Working Group examination.

I have taken the liberty of asking Sean McCormack, our most recent past President here this evening, to provide this meeting with an informal update on where we are with both of these issues and he has kindly agreed to do so. We can deal with it in a couple of minutes after 'any other business', and we can answer any queries and listen to any views you may have on these important issues then.

All of the above represent my objectives for the year ahead - support for those members facing redundancy, raising the profile of the SCS and influencing policy by providing informed comment and strengthening and developing our relationships with the RICS and with the IAVI,.

I hope that in achieving these objectives I will have contributed in some small way to helping all members of the SCS best take advantage of the upturn when it comes and I look forward to working with Ciara, the staff in Wilton Place and the many active and committed members throughout the Society over the coming year.

Thank you.