

The Society of
Chartered 
Surveyors

**IAVI/SCS Property Survey 2010:
Pace of Decline in Property Values Moderates but Access to Finance, Regulation & National
Property Price Register Remain Critical Issues for Property Market**

Monday 24th January. Today, the Irish Auctioneers & Valuers Institute and Society of Chartered Surveyors Property Survey for 2010 reported a moderation in the pace of decline in property values in 2010. However, the lack of availability of mortgage finance for qualified buyers is putting further pressure on the property market.

The IAVI and SCS repeated their call for the enactment of the legislation to establish the Property Services Regulatory Authority (PSRA) on a statutory basis to regulate the industry and to implement the National Property Price Register.

The survey suggests moderation in the decline in property values in 2010 compared to 2009. In Dublin, second-hand three bedroom urban homes declined by around 14.3%, compared to a drop of 18.8% in 2009. In Leinster, values were down around 17.1% compared to 19.8% in 2009. In Munster, values declined around 15.2% compared to 17.9% the year before and in Connaught/Donegal, values were down around 15.7% compared to 16.3% in 2009.

According to Acting CEO of the IAVI Mr. Edward Carey, "While property values dropped again in 2010, the pace of decline slowed down compared to 2009 and varies significantly by region. We can no longer rely on average national house price figures, as property values are largely dependent on property type and location, which is clear from the survey results.

"We are now seeing the emergence of a number of 'micro-property markets', where the basic fundamentals of desirable location, high quality stock, schools, employment opportunities and transport links are good. Anecdotally, activity in these areas is relatively strong and, as a result, the pace of decline has moderated significantly whereas areas lacking these fundamentals are suffering.

"However, in order to reach a level of stability, the property market requires a fully functioning banking system than can provide mortgage finance to qualified buyers. Despite NAMA having acquired several tranches of loans from financial institutions, the survey results suggest that the availability of mortgage finance to qualified buyers has not improved in 2010 and this is having a crippling effect on the property market," he said.

Another critical issue is the need for regulation in the property industry to provide consumers with a level of confidence and redress.

According to Mr. Carey, “Despite being recommended in 2005 by the Auctioneering & Estate Agency review group (on which the IAVI and SCS were represented), the Property Services (Regulation) Bill 2009, which provides for the regulation of Auctioneers & Estate Agents, Managing and Letting Agents has yet to be enacted.

“We urge the current Government or the incoming administration to implement the legislation as a matter of urgency to ensure that the Property Regulator is given enforcement powers and can regulate the sector on a statutory basis.”

Commenting on the Government’s stated commitment to developing a National Property Price Register, Mr. Carey said the register was “crucial to provide transparency and openness through the publication of actual sales prices for residential and commercial properties, which is readily available in the UK and internationally.”

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Notes to editors

Conducted amongst IAVI members/firms around Ireland, this survey is an accurate and up-to-date representation of value of property transactions that took place around the country over the last twelve months.

For the purpose of this survey, the results are broken out as follows: Dublin, Leinster (including Cavan and Monaghan), Munster and Connaught/ Donegal

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