



Athlone Advertiser

IPAV calls for Government action on the cost of building homes

The Institute of Professional Auctioneers & Valuers (IPAV) has called on the Government to address the cost of building houses, after recent figures revealed prices of homes continue to rise.

The Institute says that the best kept secret in Ireland is the breakdown of the expenses involved in building a new home.

Pat Davitt, IPAV chief executive, says there is agreement in studies conducted by both the Irish Home Builders Association and the **Society of Chartered Surveyors** of Ireland that the cost of building a typical three-bed house, excluding land acquisition and VAT, is of the order of €197,000.

“A study by Irida Consulting for the Irish Concrete Federation has demonstrated that concrete products and quarried material used in building such a home account for less than 5 per



IPAV CEO, Pat Davitt

cent of total build costs,” Mr Davitt said. “Yet, as of now, there are no official figures that give the precise breakdown of the other 95 per cent of costs. It is appalling that almost a decade on from the housing crash housing policy is based on supposition rather than on scientific data.”

Mr Davitt reiterated IPAV’s call for the Government to fastrack the promised detailed analysis of building

input costs set out in ‘Rebuilding Ireland’, the Government’s housing strategy.

“The State, and anyone interested in the development of a sustainable property market, needs to know if land hoarding so as to keep an inflated floor on house prices is a factor in the market or not.”

He added the immediate success of the Government’s Help-to-Buy scheme introduced

in January is testament to the pent-up demand that now exists in the marketplace.

“The demand is growing in intensity, with supply continuing to fall well short of the 25,000 to 30,000 units required annually, running at about 12,000 new homes in 2016,” he said. “In fact, Daft.ie estimates that demand could be as high as 50,000 units a year.”

Mr Davitt said access to loans at reasonable interest rates is a major issue, particularly for SME builders. IPAV has proposed to Government a Builders Fund along the lines of that for the farming sector under the Strategic Banking Corporation of Ireland. A special cash flow loan scheme has been introduced for farmers at interest rates of just 2.9 per cent. The IPAV says there would be no loss to the Exchequer as monies would be repaid as homes are sold.