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## **BUDGET HOME BUILDING FINANCE MEASURE HAS POTENTIAL FOR GREATEST IMPACT ON HOUSING CRISIS - IPAV**

The Budget initiative likely to have the greatest positive impact on the housing crisis is the new €750 million Home Building Finance Ireland agency which will provide cheap loans to builders, “provided it’s not scuppered with red tape in how it operates,” IPAV, the Institute of Professional Auctioneers & Valuers, has said.

Pat Davitt, IPAV’s Chief Executive said the lack of access to building finance at viable rates of interest has been one of the top impediments to house building.

“We’ve been calling for such an initiative for some considerable time because effectively the banks have largely priced themselves out of this market, being too risk averse to take it on. It’s a no brainer for the State because it’s Exchequer neutral, loans will be repaid as homes are sold,” he said.

He said it is to be hoped that this initiative will prove itself to be “fast and fair and not get tied up in red tape as many State schemes tend to do. And crucially, it must not discriminate against smaller builders who have been the mainstay of the Irish home building market.”

Mr Davitt said the increase in the vacant Site Levy from 3pc to 7pc would help deal with “the not inconsiderable problem of land hoarding. It will help to keep investors out of that market and enable builders who are genuinely interested in building to buy these lands. IPAV had called for such an increase.

On the rate of Commercial Stamp Duty increasing from 2pc to 6pc he said it will add to the price of such properties.

Reductions in the period over which investors had to hold properties to avail of Capital Gains Tax exemption from 7 years to 4 will encourage more for investors to place properties on the market, thereby aiding much needed supply of properties, he said.

Ends

Note to editors: IPAV is the only representative body in Ireland which solely caters for the professional and educational requirements of auctioneers and valuers practicing throughout Ireland. Established in 1971, it has over 1,100 members nationwide. For further information log onto [www.ipav.ie](http://www.ipav.ie) further information:

Pat Davitt, Chief Executive, IPAV, Tel. 086-2592976

Mairéad Foley, Foley Ryan Communications, Tel. 086-2556764