

News Release

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IPFMA CALLS FOR URGENT AMENDMENTS TO MULTI-UNIT DEVELOPMENTS LEGISLATION

The Irish Property & Facility Management Association (IPFMA) is calling for significant amendments to the Multi-Unit Developments Bill 2009, prior to its enactment into legislation.

While the IPFMA welcomes the advent of the new Bill in so far as it represents Government acknowledgement that a system of legislative framework is urgently needed, the Association believes that the current legislative proposals do not sufficiently provide for an effective and workable mechanism to protect owners of future Multi-Unit Developments.

Siobhan O'Dwyer, IPFMA junior vice chair, said that the dilution of the Law Reform Commission's recommended legal protections render the overall provisions of the proposed legislation less effective. She calls on the Department of Justice, Equality & Law Reform to carefully reconsider the broader legislative requirements.

"The legislative framework drafted does not yet address current core deficiencies", stated Ms. O'Dwyer. "There are a number of deficiencies such as the absence of precise mechanisms on the part of the developer to complete the development, to verify the quality of construction, to address snagging and completion issues and to furnish, to the owners and the Management Company, a final certificate of completion and compliance, together with all estate documentation for the overall development."

Siobhan O'Dwyer also said that the Management Company has no enforceable contractual right to oblige the developer to satisfactorily complete the development as an integral part of the arrangements, despite the fact that once vested, the Management Company immediately assumes onerous contractual obligations to maintain and repair the common areas, structural parts and utilities, including all services at the owners' expense, funded exclusively through their service charges.

The absence of any set down conditions to the transfer or the extinguishment of the developer's beneficial interest, together with the absence of an effective, enforced building control system, means that purchasers of multi-units such as apartments will remain without appropriate consumer protection. Furthermore, service charges will continue to be used to correct and complete developments.

The IPFMA is holding its Annual Conference at Croke Park Conference Centre on Thursday 1st October 2009 and will use this as a forum to further canvass Government for changes to the proposed Bill, currently under debate by the Oireachtas, to ensure the introduction of a workable framework.

The Conference, titled '*Seeing Through the MUD*', will present recommendations from the varying stakeholder interests in Multi-Unit Developments and propose significant amendments, vital for adoption into the legislation.

"The comprehensive panel of speakers assembled is testament to the fact that this sentiment is echoed across so many of the professional bodies in the industry", commented Ms. O'Dwyer, who is to chair the event.

"The system must be examined as a whole, or apartment owners, and indeed all stakeholders, will continue to suffer from the deficiencies that the current system permits", she stated.

"The conference programme will present a complete 'map' of the problems and their solutions, navigating from building surveying, fire safety and conveyancing, to the planners', engineers', architects' and developers' practical perspectives. These interests encompass a vast range of accompanying legislation, most of which is acknowledged to be better in law than in practice".

The proposed legislation, in its current format, is not considered by the IPFMA to go far enough. The Association is concerned that the draft Bill is being touted as a 'cure-all', but would strongly caution consumers that the provisions will not provide the legal protections so desired by purchasers and/or owners of apartments and other multi-units.

“Furthermore”, stated Siobhan O’Dwyer, “it is imperative that we nurture the future and popularity of apartment living as a workable lifestyle. If not, these assets, so dominant in our cities today, will most certainly be devalued, with disastrous consequences for the future of our urban landscape”.

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Note to editors: The IPFMA, formed in 1989 under the auspices of the Society of Chartered Surveyors, has over 500 members countrywide. It represents the fast-growing property and facility management profession which involves the application of multi-disciplinary skills vital to the operation of the property and construction industries of today, ranging from property strategy and space management, to building maintenance and contracts management.