



Budget 2003 and Construction

Value Added Tax

The lower rate of VAT was increased from 12.5% to 13.5% with effect from 1 January 2003.

Tax Incentive Schemes

All tax incentive schemes e.g. Urban Renewal, Park & Ride, Student Accommodation etc. will terminate on 31 December 2004. The final date for incurring 15% of the total project cost in Urban Renewal Schemes was extended from December 2002 to 30 June 2003.

Capital Gains Tax Indexation Relief Discontinued

For future disposals, indexation relief will apply for the period of ownership of an asset up to 31 December 2002 only.

For disposal during year ended 31st December 2003 the multipliers over will apply. The relevant multipliers for disposals during years 1993 to 2002 are show on our website www.akc.ie.

Mortgage Interest Relief for First Time Buyers

The annual ceiling on the amount of interest that can be allowed was raised from €3,175 single and €6,350 married to €4,000 and €8,000, respectively. In addition, the period for which the relief is available was extended from 5 years to 7 years. This increase takes effect from 1 January 2003. The extension will not apply to mortgages taken out before 6 April 1998.

Capital Gains Tax Multipliers (source: Irish Revenue)

Year Expenditure Incurred	Y/E 31 Dec 2003	Year Expenditure Incurred	Y/E 31 Dec 2003
1974/75	7.528	1989/90	1.503
1975/76	6.080	1990/91	1.442
1976/77	5.238	1991/92	1.406
1977/78	4.490	1992/93	1.356
1978/79	4.148	1993/94	1.331
1979/80	3.742	1994/95	1.309
1980/81	3.240	1995/96	1.277
1981/82	2.678	1996/97	1.251
1982/83	2.253	1997/98	1.232
1983/84	2.003	1998/99	1.212
1984/85	1.819	1999/00	1.193
1985/86	1.713	2000/01	1.144
1986/87	1.637	2001	1.087
1987/88	1.583	2002	1.049
1988/89	1.553		

Stamp Duty New Rates Effective from 4th December 2002

RESIDENTIAL PROPERTY		
Aggregate Consideration	First-time	Full Rate
Less than € 127,000	Exempt	Exempt
€ 127,001 - € 190,500	Exempt	3%
€ 190,501 - € 254,000	3%	4%
€ 254,001 - € 317,500	3.75%	5%
€ 317,501 - € 381,000	4.50%	6%
€ 381,001 - € 635,000	7.50%	7.50%
Over € 635,000	9%	9%

NON-RESIDENTIAL PROPERTY	
Aggregate Consideration	Rate
Up to € 10,000	Exempt
€ 10,001 to € 20,000	1%
€ 20,001 to € 30,000	2%
€ 30,001 to € 40,000	3%
€ 40,001 to € 70,000	4%
€ 70,001 to € 80,000	5%
€ 80,001 to € 100,000	6%
€ 100,001 to € 120,000	7%
€ 120,001 to € 150,000	8%
Over € 150,000	9%

What is Residential Property?

Residential property is defined as a building or part of a building which at the date the deed is signed was used or was suitable for use as a dwelling. The definition also included the normal domestic out-houses, yard, garden, etc., up to an area of one acre.

To Whom Does The Full Rate of Residential Property Stamp Duty Apply?

The full rate applies to any person who does not qualify as a First Time Buyer.

The First Time Buyer of a New Dwelling House or Apartment.

A first time buyer of a new dwelling house or apartment with a floor area certificate (i.e. a floor area not exceeding 125m²) and who intends to occupy the house or apartment as his or her principle place of residence for a period of 5 years is exempt from stamp duty irrespective of the price of the house or apartment.

If the new dwelling house or apartment does not carry a floor area certificate stamp duty is paid on the site value or 25% of the total cost, whichever is the greater, if that amount exceeds €190,501. The relevant rates are as outlined above.

The First Time Buyer of Second Hand Dwelling House or Apartment.

The first time buyer of a second hand dwelling house or apartment who purchase for their own occupation are exempt from stamp duty up to a limit of €190,500. Above this limit the stamp duty rates as outlined above apply.

2003 School Building Programme.

The Minister for Education and Science, Mr. Noel Dempsey, T.D. on 22nd January 2003, announced details of the school building programme for 2003. This year's school building programme amounts to €342.9 million. Full details of the programme are published on the AKC website in the News section (www.akc.ie)

**SCS Construction Cost Index** (Source: Society of Chartered Surveyors)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan.
1992	138.8	139.5	139.7	141.8	141.7	141.7	141.8	141.8	142.3	142.3	142.2	142.1	2.45%
1993	142.2	142.0	142.2	146.0	146.1	146.3	146.4	146.6	147.1	147.4	147.7	148.0	4.43%
1994	148.5	148.7	148.8	149.9	149.5	150.0	150.2	150.5	152.2	152.8	153.1	153.3	3.64%
1995	153.9	154.5	154.6	154.8	154.8	154.9	155.4	155.5	157.0	157.0	157.1	157.1	2.08%
1996	157.1	157.1	157.3	157.3	157.1	157.3	157.3	157.2	158.5	158.7	158.8	158.8	1.85%
1997	160.0	160.6	161.0	162.5	162.6	162.8	164.5	165.1	165.9	166.4	166.5	166.5	4.38%
1998	167.0	167.3	168.0	168.1	169.1	169.3	171.0	170.8	171.0	171.1	171.0	170.8	2.46%
1999	171.1	171.1	171.2	176.8	176.9	177.1	179.0	179.1	182.9	183.6	183.7	183.7	8.12%
2000	185.0	185.5	186.2	186.4	187.0	187.1	187.4	187.5	188.2	210.4	210.4	210.5	14.05%
2001	211.0	211.8	213.2	215.8	215.8	215.8	220.0	227.1	227.2	232.2	232.2	232.1	10.19%
2002	232.5	232.6	231.5	231.5	231.6	231.7	237.6	237.7	237.7	237.7	237.7	242.9	

DOE House Building Cost Index (Source: Department of the Environment)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly %
1992	102.6	103.4	103.5	104.9	104.9	104.9	105.0	105.0	105.5	105.5	105.4	105.2	2.63%
1993	105.3	105.1	105.1	107.6	107.7	107.7	107.8	107.8	108.2	108.4	108.4	108.7	3.70%
1994	109.2	109.3	109.4	110.3	110.1	110.6	110.7	110.9	112.2	112.7	112.9	113.1	3.94%
1995	113.5	114.1	114.1	114.1	114.1	114.1	114.5	114.5	115.7	115.8	115.9	115.9	2.11%
1996	115.9	115.7	115.9	115.9	115.9	116.0	116.0	116.0	116.9	117.1	117.2	117.2	1.81%
1997	118.0	118.5	118.8	119.8	119.8	119.8	120.8	121.0	121.5	122.0	122.6	122.6	4.15%
1998	122.9	123.1	123.8	123.8	124.5	124.5	125.7	125.7	126.0	126.2	126.2	126.1	2.77%
1999	126.3	126.4	126.5	130.5	130.5	130.5	131.5	131.5	134.1	134.7	134.8	134.9	7.52%
2000	135.8	136.1	136.4	136.5	136.8	136.9	137.2	137.2	137.7	153.8	153.8	153.9	13.62%
2001	154.3	154.7	155.6	157.4	157.6	157.7	161.1	165.9	166.0	169.3	169.4	169.3	10.11%
2002	169.9	170.0	169.5	169.5	169.5	167.7	173.8	173.9	173.9	173.9	174.0	174.1	2.53%
2003	174.2	174.5											

CSO Wholesale Price Index for Construction Wages & Materials (WPAM4040)

(Source: Central Statistics Office)

Base Year 1995 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1995	99.1	99.6	99.8	99.9	99.8	99.8	99.8	99.9	100.5	100.6	100.7	100.6
1996	100.8	100.8	100.9	101.2	101.1	101.0	100.9	100.8	101.7	101.7	101.6	101.6
1997	101.8	102.2	102.5	103.3	103.2	103.4	104.6	104.7	106.0	106.4	106.4	106.4
1998	106.3	106.4	106.4	106.5	106.5	106.6	107.6	107.6	107.5	107.4	107.4	107.4
1999	107.4	107.4	107.4	110.7	110.8	110.9	111.6	111.8	113.7	113.8	114.0	114.3
2000	114.7	115.2	115.5	116.3	116.7	117.0	117.0	117.3	117.8	128.2	128.4	128.4
2001	128.9	129.4	129.5	131.8	131.8	132.0	134.5	138.0	138.1	140.7	140.6	140.5
2002	141.0	141.8	141.9	142.9	143.0	143.1	145.8	145.9	146.0	146.6	146.5	146.6

CSO Consumer Price Index (CPAM 063) (Source: Central Statistics Office)

Base Year 1996 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	99.5	100.1	100.2	100.3	100.5	100.8	100.7	100.5	101.0	101.2	101.6	101.9
1998	101.3	101.8	102.3	102.8	103.2	103.7	103.4	103.7	104.0	104.1	103.7	103.6
1999	102.8	103.4	103.7	104.2	104.7	105.0	104.6	105.2	105.6	105.7	105.9	107.1
2000	106.9	107.8	108.5	109.3	110.1	110.8	111.1	111.7	112.1	112.9	113.3	113.4
2001	112.5	113.5	114.4	115.4	116.1	116.7	116.4	116.8	117.3	117.7	117.6	118.2
2002	118.0	118.8	119.9	120.9	121.5	121.7	121.3	122.0	122.6	123.2	123.3	124.1
2003	123.6	124.8										

Permanent TSB National House Price Index (Source: Permanent TSB)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1996			96.6	97.0	98.2	99.8	100.2	101.4	102.0	102.6	102.8	102.4
1997	104.6	105.8	109.0	110.0	111.8	113.3	114.3	115.4	116.2	118.3	119.6	102.5
1998	121.5	123.4	126.0	128.2	132.4	136.9	142.6	146.4	148.5	150.9	152.4	156.4
1999	156.8	159.4	161.3	163.6	165.6	167.8	171.4	174.1	176.4	178.6	181.7	184.4
2000	187.5	189.5	193.1	196.5	200.0	203.7	207.5	211.7	212.7	214.8	219.0	223.7
2001	226.1	227.1	230.0	232.7	233.7	234.5	236.8	238.9	238.5	236.5	235.5	233.5
2002	231.5	233.1	237.4	244.2	245.3	246.6	247.5	250.7	254.4	275.8	261.4	264.6

HPO Tender Index (Source: Department of Health)

Construction

	Q 1	Q 2	Q 3	Q 4
1990	229	230	235	237
1991	238	239	240	240
1992	241	241	241	241
1993	242	242	245	245
1994	245	247	255	260
1995	268	285	300	310
1996	318	323	330	335

	Q 1	Q 2	Q 3	Q 4
1997	340	355	370	380
1998	385	395	405	415
1999	420	429	438	447
2000	470	485	500	540
2001	570	580	595	605
2002	621	631	640	

SCS Tender Index

(Source: Society of Chartered Surveyors)

	Jan - July	July - Dec
1998	100.0	103.8
1999	108.6	116.1
2000	121.7	130.7
2001	132.2	136.9
2002	133.9	130.1