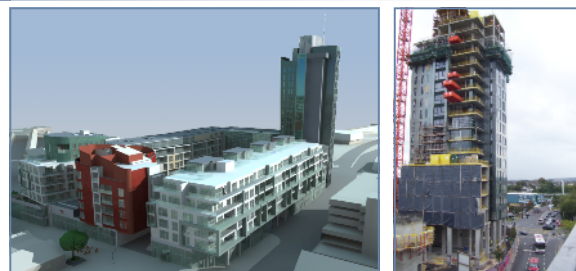




## AKC-Work in Progress

### The Elysian, Eglinton St, Cork

This O'Flynn Construction development, designed by Wilson Architecture with engineering by Arup is most recognisable by its 17 storey tower. The project, due for completion in September 2008, includes 212 apartments, 2,000 office, 3,700m<sup>2</sup> retail space, a crèche, a gym, 590 basement and surface carpark spaces.



## Budget 2008 and Property

### Stamp Duty

With effect from 5th December 2007 the Stamp Duty regime applicable to residential property is being reformed and simplified. The revised rates are as follows:

Up to €125,000	Exempt
Next €875,000	7%
Balance	9%

First-time buyers who are owner-occupiers will continue to be exempt from stamp duty on all residential property.

Other owner-occupying purchasers of new residential property under 125m<sup>2</sup> are exempt from stamp duty. Other owner-occupying purchasers of new residential property over 125m<sup>2</sup> are liable to stamp duty on the greater of the site value or 25% of the property value (excluding VAT) at the standard rates, thresholds and exemption. All other rates of stamp duty remain unchanged.

### Clawback of Stamp Duty

The exemption from stamp duty for first-time house buyers and buyers of certain new homes is currently clawed back if the purchaser rents out the home within 5 years of date of purchase. This clawback period is being reduced to 2 years for all deeds of transfer executed on or after 5 January 2007.

### VAT on Commercial Property

The Minister announced that the Finance Bill 2008 will introduce a completely new system of VAT on property. The implementation date for the new rules will be 1st July 2008 and will be the most significant change to VAT on property since its introduction in 1972. The new VAT regime will affect VAT on all commercial property transactions. Full details of the new system can be found on: <http://www.budget.gov.ie/2008/downloads/AnnexE.pdf>

## GCCC Contracts

The Chartered Institute of Arbitrators has joined the debate on the new GCCC Contracts. Speaking at the Institute's dinner on 30th November 2007, chairman Joe Behan predicted a battlefield with many casualties. He stated that the conciliation and arbitration cases arising from the new contracts will escalate significantly because the GCCC contracts are unlike any others to be found worldwide and there are no precedents. He went to say that every single clause will have to be tried and tested, both at the mandatory conciliation process and in the default arbitration process. Mr Behan also stressed that the risk has shifted completely from the employer to the contractor.

Source: Irish Examiner 13<sup>th</sup> December 2007

## Norman Foster designs U2 Tower

Geranger Ltd, which is a consortium consisting of Ballymore Properties, Patrick McKillen and U2 has been selected as the provisional preferred bidder to design, construct and finance the U2 Tower. Work is due to begin next year and to be completed in 2011. Source: RTE News 12<sup>th</sup> October 2007



## SCS appoint new Director General

The Society of Chartered Surveyors has recently announced the appointment of Ms. Ciara Murphy as Director General with effect from 18th February 2008. She succeeds the current Chief Executive Officer Tony Smith who retires on 28th February 2008.

A graduate of TCD, Ciara Murphy joins the SCS from the Irish Dental Association where she is currently Chief Executive Officer having joined the Association in 2000. Prior to that, she held information and research positions with both the Health Service Employers Agency and the Society of the Irish Motor Industry.

## Dublin City Council increase apartment sizes

Further to our piece in Q3 2007, Dublin City Council on 3rd December 2007 agreed to adopt Variation No 21 to the Dublin City Development Plan 2005-2011, adding a new section 4.5.0 "Achieving Liveable Sustainable New Apartment Homes". The full Variation can be downloaded from the [www.akc.ie](http://www.akc.ie) website in the news section dated 13th December 2007.

## RICS Measurement Initiative Project

This is a project led by the RICS Quantity Surveying and Construction Faculty and involves writing a new method of measurement for both trade/package measurement and also estimating and cost planning. This will be followed by rules for life cycle costing. Draft documents for the trade/package measurement rules are available at [www.rics.org/measurement](http://www.rics.org/measurement) for consultation.

## Greens unveil plans for more energy efficient homes

Radical new proposals to ensure new homes are at least 40% more energy efficient by next year, with a similar level of reduction in CO<sub>2</sub> emissions, were unveiled by Green Party Ministers John Gromley and Eamon Ryan on 21st September 2007. The CIF state that it will cost new buyers of new homes an extra €15,000. Under the new energy plan, all new homes and apartments built from July 2008 will have to use solar or wood pellet stoves. In larger homes there will be a requirement for heating systems to have heating zones, as well as thermostats and time controls. Homes will also have to be tested for air-tightness to ensure they are not leaking too much heat. The use of low energy lighting - up to half of all fixed lights - will be mandatory.

Tim O'Brien and Mark Hennessey (The Irish Times) and Green "Eco" Plan Adds €15,000 to House Costs (Construction Industry Federation)

## House Building Hysteria

These are the house completion figures as published by the DOE over the past decade.

1997	38,842	2004	76,954
1998	42,349	2005	80,957
1999	46,512	2006	93,419
2000	49,812	2007	63,802 DOE 10 months
2001	52,602	2007	77,000 DOE Estimate
2002	57,695	2008	60,000 DOE Estimate
2003	68,819	2008	65,000 ESRI Estimate

As noted above the estimated 2008 figures are comparable to 2002/2003. We don't recall the death of the house building industry in 2002/2003.

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

Base Year 1985 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan.
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	237.8	2.32%
2003	237.9	238.0	238.0	242.2	242.2	242.2	242.5	242.5	242.5	242.5	242.5	242.5	3.49%
2004	246.2	247.8	249.5	251.4	252.7	253.0	255.0	255.6	255.9	258.6	259.2	259.8	5.61%
2005	260.0	260.1	260.2	262.4	262.7	262.8	263.6	264.0	264.6	268.7	268.6	268.7	3.50%
2006	269.1	269.8	270.6	275.9	276.3	276.9	277.3	277.3	278.5	282.5	282.9	283.3	5.66%
2007	284.4	284.4	284.7	286.8	287.4	288.0	291.3	292.1	292.3				

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

Base Year 1991 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan.
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	174.5	177.3	177.3	177.4	177.1	177.2	177.2	177.2	177.2	177.2	2.76%
2004	179.6	179.7	179.9	179.9	180.0	180.2	182.1	182.2	182.2	183.9	184.2	184.2	2.84%
2005	184.7	184.8	184.9	186.5	186.6	186.6	186.7	186.9	186.9	189.5	189.4	189.7	2.82%
2006	189.9	190.1	190.6	194.0	194.2	194.3	194.4	194.5	194.6	197.7	198.0	198.1	4.69%
2007	198.8	198.8	199.4	200.0	200.1	200.3	203.7	203.6	203.7	203.8			

**CSO Wholesale Price Index for Construction Wages & Materials (WPCM4040)**

(Source: Central Statistics Office)

This index has been rebased to the year 2000, historical index figures are available on our website [www.akc.ie](http://www.akc.ie)

Base Year 2000 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan
2002	118.1	118.4	118.4	119.2	119.4	119.4	121.6	121.7	121.9	122.3	122.2	122.2	2.88%
2003	121.5	121.7	121.9	123.8	123.8	123.7	123.7	123.9	123.9	124.3	124.5	124.6	3.62%
2004	125.9	127.1	128.6	130.1	131.0	131.3	132.9	133.4	133.9	135.2	135.7	136.3	8.18%
2005	136.2	136.0	135.9	137.1	137.4	137.5	137.7	137.8	138.0	140.1	140.6	140.8	3.82%
2006	141.4	142.5	143.4	146.6	147.7	147.6	147.9	148.6	148.9	151.0	151.3	151.4	7.14%
2007	151.5	151.6	152.3	153.3	153.4	153.7	155.5	155.4	155.6	155.6			

**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	Yearly % Jan to Jan
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	5.24%
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	4.89%
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	4.75%
2003	123.6	124.8	125.8	126.1	126.0	126.0	125.1	125.9	126.1	126.0	126.0	126.5	1.86%
2004	125.9	126.9	127.4	127.9	128.1	128.8	128.5	129.2	129.3	129.4	129.7	129.8	2.22%
2005	128.7	129.8	130.1	130.7	131.2	131.6	131.6	132.1	133.2	133.3	133.1	133.0	3.03%
2006	132.6	134.0	134.6	135.7	136.3	136.6	137.1	138.1	138.5	138.5	139.0	139.5	5.05%
2007	139.3	140.5	141.5	142.6	143.1	143.5	143.9	144.5	145.0	145.2	145.9		

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

Base Year 2003 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan
1998	42.4	43.0	44.0	44.7	46.2	47.8	49.8	51.1	51.8	52.7	53.2	54.6	29.01%
1999	54.7	55.6	56.3	57.1	57.8	58.6	59.8	60.7	61.5	62.3	63.4	64.3	19.56%
2000	65.4	66.1	67.4	68.5	69.8	71.1	72.4	73.9	74.2	75.0	76.4	78.0	20.64%
2001	78.9	79.2	80.2	81.2	81.6	81.8	82.6	83.4	83.2	82.5	82.1	81.5	2.41%
2002	80.8	81.3	82.8	85.2	85.6	86.0	86.4	87.5	88.7	90.0	91.2	92.3	15.10%
2003	93.0	93.8	94.8	96.0	97.7	98.7	99.8	100.6	101.1	102.4	103.6	105.0	13.33%
2004	105.4	106.3	107.1	108.4	108.9	109.9	110.9	112.1	113.2	113.5	113.8	114.0	8.54%
2005	114.4	114.7	115.1	115.5	116.1	116.8	117.8	119.0	120.2	121.7	123.1	124.6	10.23%
2006	126.1	127.4	129.0	130.8	132.9	134.5	136.0	137.3	138.2	139.0	139.2	139.3	10.63%
2007	139.5	139.5	138.6	137.5	136.4	135.7	135.1	134.7	134.3	132.5			

**National Rental Index** (Source: Daft Report)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2003	101.2	102.0	102.3	102.7	101.3	100.5	100.4	100.3	99.9	97.9	96.6	95.9
2004	95.7	94.9	94.6	95.0	95.4	95.8	96.9	97.9	98.5	98.4	97.6	97.2
2005	97.7	97.5	98.6	98.4	99.0	99.0	99.9	100.4	100.2	102.0	102.9	104.4
2006	103.3	102.6	102.8	102.9	105.0	105.8	107.1	109.4	110.4	112.4	112.5	113.0
2007	112.9	113.4	115.6	112.2	116.9	123.6	116.7	117.8	119.4	119.8		

**SCS Tender Index**

(Source: Society of Chartered Surveyors)

	Jan - July	July - Dec
2002	133.9	130.1
2003	127.2	129.3
2004	135.3	139.4
2005	142.6	144.7
2006	146.7	151.7

**Note**

Due to space constraints only the most recent years of the above indices have been shown here. The full listing of the above and other indices are available on our website at [www.akc.ie](http://www.akc.ie)