



CFAT

Commercial Feasibility
Assessment Team



Aramark Join The Cfat Team

We are delighted to announce that ARAMARK Property have joined the CFAT team and add their extensive Property Management experience

and capability to the range of services CFAT provides. Paul Fanning (Commercial Director, ARAMARK) will represent ARAMARK in CFAT.



The Taking In Charge Process

In 2008 the government issued a directive to all Local Authority County Managers that they were to put into place a formal policy for taking into charge completed developments. The taking in charge policies adopted by Local Authorities are the requirements

which need to be met by developers when seeking to get the public roads, footpaths, open spaces etc handed over to the local authority and ultimately (and importantly these days) to get the security (Bond) returned. These policies vary from county to county but generally require as a minimum the following works to be undertaken, CCTV surveys of the drainage network, as constructed drawings of the areas to be taken in charge together with detailed as constructed drawings of all buried services. The Local Authority will inspect the works on site to ensure that they have been constructed to the appropriate standard and where necessary a snag list of defects which require resolution will be

prepared. Once all of the works/ defects are completed to the satisfaction of the Local Authority the Authority will release the security (bond) lodged to secure completion of the works and proceed to take the development in charge. Partial release of the bond can be negotiated with the Local Authority where the works are completed on a phased basis or where a substantial amount of the works have been completed. Where developments include the upgrade of existing public infrastructure or the construction of new public infrastructure on behalf of the Local Authority a 12 month maintenance period is required upon satisfactory completion of the works. The CFAT professional team can assist in all aspects of the taking in charge process and in securing the speedy return of the bond. ■



www.cfat.ie

For a free preliminary consultation, please contact

Tony Bamford on 087 290 3208 or Sean O'Neill on 086 388 9303

Ref: Commercial Feasibility.

Managing and Resolving Unfinished Housing Developments

The issue of unfinished housing developments featured heavily at the 2011 Irish Planning Institute Conference, with a stated determination to tackle this issue at National level.

In 2010, the Government commissioned the 'National Housing Development Survey Report' assessing 2,846 unfinished housing developments. It was prepared with the intention of formulating further action by Government towards resolving the emergence of 'Ghost Estates'.

Following this survey, the DoEHLG published the draft guidance 'Managing and Resolving Unfinished Housing

Developments' in December 2010. This non-statutory guidance manual sets out the key issues and the steps required to manage and tackle them.

One of the steps required is the preparation of Site Resolution Plans ("SRPs") by either the developer or the receiver appointed to recover debts. The SRPs would require agreement with the Local Authority's 'Unfinished Housing Development Team' in order to avoid punitive action.

An issue highlighted by the Guidance is the problem of expired bonds. (This has arisen due to numerous applications

to extend the duration of planning permission beyond the normal five years, with difficulties securing extension of time in related bonds). The Guidance suggests other mechanisms to replace bonds such as cash deposits, insurance bonds, or titles over specified parts of the development. Some local authorities such as Kildare and Laois have already used titles as security!

This guidance manual is no more than a first, tentative, exploratory step towards tackling 'Ghost Estates'. While it may seem more aspirational than practical at times, it includes the key mechanism of the SRP which has the potential to manage and resolve unfinished housing developments. ■

Galways Roundabouts to Disappear!

Galway City Council (GCC) have secured the first tranche of funding to remove bottleneck roundabouts on the N6 through Galway City, with a budget of €6m for the first phases.

GCC held a public meeting on 2 June to allay fears about the proposal to change Lynch Roundabout (Briarhill) to a signalised junction – it is one of six roundabouts that are to be removed and replaced with 'intelligent' traffic lights.

But opposition to the €6 million improvement works, known as the Bóthar na dTreabh (N6) Multi-Modal Corridor Improvement Scheme, is intense. It is a divisive issue, with cyclist and mobility-impaired groups strongly supporting the proposals.

An MEP called the proposals "absurd" while Galway Chamber also voiced its concerns about the plan while some businessmen are asking all city councillors to vote against officials' plans to remove the roundabouts.

It is a contentious scheme and it is incumbent on GCC/NRA and their Consultants to get the design right, maximizing traffic capacity whilst also providing for pedestrians and cyclists, so that the full proposals can be brought to fruition in the best interests of the entire City. ■

What Lies Beneath

The draft guidance document 'Managing and Resolving Unfinished Housing Developments', published by the DoEHLG, will lead to "due diligence" assignments on behalf of financial institutions, receivers, local authorities, NAMA, etc., once the final guidance document is published during this summer of this year.

The CFAT Team have completed several diligence exercises, and, for some, are progressing with finishing out the schemes. Based on our experience we advise to proceed cautiously when

preparing budgets especially for work beneath the ground, and in areas where access is difficult.

During the 'boom', in some cases, corners were cut, and this is particularly true for works beneath the ground. It is now clear that when defects are uncovered, liability is difficult to determine. (Note - the legal quagmire associated with residential units and the current 'pyrite' controversy).

In some cases the cost of remedying defects when the professional have made

their recommendations will be far higher than the cost of undertaking such work correctly in the first place.

During the 'boom' period, the scrutiny applied by potential purchasers (and their financial and legal representatives) was not perhaps what it should have been. In future, purchasers and their advisers will be adopting a much more stringent approach to ensuring that all works are fully certified and completed in accordance with Local Authorities requirements. ■

Disability Access Certificate (DAC)

The requirement for a Disability Access Certificate (DAC) came into effect on 1st January 2010 for new buildings (other than dwellings houses) which commence on or after that date.

A DAC is a certificate granted by a Building Control Authority which certifies compliance of the design of certain works (e.g. new buildings (except dwelling houses), some extensions to, and some material alterations to buildings (except dwelling houses) with the requirements of Part M of the Building Regulations 2000.

Part M Regulations 2010 (Access and Use)

In general, this document applies to works, or buildings in which certain material changes of use take place, where the works commence or the change of use takes place, as the case may be on or after 1 January 2012.

Technical Guidance Document M – Access for People with Disabilities, dated 2000, also ceases to have effect from that date.

The 'new' Regulations underpin the principle of Universal Design. Defined in the Disability Act 2005 as "the design and composition of an environment so that it may

be accessed, understood and used to the greatest practicable extent, in the most independent and natural manner possible, in the widest possible range of situations and without the need for adaptation, modification, assistive devices or specialised solutions, by persons of any age or size or having any particular physical, sensory, mental health or intellectual ability or disability."

Buildings should be designed so that they are easy for people to use and to reflect the fact that all people experience changes in their abilities as they progress through the different stages of life. ■

Source - Department of Environment

Property Investment Market All Mixed up!!!

We are in a very strange world indeed at present. In economics we are taught that Price is determined by demand and supply. If demand exceeds supply, price tends to rise. If supply exceeds demand, price tends to fall.

In the commercial property investment market in Ireland there is little or no available supply yet there are many foreign investment funds seeking product. Even more so many of these funds are after the same type of product i.e modern, solid income producing investments. Even still however according to IPD capital value growth is negative. Why is this?

There are several ingredients needed in order for markets to work efficiently. Included in these are full information i.e transparent prices and well informed consumers and strong institutions that protects property rights and ensure that contracts are enforceable. Neither of these are present in the market at the moment. The Government manifesto on rent reviews means that there is no certainty that lease contracts that determine rental flow will be enforceable going forward. Lack of activity means that full price information is also not available.

It is impossible for the market to reach equilibrium whilst this scenario exists with no party having information on the likely outcome. Risk is being priced differently. Purchasers are pricing in the downside risk of a change in legislation leading to downward rent reviews whilst vendors are hoping that the current situation will be maintained. Whilst risk exists, valuations need to reflect this and hence values continue to fall.

Markets need certainty. Until we get this certainty the market cannot function efficiently and effectively stagnates. We need decisions and quickly! ■

The Rating Game

The Valuation Office is currently assembling property market information and will shortly circulate "Proposed Valuation Certificates" for each rateable value in the Dublin City Council area, as part of the countrywide revaluation.

This document needs careful consideration and you may ignore it at your peril!

If the Certificate value is not challenged within 28 days it is likely to be included in the Certificate of Valuation and the

new rateable value Register, for calculating bills in the future.

There are further opportunities to appeal, but it is more costly and difficult to successfully pursue.

It is important to seek a skilled Rating Assessment practitioner's advice immediately on receiving the "Proposed Valuation Certificate".

Whilst it is not a requirement to have a professional adviser make representations or to lodge an appeal, it is a complex

process requiring property market and law knowledge with the technical application of the relevant valuation method to maximise the merits.

There are the deadlines to meet and the onus is on the ratepayer to ensure a valid appeal.

In many cases the cost of querying the initial assessment can be very little or in many cases be 'self financing' which could save your business considerably in the years ahead! ■

About CFAT

WHO?

A group of individual organisations providing Project Management, Architecture, Engineering and Cost Consultancy services, who have pooled their resources and market know how to offer clients a single point range of services for property developments.

WHY?

Management of projects requires the input of many specialist disciplines, but not necessarily all services in all cases. As a one stop shop CFAT can assess and provide only those specialist skills required for each situation, thereby minimising consultancy costs.

WHAT?

Multidisciplinary, tailored, no nonsense advice and services for Project resolutions. The CFAT group have extensive experience across all sectors and are familiar with statutory bodies, financing institutions, the construction industry and property sales and management environments.

BENEFITS OF CFAT:

- Individual and collective in depth experience of the property development industry at all levels.
- Selective application of expertise across all disciplines (ie only what's needed).
- Ability and capacity to quickly assess projects at varying stages of development or completion
- Capacity and capability to implement chosen solutions.
- Know how to make succinct recommendations for project resolution, including feasibility assessment of all options.

OUR SERVICES:

Project Management

- Total Project assessment
- Fast initial investigation and report, including assessment of incumbent specialists.
- Feasibility and recommendations, including risk assessment
- Monitoring and reporting
- Direct implementation or total delivery.

Planning / Financial

- Land use review, zoning/ rezoning, recommendations and risk assessment
- Planning consents review, viability assessment, compliance issues and further consents requirement.
- Site value enhancement
- Comprehensive Costs to complete
- Commercial feasibility assessment.

Design

- Comprehensive Architectural and Engineering design services.
- Inspection, testing and design assessment services
- Works installation monitoring
- Planning Compliance assessment, remediation and certification
- Certification of design and works
- Payments - monitoring/ recommendations/certification and reporting

Meet The CFAT Team

Property Management

Paul Fanning, Commercial Director
Aramark Property
(t) 01 871 5400
(e) fanning-paul@aramark.ie
(w) www.aramark.ie



Planning

Tony Bamford, Director
DPP LLP
(t) 01 479 4230
(e) tony.bamford@dppllp.ie
(w) www.dppllp.ie



Property Advisor

Sean O'Neill, Managing Director
O'Neill Strategic Property Advice
(t) 01 676 6566
(e) sean@stoneill.ie
(w) www.stoneill.ie



Quantity Surveyor/Costing

Michael Slevin, Director
KSN
(t) 01 277 69009
(e) mslevin@ksn.ie
(w) www.ksn.ie



Engineering/Environmental

Joe Gibbons, Director
Moylan Consulting Engineers
(t) 01 664 8900
(e) joegibbons@moylan.ie
(w) www.moylan.ie
(w) www.watermangroup.com



Traffic/Roads

Eoin Reynolds, Director
NRB Consulting Engineers Ltd
(t) 01 292 1941
(e) eoin.reynolds@nrb.ie
(w) www.nrb.ie



Architecture

Joe Doyle, Managing Director
Joseph Doyle Architecture
(t) 01 271 1300
(e) jdoyle@jdarchitecture.com
(w) www.jdarchitecture.com

