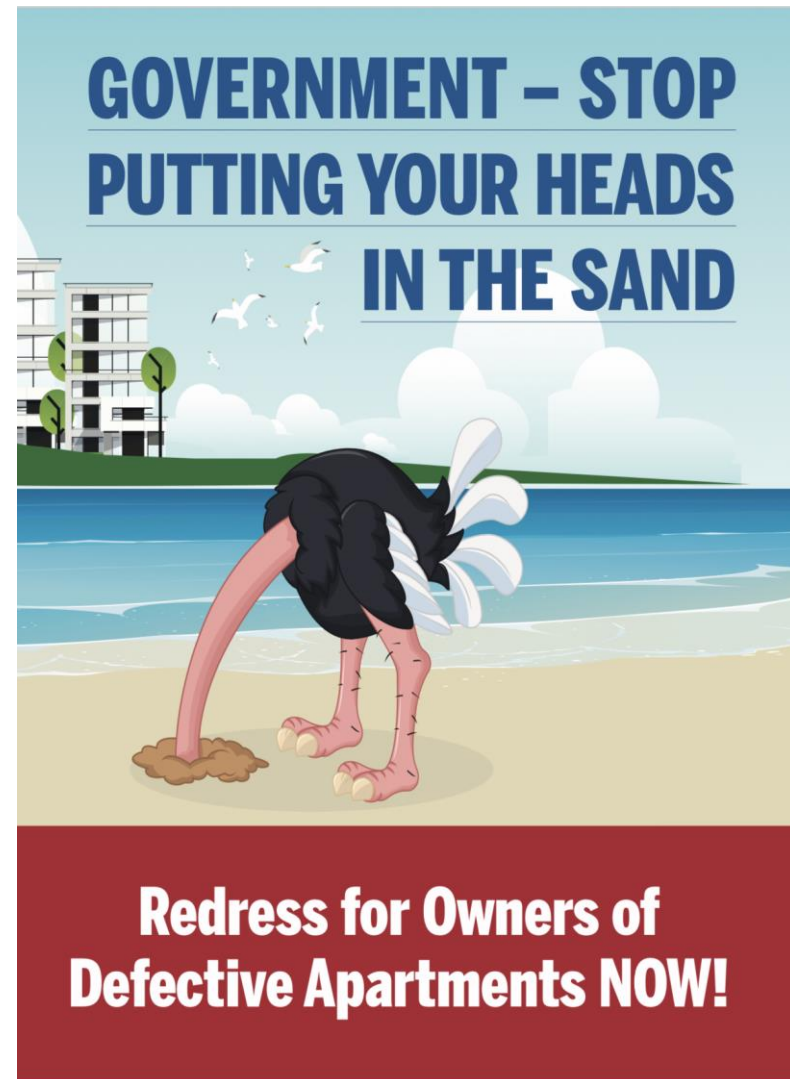


Campaign for Redress for Owners of Defective Apartments

Pat Montague,
Construction Defects Alliance,
13 September, 2022.



Beacon[®]
South Quarter Owners' Management Company

Connecting

- Twitter handle
 - @AllianceDefects
- Email address
 - info@constructiondefectsalliance.ie
- Website
 - www.constructiondefectsalliance.ie



Construction Defects Alliance

- Alliance began in Beacon South Quarter (BSQ)
- As BSQ campaigned, others joined in
- Set up Alliance in October 2019 – huge support from AON
- Seeking implementation of Housing JOC report *Safe as Houses?*
- Campaigned before and after last election
- Commitments in PfG



Working Group Set Up

- Programme for Government contained commitment to review defects issue by July 2021
- Alliance and AON proposed Working Group – including apartment owners and experts
- Government accepted that
- Dealing with historical defects for MUDs built between 1991-2013:
 - Estimate scale, nature and cost of problem
 - Propose technical and financial solutions

The logo for the Programme for Government is a vertical rectangle with a red-to-purple gradient. The text is white and positioned in the upper half of the rectangle.

**Programme
for Government**
Our Shared Future

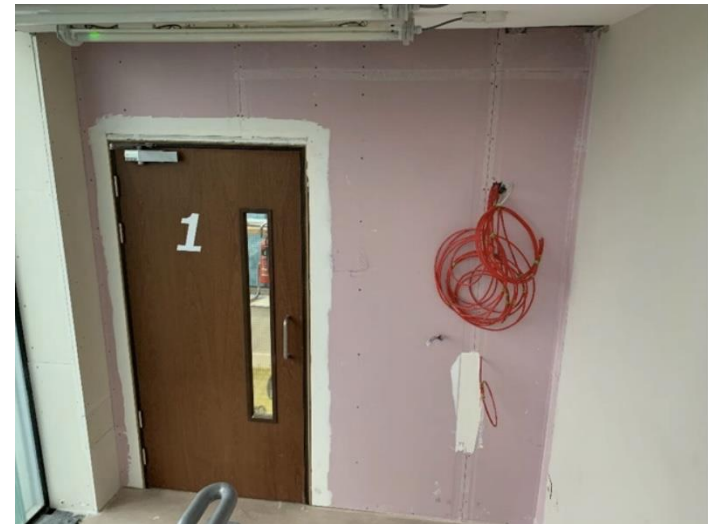
Working Group Timeline

- First meeting at end of March 2021
- Operated through sub-groups:
 - Technical Solutions
 - Consultation
 - Financial Solutions (range of financing options)
- Signed off on report on 22 July
- Published on 26 July
- Really challenging timeline for action in Budget 2023 on 27 September



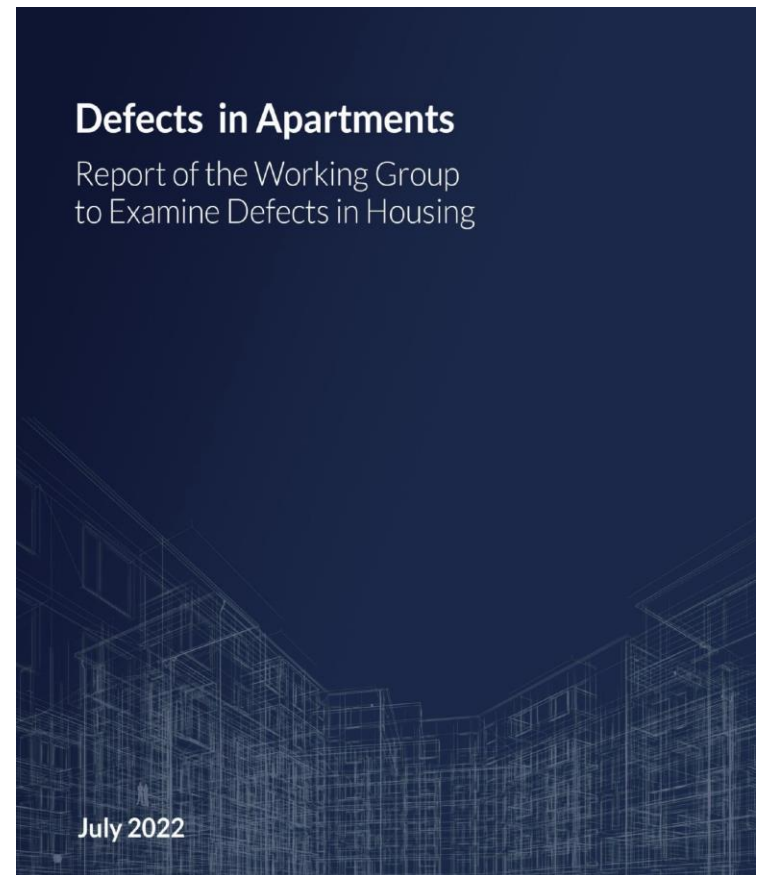
Nature of Defects

- Fire safety defects
 - No fire stopping or poorly installed
 - External walls, fire doors, ceilings and floors
- Water ingress – leaky roofs and balconies
 - Mould and damp
 - Water running down inside of windows
- According to WG, defects are breaches of the Building Regs
- Non-breaches are not defects and won't be covered by scheme



Emerging Data

- Between 62,500 and 100,000 apartments affected by defects
- Up to 90,000 affected by fire safety defects
- 12% of homes have had remediation works completed
- 32% in progress
- 56% yet to commence



Key Findings/Conclusions

- Recognition that Government has to contribute to funding defects works:
 - Fire safety, water ingress and structural issues
- That monies for future works should be routed through OMCs
 - Only body that has legal and practical means to deliver safe homes
- Need for guidance and support for OMCs (Housing Agency)
- Consensus about need for retrospective support for owner-occupiers
 - Landlords get tax relief for levy payments (nearly 60% of apartment owners)



Funding Options

- Three funding options for **future works** being considered:
 - Low-cost long-term loans
 - State grants to OMCs (may be capped at a certain figure or % of costs)
 - State directly pays for costs
- Loans originally seen as ‘silver bullet’ but now not seen as practical
- Likely to be some variation on other two
- Options for **retrospection too**:
 - Tax reliefs/credits
 - Grants
 - Soft-loans
- Government will have to consider and decide on options including retrospection



Importance of Retrospection

- Owner-occupiers and housing associations cannot get support for levy payments now
- Working Group recognises issue of fairness and equity here
- Also question of ‘moral hazard’ – where remediation projects may be deferred or stalled to avail of remediation scheme
- Working Group figures indicate 32,000 apartments in this category



Risk with Implementation Delay

'The issue of 'moral hazard' is relevant where remediation projects may be at an early stage (say the investigation phase) and the actual works are deferred to ensure the ability to avail of a Redress Scheme.'

*'This scenario may give rise to **unnecessary risk to health and safety** arising from the deferral of important works.'*



Immediate Focus

- To prevent remediation works stalling, need action on retrospection
- Wider scheme will take 18 months
- Have been pressing for action in Budget 2023 and Finance Bill 2022
 - Time is very tight for Budget 2023
 - Possible but really challenging
- Also looking at fall back positions
- Needs strong political push
- Lobby campaign through www.constructiondefectsalliance.ie
- Looking for information and advice service in early 2023
- Lists of qualified specialists



Medium-Term

- Engage with Government on key issues
 - Eligibility for scheme
 - What will be covered – storage, accommodation, professional fees
 - How much will Government contribute
 - How will money be paid out?
 - Retrospection
- Implementation of report
 - Set up Implementation Group
- Legislate for scheme
- Put resources and management body in place

