TUARASCÁIL ón gComhchoiste Fiosrúcháin i dtaobh na Géarchéime Baincéireachta

An tAcht um Thithe an Oireachtais
(Fiosrúcháin, Pribhléidí agus Nósanna Imeachta), 2013

REPORT of the Joint Committee of Inquiry into the Banking Crisis

Houses of the Oireachtas
(Inquiries, Privileges and Procedures) Act, 2013

Volume 1: Report
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Dept. of Finance
DOF: Core Book 30

January 2016

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R5d: Appropriateness of relationships between Government , the Oireachtas , banking sector and the property sector

THEME: R5

Clarity and effectiveness of the Government and Oireachtas oversight and role

LINE OF INQUIRY: R5d

Appropriateness of the relationships between Government, the Oireachtas, the banking sector and the property sector

ROINN AN TAOISIGH

12

Uimhir.................................

Taoiseach
The measures proposed are likely to be necessary if the public are to be convinced that price stability can be achieved.
18/9

To: 1. Secretary General McCarthy
2. Taoiseach

From: Eoin O'Leary

Re: Housing Market

The most recent indicators for the housing market suggest that price increases are not moderating, particularly in the Dublin region (see table below).

Quarter 2, 2000	National	Dublin
New House Prices	+4.2%	+9.7%
Second-hand House Prices	+9.3%	+10.6%

The Taoiseach will also be interested in the letter from Pat O'Reilly, EBS at **Tab 1**. This argues that the Bacon measures are having a limited impact and that more radical steps are needed.

The **Cabinet Committee on Infrastructure** is to review the housing situation in October. While it is possible that the indicators will have improved substantially by then, it is prudent to anticipate that current trends will be sustained. The Cabinet Committee should therefore have a range of further measures available for consideration at that time, particularly given the context of pressures on the PPF and the likely movements in inflation during the next three months.

A **draft letter to Minister Dempsey is across suggesting that in addition to an update on implementation of the Bacon III measures, the Cabinet Committee should receive a menu of more radical options** including:

- Imposition of a system of certificates of reasonable value;
- Credit controls on lending (action by the Central Bank or otherwise);
- Controls on the price of building land;
- Direct intervention at national Government level to rezone land along certain key transport corridors;
- A tax/levy on all zoned and serviced land not being actively developed (this is to be discussed at the Tax Strategy Group);
- Aggressive approaches to attract foreign house builders who could bring labour with them

These and other options should be ready for consideration by the Cabinet Committee in October.

E O'Leary
September 2000

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Mr Charlie McCreevy T.D.
Minister for Finance
Dáil Éireann
Dublin 2

11 September 2000

Dear Minister

Over the past few years my colleagues and I in EBS have expressed concern that rapidly increasing house prices, the run down in savings and the growing level of personal debt could put our current prosperity at risk. At the meeting which I and some of my financial sector colleagues had with you and your officials on 20 July concerning inflationary pressures, I reiterated some of these views.

Strong growth rates and higher income levels will continue to boost demand and inflationary pressures. To this must be added the effect of tax cuts, tax breaks, foreign direct investment and the continuing influence of structural funds inflows. Each of these in their own way can be viewed positively, but their combined effect is now bringing the economy up against real capacity constraints. These constraints are visible in tight labour markets, inadequate physical infrastructure and a shortfall in mass public transport. A less visible but critical constraint is the declining ability of governance, legislative and public administrative structures (e.g. Planning) to keep pace with a rapidly evolving competitive marketplace.

Significant as the issues touched on above are, few of them have as big an impact as spiraling house prices and potential to inflict lasting damage to our prosperity. Those already in houses feel wealthier and increase their spending, adding to demand. Those excluded from housing seek income increases in order to get on the housing ladder.

Ireland - and even the Dublin area - is not densely populated by comparison with Britain and other near neighbours, but almost uniquely for a European country we seem to be unable to meet the demand for houses.

The three Bacon reports have provided excellent analyses of the housing market, and confirmed the view which, as long as three or four years ago, had identified the supply of building land and residential densities as the fundamental causes of our current difficulties. The measure taken as a result of proposals in the Bacon reports have had a very limited impact. House prices are continuing to grow at alarming rates. This price growth is no longer confined to the Dublin area. It is clear that, despite all the measures taken and pending, the market does not yet believe that the problem is close to being solved. In fact the latest Bacon Report may have reinforced the view that the problem will not be solved in the near future, because of the implied concern in the Report about the dangers of negative equity.

Every day our staff encounter people seeking to buy homes who, in times past, would have expected to become home owners. These are people with good jobs and good career prospects. Unless something radical is done to tackle the house price spiral, many of these people will *never* own their own homes.

We have come to the conclusion that the housing situation represents a serious threat to consensus in Irish society. As we stated in our 1999 Annual Report, similar crises in public policy and administration have, in the past, been successfully addressed by the establishment of bodies with a clear remit and tight deadlines. Housing is in need of such focus. Leadership is now required on a scale similar to that which was applied with success to issues such as economic partnership, the national debt, the peace process and combating organised crime. We believe that similarly bold moves are now needed to tackle the housing problem.

Government control the supply of housing land and also effectively control market expectations. For a number of years EBS has called for measures to convince the market that supply would be addressed in such a way as to deflate excessive price expectations. In particular we strongly support the concept of an independent housing authority with a remit of ensuring that at all stages there would be a long term supply of zoned building land available to the market. These two moves would be an immediate signal to the market that that housing supply difficulties can be solved, and that the State is willing to act radically in order to arrive at a solution.

X However, the market needs an immediate and strong signal of the State's willingness to act. In the Dublin area, such a signal would be the rezoning, at National Government level, of all land in a 1km band along major commuter corridors including the rail line to Maynooth, the railway route to Navan, the railway line between Drogheda and Wicklow as well as most of the M50 motor way route.

Of course action of this kind involves many risks, not the least of which is objections by local communities and special interest groups. These risks must be weighed against what we see as the significantly greater risks of letting the current situation deteriorate further. Already too much time has passed and too much damage has been done to individuals and society in general from house price increases. Real action is now required to change expectations.

In conclusion I wish to emphasise that these comments and suggestions are aimed at supporting the Government in its effort to reduce inflationary pressures and contribute to the debate on protecting our current and future welfare.

Yours sincerely

P. O'Reilly

PAT O'REILLY
Chief Executive

12 September 2000

RECEIVED
14 SEP 2000
Filed 10a

Mr. Pat O'Reilly
Chief Executive
EBS Building Society
PO Box 76
30/40 Westmoreland Street
Dublin 2

1. Ms Doyle,
2. ~~Secretary~~ General Mr Cullen
To see X in particular
E O'Leary
13/9

Dear Mr. O'Reilly,

I wish to acknowledge receipt of your letter of 11 September 2000 which will be brought to the Taoiseach's attention as soon as possible.

Yours sincerely,

David Feeney
Assistant Private Secretary
to the Taoiseach

Mr Eoin O'Leary
To see please

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An Taoiseach Bertie Ahern TD
Department of An Taoiseach
Government Buildings
Merrion Street
Dublin 2

11 September 2000

Dear Taoiseach

I enclose a copy of a letter outlining our concerns on continuing house price inflation which I have today sent to the Minister for Finance. In it I have reiterated our support for the concept of an independent housing authority together with the requirement for a radical signal of the State's willingness to address the needs of the housing market.

My colleagues and I are available at any stage to expand on our views if this were felt to be useful.

Yours sincerely

P. O'Reilly

PAT O'REILLY
Chief Executive

Enclosure/

Direction DOFO2, Request No. 1 - Ref I.D. r5d

A list of solicited and unsolicited representations (in the form of minutes of meetings or formal written correspondence) made by representative bodies of valuers, auctioneers and the construction industry to the Minister for Finance, Minister of State for Finance or the Secretary General at the Department of Finance for the period 2001 to 2010 regarding the importance of the property sector to the Irish economy.
First list of records

Entry	Recipient	From	Address	Date received	Subject Matter	Form of Rep
1	Charlie McCreevy, Minister for Finance	Construction Industry Federation	Construction House, Canal Road, Dublin 6	10/10/2001	Construction Industry with mention of Housing Sector	Pre Budget Submission and Strategy Statement
2	Charlie McCreevy, Minister for Finance	Small Firms Association	Confederation House, Lower Baggot St., Dublin 2	22/10/2001	General Pre Budget submission with some reference to Housing Sector	Pre Budget Submission
3	Charlie McCreevy, Minister for Finance	Dublin Chamber of Commerce	7 Clare Street, Dublin 2	14/11/2001	National Development Plan	Letter to Minister & Executive Summary of Pre Budget Submission
4	Charlie McCreevy, Minister for Finance	North Dublin Chamber of Commerce	DCU, Glasnevin, Dublin 9	16/11/2001	Issues facing business in North Dublin with mention of Housing Sector	Pre Budget Submission
5	Charlie McCreevy, Minister for Finance	Construction Industry Federation	Construction House, Canal Road, Dublin 6	19/11/2001	Capital Spending Estimates	Letter to Minister
6	Minister for Finance Charlie McCreevy	Construction Industry Federation	Construction House, Canal Road, Dublin 6	10/09/2002	CIF Mid Term Review ad Outlook: Construction Activity, Culture of Safety in Construction, Waste Management, Housing Review and Outlook 2002, The National Development Plan and Future Funding Requirements	Pre Budget Submission 2003
7	Minister for Finance Charlie McCreevy	Construction Industry Federation	DKM Economic Consultants Ltd., Davy House, 49 Dawson Street, Dublin 2	01/10/2002	Current Expenditure Control, Taxation - Capital Gains Tax, SSIA Sheme, VAT, Insurance Levy, Public Investment, Urban Renewal, Housing, Insurance	Pre Budget Submission 2003
8	Minister for Finance Charlie McCreevy	Irish Home Builders Association	Construction House, Canal Road, Dublin 6	31/10/2002	Housing Sector, Social and Affordable Housing, Two Year Withering Planning Permissions, The Part V Housing Provisions of the Plannign and Development Act 2000, Housing Market Risks and Other Issues	Pre Budget Submission 2003
9	Charlie McCreevy, Minister for Finance	A&L Goodbody Consulting	International Financial Services Centre, North Wall Quay, Dublin 1	18/11/2002	Ireland's infrastructure & deficit	Letter & report to Minister for information
10	Minister for Finance Charlie McCreevy	Institute of Professional Auctioneers and Valuers	129 Lower Baggot Street, Dublin 2	22/11/2002	Tax credits or First Time Buyers grant for new and second hand houses.	Budget 2003 -Pre Budget Submission
11	Minister	Irish Home Builders Association	Construction House Canal Road Dublin 6	01/03/2003	stamp duty	Letter to Minister
12	Minister for Finance, Mr Charlie McCreevy	Irish Hardware and Building Association	Mr James Goulding, Secretary General, Irish Hardware and Building Association, Elmville, Upper Kilmacud Road, Dundrum, Dublin 14	28/05/2003	Retail Planning Guidelines	Written Correspondence
13	Minister for Finance, Mr Charlie McCreevy	Irish Auctioneers and Valuers Institute	Mr. Aidan O'Hogan, President, Irish Auctioneers and Valuers Institute, 38 Merrion Square, Dublin 2	04/06/2003	All-Party Oireachtas Committee on the Constitution 2002 – Private Property.	Written Correspondence
14	Carbon Energy Taxation Consultation, DoF	Construction Industry Federation	Construction House, Canal Road, Dublin 6	01/09/2003	Carbon Energy Taxation Consultation	Submission

15	Carbon Energy Taxation Consultation, DoF	Irish Concrete Federation	8 Newlands Business Park, Naas Raod, Clondalkin, Dublin 22	01/09/2003	Carbon Energy Taxation Consultation	Submission
16	Carbon Energy Taxation Consultation, DoF	Century Homes	Clones Rad, Co. monaghan	01/09/2003	Carbon Energy Taxation Consultation	Submission
17	Carbon Energy Taxation Consultation, DoF	Clogrennane Lime	Clongrennane, Co. Carlow	01/09/2003	Carbon Energy Taxation Consultation	Submission
18	Carbon Energy Taxation Consultation, DoF	Ecocerm materials Limited	East Point Office Park, Dublin 3	01/09/2003	Carbon Energy Taxation Consultation	Submission
19	Carbon Energy Taxation Consultation, DoF	Irish Cement	Platin, Drogheda, Co. Louth	01/09/2003	Carbon Energy Taxation Consultation	Submission
20	Carbon Energy Taxation Consultation, DoF	John A.Wood	Kilmorna, Listowel, Co. Kerry	01/09/2003	Carbon Energy Taxation Consultation	Submission
21	Carbon Energy Taxation Consultation, DoF	Ormonde Brick	Castlecomer, Co. Kilkenny	01/09/2003	Carbon Energy Taxation Consultation	Submission
22	Carbon Energy Taxation Consultation, DoF	Roadstone Dublin Ltd.	Fortunestown, Tallaght, Dublin 24	01/09/2003	Carbon Energy Taxation Consultation	Submission
23	Carbon Energy Taxation Consultation, DoF	Roadstone Provinces Ltd.	Saggart, Co. Dublin	01/09/2003	Carbon Energy Taxation Consultation	Submission
24	Minister for Finance, Mr Charlie McCreevy	The Institution of Engineers of Ireland	Mr Paddy Purcell, Chartered Engineer, Director General, The Institution of Engineers of Ireland, 22 Clyde Road, Ballsbridge, Dublin 4.	19/09/2003	Submission to the Government on the Proposed Critical Infrastructure Bill	Written Correspondence
25	Minister for Finance	Dublin Chamber of Commerce	7 Clare Street, Dublin 2	01/10/2003	Competitiveness of Dublin with some reference to Housing Sector	Pre Budget Submission
26	Minister for Finance	IMPACT	Nerney's Court, Dublin 1	01/10/2003	General Pre Budget submission with some reference to Housing Sector	Pre Budget Submission
27	Minister for Finance Charlie McCreevy	Construction Industry Federation	DKM Economic Consultants Ltd., Davy House, 49 Dawson Street, Dublin 2	01/10/2003	Public Infrastructure Investment Strategy, Capacity Utillisation and Expansion in the Sector, Tax Stragey for 2004, Competitiveness and the Contribution from the Construction Sector, Key Proposals.	Pre Budget Submission 2004
28	Minister for Finance Charlie McCreevy	Irish Home Builders Association	Construction House, Canal Road, Dublin 6	08/10/2003	Housing- a mjor source of revenue, Stamp Duties, Budgetary Policy and Housing taxation, Local Authority and Public Private Partnerships	Budget 2004 Pre Budget Submission
29	Charlie McCreevy, Minister for Finance	Irish Home Builders Association	Construction House, Canal Road, Dublin 6	09/10/2003	Housing Market	Pre Budget Submission
30	Minister for Finance, Mr Charlie McCreevy	Irish Property Owners Association,	Irish Property Owners Association, Ormond Court, 11 Ormond Quay, Dublin 1 Email: iopa@eircom.net	14/10/2003	Residential Tenancies Bill 2003	Written Correspondence
31	Donal McNally Second Secretary to Minister for Finance Brian Cowen	Irish Auctioneers and Valers Institute	38 Merrion Square, Dublin 2	03/11/2003	Residential, Commerical, CGT- Roll Over Relief, Building Land, Stamp Duty, Investors, Second Hand market,	Budget 2004 Pre Budget Submission
32	Minister for Finance Charlie McCreevy	Irish Auctioneers and Valers Institute	38 Merrion Square, Dublin 2	03/11/2003	Residential, Commerical, CGT- Roll Over Relief, Building Land, Stamp Duty, Investors, Second Hand market,	Budget 2004 Pre Budget Submission
33	Minister for Finance, Mr Charlie McCreevy	Batt O Keeffe, T.D.,on behalf of Mr. Joseph O'Brien, Director, Construction Industry Federation, Southern Region.	Mr. Batt O Keeffe, T.D., Dáil Eireann, Dublin 2	29/04/2004	Stage payments in the Housing Bill and transport issues	Written Correspondence
34	Minister for Finance	IBEC	84/86 Lower Baggot St., Dublin 2	01/09/2004	General Pre Budget submission with some reference to Property Sector	Pre Budget Submission

35	Minister for Finance Brian Cowen	Construction Industry Federation	Construction House, Canal Road, Dublin 6	04/10/2004	Value for Money in Public Procurement, Public Infrastructure Investment Strategy: Exchequer Investment Strategy, Balanced Regional Development, Infrastructure Planning and Project Management, Delivering cost effective PPP projects,Construction Capacity enhancement. Competitiveness and the cost of Regulation: Business Costs, Regulatory Compliance Costs, Development Charges, Increasing Costs, Competitiveness in construction. Tax Stratgey: Housing, VAT, Carbon Tax, Capital Gains Tax, Stamp Duty, Renewal Tax Incentive Schemes, Insurance, Redundancy Payments, SSIA's.	Pre Budget Submission 2005
36	Minister for Finance Brian Cowen	Irish Home Builders Association	Construction House, Canal Road, Dublin 6	13/10/2004	Sustainability of current level of output, Assistance to first time / affrodable buyers, Housing -a mjor source of revenue, Stamp Duties, Local Authority and Public Private Partnerships, Budgetary Policy and Housing Taxation, Infrastructure funding - user charges	Pre Budget Submission 2005
37	Minister	IAVI	38 Merrion Square Dublin 2	26/10/2004	stamp duty	Letter to Minister
38	Minister for Finance Brian Cowen	Institute of Professional Auctioneers and Valuers	129 Lower Baggot Street, Dublin 2	17/11/2004	Adjustments to Stamp Duty	Pre Budget Submission 2005
39	Minister for Finance, Mr. Brian Cowen, T.D	Irish Home Building Materials Association	Mr. James Goulding, Secretary General, Irish Home Building Materials Association, Elmville, Upper Kilmacud Road, Dundrum, Dublin 14.	24/11/2004	Changes to the Retail Planning Guidelines	Written Correspondence
40	Minister for Finance, Mr. Brian Cowen, T.D	Irish Hardware and Building Materials Association	James Goulding Irish Hardware and Building Materials Association	17/01/2005	Changes to the Retail Planning Guidelines	Written Correspondence
41	Minister for Finance Brian Cowen	Desmond Doyle, MBA(Constuction & Real Estate)University of Reading	98 Lwr Churchtown Rd, D.14	31/03/2005	proposing the introduction of a REIT tax framework into Irish legislation	Written Correspondence
42	Minister for Finance, Mr. Brian Cowen, T.D	Irish Concrete Federation	Mr John. Maguire, Chief Executive, Irish Concrete Federation, Naas Road, Clondalkin, Dublin 22	26/05/2005	Irish Concrete Federation's Submission to the Joint Committee on Environment & Local Government on Building Standards and Energy Performance in Construction.	Written Correspondence
43	Minister for Finance, Mr. Brian Cowen, T.D	Royal Institute of Architects in Ireland	Mr. Anthony Reddy, President, The Royal Institute of the Architects of Ireland, 8 Merrion Square, Dublin 2.	01/07/2005	The introduction of legislation to protect the public from unqualified people providing services as architects.	Written Correspondence
44	Minister for Finance Brian Cowen	Construction Industry Federation, via Tony Dempsey T.D. on behalf of Sean Doyle, mamber of the CIF	Construction House, Canal Road, Dublin 6	12/08/2005	taxation and property sector	Representation
45	Minister for Finance Brian Cowen	Construction Industry Federation, via John Browne T.D. on behalf of Sean Doyle	Construction House, Canal Road, Dublin 6	12/08/2005	taxation and property sector	Representation
46	Minister for Finance	Construction Industry Federation	Construction House, Canal Road, Dublin 6	01/09/2005	Construction Industry with mention of Housing Sector	Pre Budget Submission

47	Minister for Finance Brian Cowen	Construction Industry Federation	Construction House, Canal Road, Dublin 6	26/09/2005	Economic Growth, Investment and Public Procurement. Tax Stragey, Designated Area and Capital Allowance Schemes. Housing. Competitiveness and Cost of Regulation	Pre Budget Submission 2006
48	Minister for Finance	ICTU	32 Parnell Square, Dublin 2	01/10/2005	General Pre Budget submission with some reference to Property Sector	Pre Budget Submission
49	Minister for Finance Brian Cowen	Irish Property Owners Association	Ashtown Business Centre, Navan Road, Dublin 15	18/10/2005	Addressing the Discrimination against Property Owners - Rental Income, Amend 'Revelant Earnings' in Section 783(3) TCA 1997, Amend 'business' in Section 90 Captal Acquisition Tax Consolidation Act 2003	Pre Budget Submission 2006
50	Minister for Finance Brian Cowen	The Society of Chartered Surveyors	5 Wilton Place, Dublin 2	17/11/2005	Value for Money on Construction Projects, Stamp Duties,	Pre Budget Submission 2006
51	Minister for Finance, Mr. Brian Cowen, T.D	Irish Branch & President Association of Building Engineers	Mr. Michael H Cassidy, Chairman Irish Branch & President Association of Building Engineers, Mespil Business Centre, Sussex Road, Dublin 4.	22/12/2005	Building Control Bill 2005	Written Correspondence
52	Minister for Finance	IBEC	84/86 Lower Baggot St., Dublin 2	01/10/2006	General Pre Budget submission with some reference to Property Sector	Pre Budget Submission
53	Minister for Finance	Construction Industry Federation	Construction House, Canal Road, Dublin 6	01/10/2006	Construction Industry with mention of Housing Sector	Pre Budget Submission
54	Minister for Finance Brian Cowen	Construction Industry Federation	Construction House, Canal Road, Dublin 6	27/10/2006	The National Development Plan 2007-2013. First Time Buyers. Affordable Housing. Research and Development (R&D) expenditure. Sustaining Economic Growth, Taxation, Housing, Regulation, Small Business and Competitiveness	Budget 2007 - Pre Budget Meetings and Submissions
55	Minister for Finance Brian Cowen	Institute of Professional Auctioneers and Valuers	129 Lower Baggot Street, Dublin 2	06/11/2006	Stamp Duty, Residential Housing Market, Mortgage Interest Relief, Rent a Room Scheme, First Time Buyer	Budget 2007 - Pre Budget Submission
56	Minister for Finance Brian Cowen	Construction Industry Federation	Construction House, Canal Road, Dublin 6	20/09/2007	Macro-Economic Outlook and Competitiveness, Public Expenditure, National and Regional Development, Taxation and Fiscal Policy, Housing, Enviromental Issues, Enterprise support and Better Regulations	Pre Budget Submission 2008
57	Minister for Finance Brian Cowen	Building Materials Federation	Confederation House, 84-86 Lower Baggot Street, Dublin 2	25/10/2007	Accelerating NDP Investment, National Spatial Stragegy, Social and Affordable Housing, Stamp Duty, Mortgage Interest Relief	Pre Budget Submission 2008
58	Brian Cowen, Minister for Finance	Building Materials Federation	Confederation House, Lower Baggot St., Dublin 2	30/10/2007	Construction Industry with mention of Housing Sector	Pre Budget Submission
59	Minister for Finance Brian Cowen	Construction Industry Federation	Construction House, Canal Road, Dublin 6	30/10/2007	Reform of Stamp Duty	Pre Budget Submission 2008

60	Minister for Finance Brian Cowen	Institute of Professional Auctioneers and Valuers	129 Lower Baggot Street, Dublin 2	30/10/2007	Sustaining economic growth and stability, Maximising quality employment creation, Improving the damage cost and non-cost competitiveness of the economy, Investment in essential public services, Ensuring a stable housing market, Improving the quality of life of the most disadvantaged in Irish society. Stamp Duties, Rent a Room Scheme	Pre Budget Submission 2008
61	Minister for Finance Brian Cowen	Home Buyers Association	Construction House, Canal Road, Dublin 6	13/11/2007	Housing Market: Exemption from Stamp Duty, Reduction of the penal 9% rate, Induction of Marginal Relief, Mortgage Interest Relief to track the ECB interest rate	Pre Budget Submission 2008
62	An Taoiseach and the Minister for Finance Brian Cowen	Irish Auctioneers and Valuers Institute	38 Merrion Square, Dublin 2	29/11/2007	Second Hand Housing Market, Stamp Duty	Pre Budget Submission 2008
63	Minister for Finance, Mr. Brian Lenihan , T.D	Irish Auctioneers & Valuers Institute	Mr Alan Cooke, Chief Executive, Irish Auctioneers & Valuers Institute, 38 Merrion Square, Dublin 2	01/09/2008	Proposals for measures to stimulate the housing market, specifically the expansion of the role of the Housing Finance Agency to promote liquidity in the market and a revitalised shared ownership scheme, and the economy.	Written Correspondence
64	Minister for Finance Brian Lenihan	Construction Industry Federation	Construction House, Canal Road, Dublin 6	15/09/2008	Economic, Fiscal and Taxation Policy: Gateway Funding, Loval Government. Public Investment and Procurement and Delivery. The Housing Market: Part L of the Building Regulations, Part V of the Planning and Development Act, Affordable Homes Partnership, Stamp Duty on letting of New Developments, VAT on housing, Promoting Investment in Commerical Property, Retrofitting of Buildings. Enterprise Support:	Pre Budget Submission 2008
65	Minister for Finance Brian Lenihan	The Society of Chartered Surveyors	Registered Office, 5 Wilton Place, Dublin 2	17/09/2008	Stamp Duty levels, Delivery of the Nation Development Plan	Pre Budget Submission 2009
66	Brian Lenihan, Minister for Finance	Society of Chartered Surveyors	5 Wilton Place, Dublin 2	18/09/2008	Construction & Property Industries	Pre Budget Submission
67	Minister for Finance Brian Lenihan	Irish Auctioneers and Valers Institute	38 Merrion Square, Dublin 2	24/09/2008	Stamp Duty, Tax treatment of part-time and guest lecturers	Pre Budget Submission 2009
68	Minister for Finance Brian Lenihan	Institute of Professional Auctioneers and Valuers	129 Lower Baggot Street, Dublin 2	25/09/2008	Stamp Duty Reform	Pre Budget Submission 2009
69	Minister for Finance Brian Lenihan	Michael Kennedy TD on behalf of Institute of Professional Auctioneers and Valuers	Michael.Kennedy@Oireachtas.ie	26/09/2008	Doubling of Stamp Duty Allowance and Reduction in rate	Pre Budget Submission 2010
70	Minister for Finance Brian Lenihan	Construction Industry Federation	Construction House, Canal Road, Dublin 6	30/09/2008	Investment in Public Infrastructure, Lower Stamp Duty, Incentivising the house market.	Pre Budget Submission 2008
71	Minister for Finance Brian Lenihan	John O'Mahony TD on behalf of Construction Industry Federation	Constituency Office, D'Alton Street, Claremorris, Co Mayo	01/10/2008	Spending and Investment in the National Development Plan. Address pre-qualification criteria. Support First Time Buyers package.Stamp Duty.	Pre Budget Submission 2008
72	Minister for Finance Brian Lenihan	Minister for Agriculture Fisheries and Food Brendan Smith on behalf of Construction Industry Federation	3 Carrickfern, Cavan	01/10/2008		Pre Budget Submission 2008

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13 November 2001

OIFIG AN RÚNAÍ AIRE
14 NOV 2001
AIRE AIRGEADAIS

Mr Charlie Mc Creevey TD
Minister for Finance
Government Buildings
Upper Merrion Street
Dublin 2

Dear Minister,

It is with severe disappointment that I became aware, through media reports, of your consideration of a 'slowing' of the implementation of the National Development Plan. On behalf of all the members of the Dublin Chamber of commerce I have to protest against any such move and request that the National Development Plan be given the utmost importance in Government spending for the coming year and beyond.

The Business Community of the Greater Dublin Area, both indigenous and foreign direct investors, have repeatedly expressed their frustration at the 'third world' infrastructure which is currently extant in the Dublin area. This situation has a very negative and costly impact on the movement of goods, and employees, and is further exacerbated by a shortage in the supply of affordable accommodation.

Perhaps of most significance is the already high level of concern about the rate of progress of the National Development Plan, expressed to us recently by foreign multinationals operating in Dublin. Any further slowing of this planned Government expenditure in infrastructure will be seen as a clear disincentive to future investment in Ireland and a threat to their existing businesses and employees. This is also true for potential foreign direct investment from companies considering Ireland as a future base.

Minister, I would urge you to reconsider this issue and to, by contrast, show your **clear determination to deliver on the National Development Plan in your forthcoming budget**. This is essential if Ireland's economic future is to be secured and if we are to survive the current difficulties in the Global economy.

I attach an Executive summary of the pre-budget submission of the Dublin Chamber of Commerce and I look forward to receiving a positive response on this issue at your earliest convenience.

Yours sincerely,

Gina Quin

Gina Quin
Chief Executive

Making the Difference in Dublin

DUBLIN CHAMBER OF COMMERCE

SUMMARY OF BUDGET 2002 PROPOSALS

Infrastructure

- Dublin – the engine of the economy – is facing a crisis. A severe deficit in transport infrastructure is having serious knock-on effects throughout the goods and labour supply chains. This deficit now poses a credibility issue for Dublin as a business investment location.
- **The plans for transport infrastructure, must be implemented as a matter of urgency.**
- The financing provisions for these plans, as contained in the National Development Plan and the Dublin Transportation Office programmes, must be carried through in 2002. There is no case for stepping back from those commitments.
- **Priority projects to commence in 2002 must include a fast rail link to Dublin Airport, DART and suburban rail enhancements, with a central rail hub**

Cost competitiveness

- There was no justifiable case for the removal of employer's PRSI in last year's Budget. The net effect was to add an additional 1.5% to the payroll cost base of Irish business. This had a particularly negative impact on the knowledge-based sector, which is the main driver of the economy.
- **The Chamber proposes a reduction in the standard employer's PRSI rate from 12% to 9% at an estimated Exchequer cost of £400m p.a. but will generate a significant advantage to Exchequer returns through increases in overall employment.**
- This cost reduction is both necessary and justifiable to maintain Ireland's competitiveness as a location for business investment.

Affordable accommodation

- Dublin has a distinct shortage of accommodation at affordable rates, which is impinging severely on the supply of labour and is exacerbating transport difficulties.
- Supply of affordable accommodation should be stimulated by fiscal measures to encourage private investment in accommodation units.
- **The restoration of the tax deduction for interest paid by investors providing accommodation for rent and a reduction in the level of stamp duties on new properties is proposed.**
- The feasibility of an employer- led affordable housing scheme for employees should be explored and implemented in the 2002 Bugdet year.

Debt financing

- The measures called for in this submission can be accommodated within an overall fiscal stance which is broadly neutral in 2002. This will require a moderation in current expenditure, which has been growing at an excessive rate of 20% per annum.

- **A 5% increase in total day to day spending for 2002 should be maintained to include additional spending on healthcare or other programmes.**

- **Expenditure targeted at capital investment projects is both necessary and justifiable to increase the economy's supply capacity and ongoing investment opportunity.**

- There is no case for debt financing to accommodate additional current expenditure.

CONSTRUCTION INDUSTRY FEDERATION

Construction House, Canal Road, Dublin 6. Tel: 01-4066000. Fax: 01-4966953. E-mail: cif@cif.ie Website: www.cif.ie

Ref: LK/ET

16 November, 2001

Mr Charlie McCreevy
Minister for Finance
Department of Finance
Upper Merrion Street
Dublin 2

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19 NOV 2001
AIRE AIRGEADAIS

Dear Minister,

Capital Spending Estimates

You kindly met us to discuss our Budget Submission on Monday October 22nd last.

Then, we outlined our view that the central thrust of the Budget should be for taxation and expenditure policies which were focused on the stimulation of an early return to sustainable growth in the economy and construction. We said it would be short-sighted to hold back in any way on the implementation of the National Development Plan; we said the opportunity was there to accelerate its implementation in a climate of minimal inflation. This would reduce our infrastructural deficit, and strengthen the capacity of the economy to grow in the future.

Prior to and since October 22nd, both business groups and economic assessors of the economy had urged Government to press ahead with NDP implementation. We didn't comment publicly on your media interview last Sunday. We felt that the consistency with which you had carried through on policies in a multi-annual way in previous years, coupled with the strong economic logic this year, would override any fleeting thoughts that capital expenditure should be sacrificed on the altar of current expenditure pressures. That must still be the case.

When we met, we outlined in our submission (pages 3 and 4 in particular) the current trends in the construction industry, and our estimates for construction for the year ahead. The charts we had available then for trends in order books, and expectations for prices and employment levels, covered the period to July 2001. (This is the European-wide survey of the outlook for the construction industry, which is undertaken in Ireland by the ESRI). The information is now available for the period to September 2001. The trends for order books and future prices have resumed their downward direction, while the prospects for future employment have plummeted.

CONSTRUCTION INDUSTRY FEDERATION

In October, I indicated that, at minus 4%, our forecast for construction output next year was the highest of any which I was aware of from within the industry, and that some were as low as minus 9%. Even that latter figure now contains risks on the downside.

The 2 years 2002/2003 will provide an exceptional opportunity for Ireland to make inroads into its infrastructural deficit, in transport, health and education. Accelerated planning work in the past 2 years means that more projects are nearly ready to go to the construction stage. There has been criticism in some quarters of the slow pace of NDP implementation, but we have recognised both privately and publicly, that the pre-construction phases had to be undertaken before construction activity itself could be undertaken. We have been supportive of the implementing departments and agencies, in the face of periodic criticism from other organisations. Construction companies have geared up for action both with skilled personnel and with equipment, in order to provide the capacity to meet the requirements of a growing economy, and to implement the demands of the NDP.

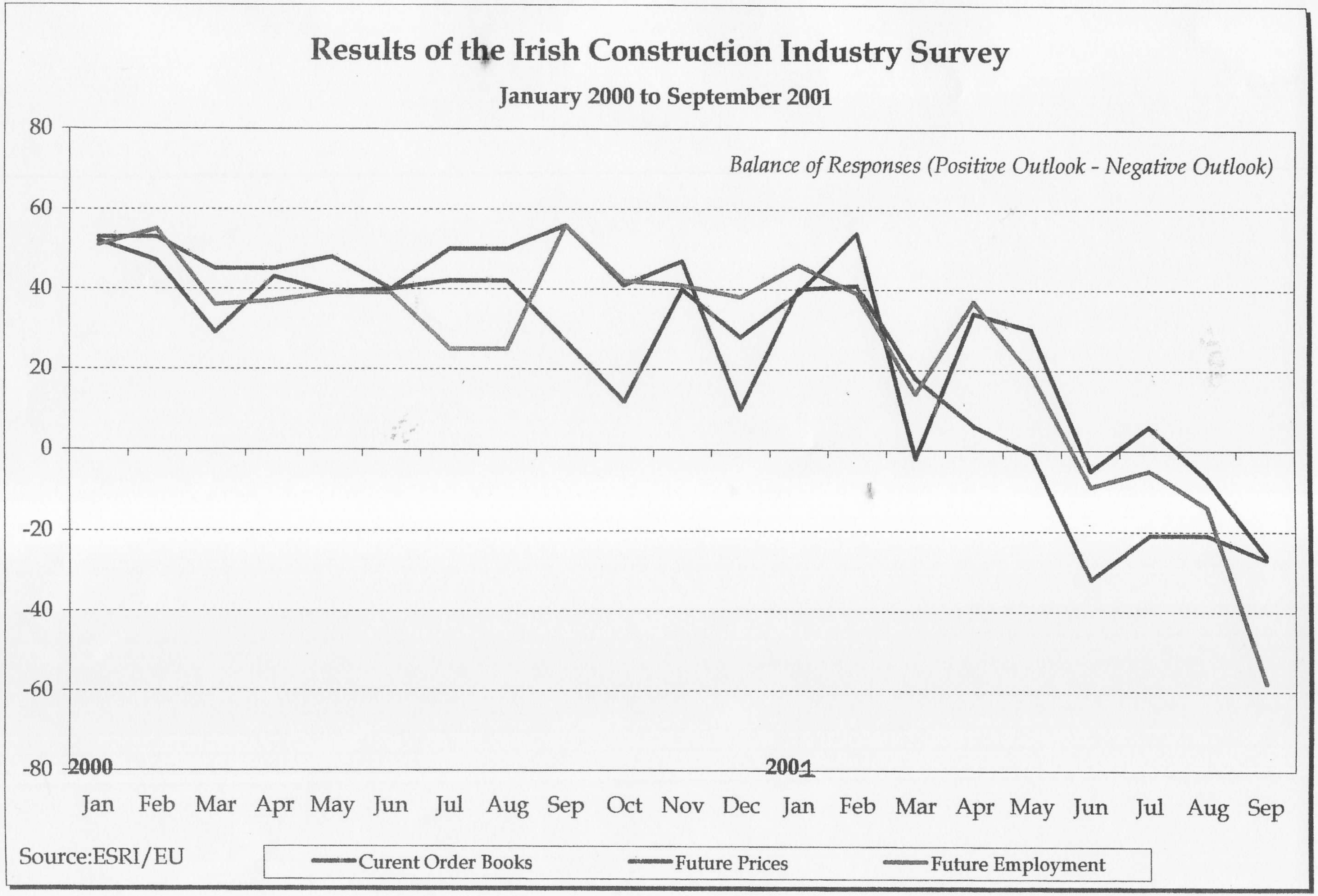
It would be inexplicable to turn all this momentum on its head, incur extensive redundancies, damage the future capacity of the industry and the confidence of its members, for the sake of short-term decisions caused essentially by Government failure to control current expenditure, and hence crowding out capital expenditure.

There is certainly no basis for feeling that, as a country, we have been over-investing. Our investment rates have built up, through the 1990's and are well higher than the European average. But so have been our economic growth rates and our cumulative infrastructure deficit remains.

We don't want to talk down the economy or the prospects for next year. It's important that Government and all the Social Partners strive to maintain and build confidence, at a time when it is severely fractured. Government has a crucial role in building confidence. Its two weapons in doing that are by implementing budgetary measures to restore confidence to the housing sector, and by underpinning NDP investment plans on the capital investment side. While damage has been done by yesterday's announcements, there is still time to minimise that by the full restoration of the momentum of NDP capital expenditures, on Budget Day, and by strong measures to restore confidence to the housing market.

Yours sincerely,

LIAM KELLEHER
DIRECTOR GENERAL


Results of the Irish Construction Industry Survey
January 2000 to September 2001
Balance of Responses (Positive Outlook - Negative Outlook)
80
60
40
20
0
-20
-40
-60
-80
2000
2001
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep
Source:ESRI/EU
Curent Order Books
Future Prices
Future Employment

Competition is the New Game

Dublin Chamber of Commerce
Submission to Government
Budget 2004

SUMMARY

Competitiveness must be the byword for the Irish economy in 2004. As the engine of economic growth, the competitiveness of Dublin must be set as a priority.

Budget 2004 should outline a clear direction and a strategy to maintain and enhance competitiveness. This will require three sets of measures:

- Increased investment in infrastructure and research
- Greater value for money from the public service
- Inflation reduced to eurozone levels

(a) Investment in Infrastructure

- A sustained investment programme in infrastructure is critical for the ongoing competitiveness and sustainability of the economy. Priority areas for investment in Dublin are transport, communications infrastructure, environmental projects, and housing

- This investment programme can be carried out through a balance of public and private investment (PPPs). To date, the PPP programme has not worked well and requires new direction.

- There is a strong case for additional Exchequer borrowing for infrastructure, within the limits of the Stability and Growth Pact.

- Provision should be made to ensure that the International Conference Centre project may proceed in 2004.

(b) Value for money

- Increases in current spending in 2004 must be kept to a low level if competitiveness is to be maintained.

- Payment of the public service benchmarking awards should be balanced by higher productivity. The most immediate and effective way to achieve this is through a reduction in the numbers employed.

- A break option for existing subscribers to Special Savings Incentive Accounts (SSIAs) scheme would reduce the Exchequer's future liabilities under the scheme, and provide a boost to consumer spending and VAT yields.

- The standard tax band should be increased in line with inflation

- Innovation and R & D should be stimulated through a combination of the tax system and the continuation of the BES scheme

(c) Reduced inflation

- The Budget should not add to inflation in 2004.

- The level of employers PRSI contributions should not adversely affect employment levels.

1. BACKGROUND

1.1 Why Dublin ?

Dublin Chamber of Commerce is the lead representative of business in Dublin and this submission focuses on the importance of Dublin to the national economy.

Dublin has been the engine of Ireland's economic growth, with the leading sectors of the economy - software, electronics, financial services, and tourism - clustered in the greater Dublin area. The area has attracted international attention as a centre of excellence in new economy industries.

The Greater Dublin Area accounts for 48% of national Gross Value Added and more than 40% of national employment.

Dublin is also Ireland's leading centre for tourism, reflecting the growth in urban short breaks and event-related tourism.

Dublin has the potential to continue to drive the Irish economy through new investment and new tourism opportunities.

However, that potential is under severe threat at present.

The economy generally is now suffering from an erosion of competitiveness that is threatening jobs and investment.

The Greater Dublin Area has a severe infrastructure deficit – in housing, transport, e-infrastructure and waste management facilities.

There is potential to solve that infrastructure deficit through a sustained investment programme – using additional Government borrowing for capital projects and through leveraging private sector investment. Unfortunately, neither of those approaches are being fully adopted.

This submission outlines a series of measures to address that deficit.

The message is clear – there must be a sustained drive for competitiveness at all levels of the economy. Otherwise, both Dublin's and Ireland's economic potential may wither away.

1.2 Budget Strategy 2004 -

It is vital that the 2004 Budget outlines a clear direction and a strategy to maintain competitiveness.

Much of the economic success of the late 1990s was due to a pro-business fiscal environment, which encouraged the development of indigenous and foreign direct investment and enterprise. A continuation of the type of the tax ambushes which have been introduced in the last two budgets will contribute to a further erosion of business confidence.

Previous year's Budgets – prior to Budget 2003 – had a discernible strategy. There was a clear programme to reduce taxation on enterprise in order to stimulate growth, coupled with medium term plans for investment in infrastructure.

There was less direction in last year's Budget, which reverted to the formula of raising taxes to pay for escalating public spending, but with little clear value as to either the benefits or the efficiency of the public services being paid for. That approach is no longer appropriate for an economy which is currently at a cross roads, and requires direction.

2. PUBLIC SPENDING

2.1 **Public spending increases** - Government current spending has risen, in nominal terms, by 48% between 2001 and 2003. The annual increases have been 20% in 2001, 15% in 2002 and a projected 8% in 2003.

Within the overall arithmetic for Budget 2004, there is likely to be little scope for increased spending unless there is significant growth in the economy.

2.2 **Public Service Pay Bill** - The public service pay bill poses the greatest threat to the imbalance of the public finances.

Apart from the benchmarking costs, the public service pay bill has been driven by an alarming increase in numbers employed. There were 336,000 public servants at end 2002, compared to 288,000 three years earlier – an increase of 48,000.Numbers increased by 14,000 in 2000, by 21,000 in 2001 and by 13,000 in 2002.

Data for the first quarter of 2003 indicate that public sector employment is still growing – indeed it accounted for the full increase in total employment of 26,500 in the latest twelve months. There were increases in the first quarter of 2003 in Health (4,500), Education (2,500) and Public Administration and Defence (2,000).

There are few, if any, organisations operating in a competitive environment which could sustain increases in pay costs of such an order. Any trading organisation faced with such a massive pay bill, and with more increases to come, would take immediate remedial action to curtail such spiralling costs.

It is critical that real productivity is gained as part of the benchmarking process. Measures such as increased use of technology, including Government e-payments, and enhanced project management for capital projects are vital.

However, as an immediate step, a significant reduction in the overall numbers employed can produce productivity gains while keeping the overall public service pay envelope within affordable levels. Measures which could be introduced straight away include:

- an embargo on recruitment and filling of staff vacancies. Similar measures, such as the one-in-three embargo introduced in the late 1980s, had an immediate effect in reducing the overall numbers employed.

- A pooled staff savings process whereby each Government agency surrenders annually posts equivalent to 2% of its payroll costs to a central pool – half of this saving to be reallocated to areas where higher staff numbers are required. Thus, while there is a case for increased numbers in the Gardai to (a) have a stronger presence on the streets in order to prevent crime and (b) for increased traffic duties, any increase in the Garda pay bill could come from the savings achieved through the redeployment pool.

2.3 **Special Savings Incentive Accounts (SSIAs)** - There is scope for the Exchequer to reduce its liability under the Special Savings Incentive Accounts (SSIAs) scheme by providing for an early break option to subscribers.

The Government should not renege on its 25% top-up commitment on existing SSIAs. This would reduce the Government's credibility and confidence in any future government-backed savings scheme.

However, there is likely to be a sizeable number of SSIA subscribers at present who would welcome the opportunity to break from the existing scheme and avail of the 25% return – without penalty. This would reduce the Exchequer's total spending liability under the scheme. The returns to the subscribers are also likely to be passed on in consumer spending, which would provide a boost to the economy and add to VAT yields.

The current annual liability attaching to the Government under the SSIA scheme is estimated at €535 million. If 10% of SSIA subscribers were to take advantage of the break option, that would yield annual savings in liabilities to the Exchequer of the order of €54 million.

3. TAXATION

3.1 Taxation strategy - Considerable progress had been made in previous budgets in bringing Irish taxes, particularly income taxes, to more sensible levels. There was a clear taxation strategy in place, aimed at encouraging enterprise and resulting in strong economic growth, high levels of inward investment and increased employment opportunities.

However, there is not now clear evidence of the direction of Irish taxation strategy. If anything, there is greater uncertainty in business as to future potential tax liabilities, leading to difficulties in longer term business planning. If anything, taxation strategy now appears to be driven on an ad-hoc basis, with areas targeted for revenues as spending needs arise.

A medium term strategy for the Irish economy should be based on the following tenets:

- The tax regime must underpin competitiveness - this means competitive tax rates on business activities where Ireland competes internationally (corporation tax, income tax, capital gains tax and others)

- Government should avoid adding to inflation through indirect taxes;

- The tax system should support efficient use of resources and innovation. This would avoid taxes on technology, innovation, and the efficient use of the housing stock;

- A competitive tax regime can be supported only by low levels of increase in current spending, under current projections for growth in the economy.

3.2 Ireland's approach to taxation on business and enterprise had established a favourable reputation for the country as a place to invest and do business. However, that reputation is being damaged through a series of "ambushes" on business in recent years. These include:

- The increase in employer's PRSI in 2001, introduced after the Social Partnership deal had been agreed;

- The increase in the higher rate VAT rate in 2002, despite having been reduced the previous year

- The increase in the lower VAT rate from 12.5% to 13.5% last year, which impacted particularly on the tourism sector – coming at a time when both tourism numbers were falling and when there mounting concerns about Ireland's higher prices;

- The introduction of a special levy on the banking sector last year – which damaged Ireland's credibility as a location for financial services;

- The non indexation of tax bands in Budget 2003

- The steady introduction of "stealth" taxes

3.3 **<u>Stealth taxes</u>** – There has been a gradual increase in additional taxation in recent years, frequently disguised as a charge for a service or as a temporary measure. Recent examples of these include:

- Abolition of the Health Levy ceiling, which has effectively increased the marginal tax rate for workers on the higher rate by two percentage points;

- The increase in rates of stamp duty on non-residential property;

- Increase in stamp duty on cheques, credit cards and ATM cards;

- Increases in tax on benefit in kind payments

- Increases by local authorities in commercial rates well above the level of inflation. This will be exacerbated in 2004 by the failure to provide funding to local authorities to pay the benchmarking awards. If this continues to be the case, the funding burden is likely to fall on the business sector, adding to business costs and further eroding Ireland's competitiveness.

- The landfill levy, water charges and other environmental charges imposed by local authorities. These charges have increased by 26% in tota lin the past year.

- The proposed carbon taxes.

The net effect of these taxes is to add to the overall tax burden and, in particular, to the cost of business. As these costs are added, Government is, in effect, adding to inflation, and diminishing Ireland's competitiveness

3.4 <u>Income Tax:</u> Considerable progress has been made in recent years in bringing income taxes close to desired levels. However, that progress is now being gradually reversed. The failure to increase tax bands and credits in Budget 2003 means the number of higher rate payers has increased significantly in 2003.

Official estimates show that more than a third of income tax payers are paying the top rate of 42% in the current year - well above the Government's long-term target that only one in five workers should be on the higher rate. Just over 30% of income tax payers were on the higher rate at the end of last year.

Earlier estimates showed that the percentage of top rate payers had fallen from 32% in 1999/00 to 27% in 2002. This progress will be more than wiped out in the current year. The failure to index tax bands in 2003 came at a cost of €600 million to those in employment.

Accordingly, the Chamber proposes that the standard tax band be increased in Budget 2004 in line with inflation.

3.5 <u>Employers PRSI</u> - Taxation policy should encourage increases in employment. In that context, there should be no increase in employers PRSI contributions in 2004.

3.6 <u>Capital Gains Tax</u> - The abolition of rollover relief on investment for capital gains tax liability is having a negative effect – significant, in many cases – on business costs.

It is exemplified in the case of expanding businesses who seek to acquire new or larger business premises. If they sell their older premises, they can no longer benefit from the CGT roll over relief and are subject to tax on the full capital gain. This makes the acquisition of new premises particularly costly, and can act as a disincentive to expand.

The problem is particularly worse for businesses in Dublin where high and rising property values can make a trading up decision extremely costly.

3.7 **Carbon tax** - It is noted that there is no commitment to the introduction of carbon taxes at present, but that Budget 2004 may allow for the introduction of carbon taxes in subsequent years.

While Ireland is not meeting its commitments under the Kyoto Protocol with regard to greenhouse gas emissions, and that requires action, it is still questionable as to whether the introduction of a €20 per tonne of greenhouse gases on fossil fuels over a four-year period will produce the necessary behavioural changes to reduce emissions to Kyoto levels. In the immediate term, the proposed tax is likely to lead to inflation and increased energy prices and result in a loss of competitiveness.

In the event that carbon taxes are introduced from end 2004, as proposed, they should be done on a fiscally neutral basis i.e they should not add further to the overall tax burden. Any increases in carbon taxes should be offset by reductions in other taxes.

3.8 **International Conferences** - Dublin Chamber of Commerce has welcomed the decision by Government to proceed with the development of an International Conference Centre. Estimates show that a Conference Centre could boost economic activity by up to €50 million annually through incremental expenditure by conference delegates, sustain over 3,000 extra jobs and generate an additional €140 million for the Exchequer in tax revenues. The 2004 budget should provide for appropriate mechanisms, either fiscal incentives or direct financial provision, to ensure that this project may proceed in 2004.

For Ireland to attract mobile international conferences, it needs to have a VAT regime which is competitive with the main European countries. Specifically, VAT on expenditure in Ireland by overseas conference attenders should be recoverable by the attendee. This provision should be included in the 2004 Budget.

3.9 **Innovation**

If the Irish enterprise sector is to reposition higher up the economic value chain, business-led R&D must be encouraged as the driver of innovation. A mix of support measures is required to best meet the needs of different types of enterprises. For example, tax credits are particularly effective for large firms and for attracting mobile enterprise R&D activities. Alternatively, funding of R&D by means of grants schemes, BES and the Seed Capital Scheme is a more suitable mechanism for small and medium sized firms and technology-based start-ups.

The Chamber supports the proposal for a 20% tax credit for incremental R&D to provide an effective incentive to industry to increase research. The introduction of a tax credit on R&D expenditure should be in addition to and not in replacement of existing incentives such as grants which are effective in stimulating R&D in the SME sector.

The Business expansion Scheme (BES) and the Seed Capital Scheme (SCS) should be extended for a further 3 years, from 31st December 2003 until 31st December 2006. In addition, the limits on the size of investment on which an individual investor can claim SCS tax relief should be doubled from €31,750 pa to €63,500 pa to reflect wage inflation between 1993 and 2006.

There is concern that the trend towards the removal of tax allowances announced in the Budget could result in the withdrawal of the Patent Royalty exemption. This should be retained since an incentive which promotes use of the intellectual property system is highly relevant to the needs of SMEs and the commercialisation of third level college research.

3.10 Taxation and Inflation

The rise in consumer prices in Ireland –now positioning the country as one of the most expensive in the eurozone – is posing considerable threats to the tourism industry in particular and to the competitiveness of the economy in general. Most of this inflation derives from the non-traded sector of the economy which is not subject to the full forces of competition, and that needs to be resolved.

It is noted that Government induced inflation from additional taxes and charges added up to 1.9% of the inflation rate in 2002, and a further 1.3% so far this year.

Reduced inflation should be established as a priority for 2004 and, accordingly, Budget 2004 should not be a contributor to inflation.

4 INFRASTRUCTURE

4.1 The Infrastructure Gap - There is common agreement that investment in infrastructure is critical if Ireland is to attract high-value foreign investment in the future.

The Irish economy is currently suffering a serious fall in competitiveness which is augmented by a seriously inadequate infrastructure for which there is no longer a financial excuse. We can afford to make the infrastructure investment required and should revisit the stalled National Development Plan as a matter of national priority.

The Irish economy has achieved extraordinary success over the past ten years. Record levels of economic growth and increased prosperity has made the Irish economy the envy of most developing countries in the world. Building on this success is the critical challenge facing the Government.

There are two broad economic options open to Government. It can pursue a course of containment – the primary focus being on maintaining Exchequer finances at or close to balance on a year-by-year basis. The alternative is to take a more radical visionary approach and fully commit to the investment in infrastructure that is an urgent priority and a pre-requisite to a continued and sustained national economic growth.

In embarking on this course two critical questions arise:

1. is a major increase in infrastructure investment merited?
2. is the economy able to afford the investment required?

The answer to both these questions is yes. The need has not only been established through countless studies but is clearly apparent to every citizen in almost every sector of infrastructure. On the question of affordability, a more strategic and longer term line of thought is required.

It is noted that the Government may be restricted by the terms of the Stability and Growth Pact as to the level of its borrowings. At present, Government borrowing is close to 1% of GDP – well within the maximum band of 3%. While it is argued that there is scope to increase borrowings closer to 3%, the objective of the Pact is for economies - particularly those on the upward scale of the economic cycle - to stay as close as possible to zero deficits.

It is the Chamber's view that:

1. Ireland's balance sheet is the lowest borrowed of all our major trading partners and in an era of historic low interest rates this is the time to borrow.

2. Under all available projections, Ireland does not come close to breaching the requirements of Stability and Growth Pact (SGP).

3. The SGP is not appropriate for a high growth economy with a major infrastructure deficit with ample borrowing capacity.

At present, Ireland's borrowings as a proportion of GDP, at 35%, is the lowest of our trading partners. The EU average is 64% and many countries have debt levels substantially in excess of this level. If borrowing was increased to a level within the maximum terms of the SGP, an additional €40bn would be available to invest in infrastructure. It is no longer tolerable that policies can be built on the assumption that it is not affordable. A substantial increased spending on infrastructure simply must occur if economic growth in the remainder of the decade is to be generated.

4.2 <u>Investment Priorities</u> - Key priorities for investment in infrastructure are as follows:

(a) **Transport**

- National Roads programme, particularly the M50 completion
- Final phase of LUAS lines A and B, with commitment to support LUAS Docklands extension
- Dublin suburban rail enhancement programme, including completion of the DASH programme

(b) **Communications**

- An integrated plan to deliver the "New Connections" aspiration
- Encouragement of genuine public private partnership approach to finance infrastructure

- Drive to build and use applications such as Government e-health and e-payments

- Focused support for applications start-ups, with common standards to provide a platform

(c) **Environment**

- Waste to energy thermal treatment plant

- Additional recycling facilities

- Investment in clean landfill facilities

(d) **Housing**

- Housing in Greater Dublin Area is a critical issue for the ongoing development of the economy. The population of the Greater Dublin Area (GDA) is currently in excess of 1.5 million people. This has increased by more than 185,000 since 1991 when the GDA's population was 1.35 million. The population of the GDA represents some 39.2% of the total population of the State. Current demographic trends suggest a population in the GDA of 1.9 million by 2020, out of a national population of 4.4 million, and a population of 2.2 million by 2020, out of a national population of 5 million.

- The current level of private house completions in the Greater Dublin Area, at c.20,000 units p.a., is a major achievement. However, the requirement for social rented accommodation in Dublin City is greater than ever with 14,700 'households' on the housing list and only 1,920 units 'in progress'.

- Enhanced services to facilitate housing development include: -

  - Road infrastructure

  - Public transport to be configured so that the Luas, Dart and Bus/ Rail networks all complement each other.

  - Environmental infrastructure, including provision of water and sewage facilities

- The social housing crisis needs to be addressed through an accelerated programme for the utilisation of derelict and partially utilised buildings throughout the city coupled with concentrated programmes to deal with long-term unemployment and socially excluded people.

4.3 Funding of Infrastructure

The Government's commitment to the Public Private Partnership (PPP) process must be revitalised.

A negative perception has emerged in recent months that the PPP process is not working, that the private sector is not taking adequate risk and that the cost of private capital is prohibitive. These perceptions must be challenged. The closure of the first major PPP project – the Kilcock-Kinnegad motorway bypass – and the failure for the banking arranged at the time the transaction was negotiated to be subsequently syndicated in the project finance market belies the view that the private sector is not prepared to take adequate risk. In the project, the market view was that too much risk was being passed to the private sector.

The issue of how the cost of private capital is measured must also be revisited. Emerging guidance from the Department of Finance is that project cash flows should be measured using the Government risk free rate without an appropriate allowance for project risk. This approach is flawed, inconsistent with evaluation methodology applied internationally and inconsistent with evaluation methodology for capital investment by the public sector in non PPP situations. Using this approach the cost of private capital will maximise the difference between the assumed cost of private finance versus exchequer funding. However, the price of private capital money truly measures the true risks associated with any project – which reflects the market's view of an appropriate pricing for the risk associated in any project. The Chamber urges that this issue be examined as a matter of urgency by the National Development Finance Agency.

The Chamber also proposes that more projects be looked at in the context of private sector involvement. Growing evidence internationally is that this is the way forward. Already there is a lack of confidence in the financial markets as to whether Ireland is serious about encouraging the involvement of private capital. It is known that a number of banking institutions are already considering redirecting their focus to infrastructure financing opportunities in Eastern Europe, the UK, Spain, Portugal and other European countries.

Contracts for major projects should also be sufficiently large to attract major international players. Currently, the larger building companies are not attracted to projects in Ireland because they are not of sufficient scale (eg major road projects being sub-divided into a series of smaller contracts) nor of sufficient time length.

Generally, performance metrics were more commonly applied to transaction-based activities than those of a policy-making nature, and as offices outside Dublin reviewed were more involved in the former type of work, they used metrics to a greater extent. However it was the type of work rather than the location that was the determinant.

Systemic project and programme measurement
Irish Aid provided a good example. It is managed by the Development Cooperation Division with most of the staff based in Limerick and the majority of the senior management team now based in Dublin. The ORP review found that Irish Aid uses 'a full system of targets, metrics, output and outcome measures to ensure it delivers on its goals and objectives' and that staff at all levels 'have bought into the value of rigorous performance measurement and management'. Critical factors behind those findings were the project and analytical expertise of the Development Specialists and important management innovations such as the establishment of the Programme Appraisal and Evaluation Group. In this case it was the skills base and managerial leadership rather than location that were the critical differentiators.

Conclusion

The location of an operation did not surface as an obstacle to the efficient and effective measurement and evaluation of performance. The ORP team found that in organisations where measurement and evaluation was strong, four factors stood out:

- senior management comprehended the intrinsic value of information and data as a business tool;
- the organisation had the appropriate level, mix and quantum of skills, especially statistical and analytical;
- the supporting information systems and the linkages between related data and information holdings were well developed and robust; and
- the organisation was involved mostly in transaction-type activities rather than policy-making functions.

OVERALL CONCLUSION

The original programme was unrealistically ambitious, ill conceived and poorly planned. The geographical distribution of the proposed relocations was too diffuse and the footprint of many of them fell well short of practical and sustainable thresholds.

Individual organisations managed the practicalities of decentralisation quite well and while some relocations have been successful, others clearly have been much less so, especially those primarily involved in activities which are not transactions-based. Some Departments and Offices found themselves struggling in the most testing of circumstances. There were instances where organisations had to be created almost anew.

Perhaps the most remarkable aspect of the decentralisation programme was that the impacts on the capacity of the public service did not appear to have been given the primacy they deserved in the decision-making process.

Compelling arguments have been presented in this paper that although having brought about some benefits, decentralisation generally has generated significant diseconomies of scale and has had serious negative impacts on the capacities of the civil service. The impacts were particularly pronounced in the mission critical areas of leadership, policy-making, shared understanding, HR management and cost efficiency. At the heart of these impacts has been the erosion of organisational memory.

The evidence from the ORP reviews is unequivocal: Departments and Offices have suffered serious losses of corporate knowledge arising directly from decentralisation. Weak management information systems and significant levels of staff retirements have augmented the problems faced. The depletion of knowledge reserves was quite indiscriminate: mission critical areas, policy development functions, service delivery activities, and corporate support services all faced similar probabilities of selection for decentralisation.

While the dynamism and skills of replacement staff have alleviated some of the downsides encountered by organisations, it was clear throughout the decentralisation programme that, in and of themselves, it would have taken a considerable amount of time and effort replenish adequately what had been lost.

There are lessons for the public service reform agenda, including any relocation programme that might be contemplated sometime in the future. The critical one is that the likely impacts on organisational capacity should be assessed in a critical, honest, open and comprehensive manner, and it is the findings yielded that should form the evidentiary base on which judgements would be reached and decisions made.

The Government announced on 17 November 2011 that 40 decentralisation projects would be cancelled, 32 others - particularly those where permanent accommodation has been provided - would be left *in situ* and 22 others would be reviewed. For those offices remaining in place, the successful management of them is obviously of benefit to all. In that regard, the ORP reviews suggest that corporate culture provides a critical context.

The management of Departments and Offices operating from two or more locations face a special challenge in ensuring that a corporate standard, comprising best practice models and reference points of excellence, is applied in each office to the organisation's way of doing business, whether developmental, policy-oriented or operational.

Central to that aim are measures as follows: assessing regularly the distribution of workloads and adopting flexible remedial responses where called for, providing well-developed information systems to support policy making and evaluation, utilising systemically the experiences of front-line staff to test the practicalities of proposals, fostering a culture of inter-divisional collegiality and cooperation by investigating what synergies might exist or could be created between its major internal business units and taking appropriate follow-up action, measuring regularly the quality of customer service delivery differentiated by location so that best practice could be surfaced and promulgated as well as problems identified and tackled, and encouraging the optimal contribution from all staff through training, mentoring and feedback along with other forms of ongoing support. In all this effort to promote common cause, managers have to be diligent and active and, perhaps above all, value each contribution from every staff member as worthwhile in its own right.

13 April 2015

1. What was the State's investment in the covered banks?

The table below outlines the initial investment into each bank, the level of recoveries both received and expected in the case of PTSB and the future expected value following the States sales of its shareholdings in each covered bank.

State Investment in all banks	Initial Investment	Amount Recovered / Repaid Mar 15	Expected Repayment of CoCo's 2015	Estimated Future Return	Estimated Net Position
	€'m	**€'m**	**€'m**	**€'m**	**€'m**
AIB	19,876	(52)		(13,300)	6,524
EBS	875				875
BOI	4,667	(3,597)		(1,400)	(330)
PTSB (IL&P)	3,954	(1,340)	(400)	?	2,214
IBRC:					-
Anglo	29,300	(480)			28,820
INBS	5,400				5,400
CIFS / ELG					-
Income from AIB/ BOI/ PTSB		(3,895)			(3,895)
Income - recap fees, coco, prefs		(1,504)			(1,504)
Total	**64,072**	**(10,868)**	**(400)**	**(14,700)**	**38,104**

- The PTSB Group announced (*press release*) that it intends to raise €525m equity following the result of the European Wide (AQR) Stress test. The stress test identified a funding shortfall in a "stressed" situation. While PTSB passed the Core Tier 1 level, it was deemed it had insufficient capital to deal with any adverse conditions. The bank reported (***Mar 15***) that €525m will be raised privately. As the State will not be participating, this will result in a dilution of the states holding, the estimated future return for PTSB is not included. Part of the funds raised are to fund the repayment to the State of €400 million in convertible contingent capital notes (CoCos) included in the schedule above. No value has been placed on the balance of the State's holding, in view of the capital raising exercise currently underway.

- It should be noted that the above assumes NAMA will break even at best with the prospects of a small recovery to the State. No value assumptions have been made at this time. (***Reference NAMA Section 53 Annual Statement***)
- The Special Liquidator of the IBRC expects to be in a position to pay an initial dividend to the unsecured creditors in Q4 2015. It was reported that the State is an unsecured creditor for circa €1.1b as a result of payments made under the Deposit Guarantee Scheme. The liquidators report makes no reference to the level of expected dividend to be paid until all claims have been received and agreed. Neither the initial advance of funds nor the repayment from the liquidation are reflected in the figures above.
- The Estimated Future Return of €14.7bn is based on recent valuations carried out on behalf of the DOF.

1.1 Details of the State's investment

Domestic Bank Recapitalisation	**AIB/EBS €' bn**	**BOI €' bn**	**IL& P €' bn**	**IBRC €' bn**	**Total €' bn**	**% of GDP****
Pre-PCAR 2011:						
Government Preference Shares (2009) - NPRF	3.5	3.5 *			7	4%
Ordinary Share Capital (2009) - Exchequer				4.0	4	3%
Promissory Notes (2010)	0.3			30.6	30.9	20%
Special Investment Shares (2010) - Exchequer	0.6			0.1	0.7	0%
Ordinary Share Capital (2010) – NPRF	3.7				3.7	2%
Total pre-PCAR 2011	**8.1**	**3.5**	**0**	**34.7**	**46.3**	30%
PCAR 2011:					0	
Capital from Exchequer	3.9		2.7		6.6	4%
NPRF Capital	8.8	1.2			10	6%
Total PCAR 2011	**12.7**	**1.2**	**2.7**	**0**	**16.6**	11%
Purchase of Irish Life			1.3		1.3	
Total Recapitalisation from the State	**20.8**	**4.7 0**	**4**	**34.7**	**64.2**	**41%**
Source of Funds:						
Promissory Notes	0.3			30.6	30.9	**20%**
Exchequer	4.5		4.0	4.1	12.6	**8%**
NPRF	16.0	4.7			20.7	**13%**
Total	**20.8**	**4.7**	**4.0**	**34.7**	**64.2**	

Ireland has taken the necessary step of over-capitalising its domestic banks;

The current cost of bank recap's amounts to c.41% of 2011 GDP;

As other European now face similar obstacles as Ireland, Europe is seeking alternative ways of breaking the link between sovereigns and their banks.

Source: DOF Ireland's Report Card October 2012
*€1.7bn of BoI's government preference shares were converted into ordinary shares in May/June 2010 (€1.8bn government preference shares remain in existence).
** 2011 GDP

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2. Guarantee

2.1 How much was guaranteed by the State on behalf of the financial institutions?

On the night of the guarantee, 30 September 2008, the amount covered by the guarantee (**under the CIFS**) was €375bn although the initial estimate by advisors was for a higher amount.

2.2 What was paid?

No actual payment was made by the State as this was a guarantee. The only actual payment issued was to IBRC of €1.1b on the commencement of the liquidation in respect of the Deposit Guarantee Scheme. However, the State is expected to recoup this payment although the exact amount will be known later in 2015. The press reported that the unsecured creditors, which includes this claim, will be paid in full. This is not reflected in the Official Liquidators report date March 2015.

2.3 CIFS - Credit Institutions Financial Support Bill

The CIFS introduced on the 30 September 2008 covered all covered liabilities for all covered banks. There was no monetary cap on the guarantee and it was open to all new funds invested into the covered banks without limit. Its main purpose was to give confidence to the markets that Ireland (all covered banks was open for business as normal. In that way new funds could be secured by the covered banks guaranteed by the State. The guarantee was unconditional and irrevocable. The scheme was approved by the EU Commission on the 13 October 2008.

Note: Each covered institution had to pay a quarterly fee in order to participate in the CIFS scheme. (See 2.7)

2.4 The total amount of all guaranteed debts for all covered banks under the CIFS guarantee between 30 September 2008 and 29 September 2010.

€ billions	**CIFS**
Q3 2008	375
Q4 2008	346
Q1 2009	293
Q2 2009	276
Q3 2009	287
Q4 2009	281
Q1 2010	130
Q2 2010	103

All Covered Banks	**€'000**
Total Retail & Corporate Deposits	250,649
All other covered amounts	202,015
Total	**452,664**
Less Deposit Guarantee Scheme - Covered	(77,413)
Total Guaranteed Liabilities	**375,250**

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2.8 Expiry CIFS guarantee

What was the amount of unguaranteed senior and subordinated debt in INBS and Anglo once the CIFS guarantee had expired (that was repaid subsequently?)

There was approximately €3.7bn of unguaranteed Senior Debt held by Anglo and INBS as of 2 March 2011. The table below was extracted from the CBI web site and was compiled from information provided to the CBI by each institution following a request to release data on senior and subordinated debt and does not form part of any statistical series.

Source: CBI report updated 1 April 2011 (Initial report 2 March 2011)

€m	Senior Bonds Guaranteed	Senior Bonds Unguaranteed Secured	Senior Bonds Unguaranteed Unsecured	Subordinated Bonds
AIB	6,063	2,765	5,872	2,601
BOI	6,178	12,284	5,164	2,751
EBS	1,025	**1,991**	472	65
ILP	4,704	2,999	1,156	1,203
Anglo	2,963	0	3,147	145
INBS	0	0	601	175
Total	**20,934**	**20,039**	**16,413**	**6,940**

Above table extracted from the CBI official site – Press Release: Updated Information Release 1 April 2011

Appendix 3: ELG Reports – *Ending of the ELG Scheme – Frequently Asked Questions – February 2013*

Appendix 3a: ELG Reports – *Eligible Liabilities Guarantee scheme 2013 Review – 31 May 2013 (Internal DOF Confidential)*

Appendix 4: is a DOF document dealing with "*Frequently Asked Questions*" about the Credit Institutions (Financial Support) Scheme 2008.

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3. Liability Management Exercise (LME)

LMEs is any exercise carried out by a business (including a financial institution) with the objective of controlling the effect of liabilities on its profitability. This will typically involve controlling the amount of risk undertaken, and ensuring that there is sufficient liquidity and that the best terms are obtained for any funding needs.

In the case of the covered institutions the LMEs constituted a buy back by the Irish banks of their subordinated debt at a discount. The benefit and gain from this exercise can be seen below.

3.1 What was generated by the Liability Management Exercises?

In aggregate, the covered Irish banks have generated €15.5bn of capital savings from **Liability Management Exercises** (LMEs) in the four years to 2011. The breakdown per year is as follows:

Financial Institutions	**2008**	**2009**	**2010**	**2011**	**Total**
	€bn	**€bn**	**€bn**	**€bn**	**€bn**
PTSB	-	-	-	1.0	**1.0**
BoI	-	1.0	1.3	1.5	**3.8**
AIB	-	1.1	0.4	3.6	**5.1**
EBS	-	0.0	0.1	0.2	**0.3**
INBS	0.0	0.1	-	0.1	**0.3**
Anglo	-	1.8	1.6	-	**3.3**
Total cash gains from Sub-debt burden sharing (PCAR July 2011)	**0.0**	**4.0**	**3.4**	**6.5**	**13.9**
*BoI - Debt for Equity transactions			0.3	0.4	0.7
BoI - Residential Mortgage Backed Securitization LMEs				0.3	0.3
Anglo - Unrealised Tier 1 gain		0.3			0.3
LME in INBS senior debt EMTN Notes	0.2	0.1	0.1		0.35
Total gains from LMEs	**0.2**	**4.4**	**3.8**	**7.2**	**15.5**

*In the case of Bank of Ireland (BoI) subordinated bondholders received €0.7bn of ordinary equity shares in consideration for their bond holdings (debt for equity transactions), as part of its recapitalisation in 2010 and 2011. In addition, BoI generated €0.3bn of capital in December 2011 from the re-purchase of c. €1.2bn residential mortgage backed securitizations. See Appendix 1 for a detailed list of dates and transactions

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3.2 Liability Management Exercises (LME)

The various liability management exercises that were carried out for those institutions

The table below sets out the amount of senior and subordinated bond debt issued by the six covered credit institutions as at 18th February 2011.

€m	Senior Bonds Guaranteed	Senior Bonds Unguaranteed Secured	Senior Bonds Unguaranteed Unsecured	Subordinated Bonds	Burden Sharing pre March 2011	Burden Sharing since March 2011	Total	Group Total
AIB	6,063	2,765	5,872	2,601	3,121	2,053	5,174	
EBS	1,025	1,050	472	65	227	-	227	5,301
BOI	6,178	12,284	5,164	2,751	2,469	2,163	4,632	
ILP	4,704	2,999	1,156	1,203	0	982	982	
Anglo	2,963	0	3,147	145	3,683	Completed	3,683	
INBS	0	0	601	175	409	Completed	409	4,092
Other					*350*		*350*	
Total	**20,934**	**19,098**	**16,413**	**6,940**	**10,259**	**5,198**	**15,457**	

It should also be noted that significant burden-sharing has been achieved through **Liability Management Exercise** (LME) transactions completed by the covered banks in conjunction with the DOF, SMU. The purpose of the LMEs was to create additional core tier 1 capital and to strengthen the quality of the capital base of the Banks.

Prior to the PCAR, burden sharing with subordinated bondholders raised c. €10 billion of capital gains across the covered institutions. In the period since this Government came into power, burden sharing with subordinated bondholders has realised an additional c. €5.2 billion greatly reducing the cost of recapitalising the banks bringing the total to more than €15bn.

It was decided, as part of a commitment to delivering a return to a successful vibrant economy that there would be no private sector involvement for senior bank paper or Irish Sovereign debt without the agreement of our external partners. In this context it should be noted that of the €35bn of senior unguaranteed bonds remaining in the covered banks at the time this government came into power, only €3.7bn was held by Anglo and INBS with the remaining debt held by AIB/BOI and Permanent TSB.

Department of Finance Banking Inquiry Team
Information note for Committee of Inquiry into the Banking Crisis

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4. Bank – shareholder position

4.1 What was the reduction in the market value of BOI, AIB, Anglo and ILP shares post 30 September 2008?

See table below which identifies the % loss for each share.

	Financial Statements	Authorised Share Capital	Issued Ordinary Shares	Nominal Value			Share Price 30 Sep 2008	Market Valuation 30 Sep 2008	Share price Bottom		Ordinary Shareholder Loss	
		m	m	€	€m		€	€m	€	€m	€m	% loss
BOI	31/03/2008	1,500	1,026	0.64	656.6		4.10	4,206.60	0.07	71.8	4,134.78	98.3%
AIB	31/12/2008	1,160	918.4	0.32	293.9		6.00	5,510.40	0.07	64.3	5,446.11	98.8%
Anglo	30/09/2008	1,200	769	0.16	123.0		4.27	3,283.63	Delisted	N/A	3,283.63	100.0%
IL&P	31/12/2008	400	276	0.32	88.3		5.75	1,587.00	0.02	5.5	1,581.48	99.7%
							Notional shareholder loss				**14,446.00**	

						Date peak share price	Share Price at Peak	Market Valuation at peak				% loss
BOI	31/03/2008	1,500	1,026	0.64	656.6	21/02/2007	11.76	12,065.76	0.07	71.8	11,993.94	99.4%
AIB	31/12/2008	1,160	918.4	0.32	293.9	19/02/2007	23.95	21,995.68	0.07	64.3	21,931.39	99.7%
Anglo	30/09/2008	1,200	769	0.16	123.0	01/06/2007	17.52	13,472.88	Delisted	N/A	13,472.88	100.0%
IL&P	31/12/2008	400	276	0.32	88.3	22/02/2007	22.80	6,292.80	0.02	5.5	6,287.28	99.9%
							Notional shareholder loss				**53,685.49**	

- The above estimated loss is based on the drop in market value from a *peak price* and is not reflective of the actual share price paid by an investor or loss suffered.
- It would be very unfair to assume that many shareholders (if any) are likely to have bought at the top of the market and sold at the bottom however it does illustrate the maximum potential loss they might have incurred.
- Many shareholders who held their investment for a long period will have purchased their holding at lower amounts and will also have received dividend income during the period shares were held.
- It is not possible to undertake a more detailed analysis as the underlying shareholder information will not be easily available. In many cases the shares would be held in nominee accounts and as such the bank would not be privy to the prices at which individual shareholders invested.

towards meeting this target, assuming that the more benign market conditions evident in 2013 and 2014 continue to prevail.

Loan sales have become an important element in NAMA's disposal activity. Two major transactions – the sale of the Project Tower and the Project Eagle portfolios - were completed during the first half of 2014 and, more generally, the scale of investor interest has enabled NAMA to secure very competitive pricing on the sale of a number of other loan portfolios. Assuming that investor interest is sustained, NAMA expects that loan sales will continue to contribute significantly to cash generation in 2015.

Sales pipeline

NAMA has committed to ensuring that a pipeline of large portfolios of mainly Irish property assets will be available for sale to the market. In particular, it has committed that packaged transactions of properties with a minimum value of €250m will be offered for sale in each quarter. The aim is to provide certainty about regular asset flows which will provide clarity to potential investors, including international investors and REITs, and thus help to sustain the positive momentum in the market. As with loan sales, large portfolio sales have become an important element in NAMA's disposal activity.

Joint Ventures

NAMA is also keen to explore the scope for joint venture (JV) partnership initiatives. Early in 2014, it invited expressions of interest from parties which have the capacity to invest on a JV basis with NAMA where such opportunities arise. NAMA is reviewing the various expressions of interest received and will commence discussions in due course on particular joint ventures with suitable parties. To date, NAMA has engaged in a number of notable JV arrangements including the Project Aspen JV[3] and JV arrangements which are part of QIFs whose purpose is the development of a number of sites in the Dublin Docklands.

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[3] This involved the sale of a loan portfolio to a new JV entity owned by Starwood Capital Group (80%) and NAMA (20%)