

SundayTribune

Straight Talking, Bill Nowlan - It's easy to find the price of everything except property

We urgently need a property price database so buyers and sellers don't have to rely on biased figures supplied by vested interests

If you want to find the price of an air ticket to Timbuktu or anywhere else in the world all you have to do is to Google it and hey presto, you have at least five or six competitive prices. However, if you want to find the sale price of a house in your street last month or last year, it is virtually impossible to get accurate information.

The best you can do is look up Daft.ie or similar websites for current properties for sale or to ask a local auctioneer for a valuation.

The media used to publish auction results and get details of deals from estate agents but this has effectively stopped due to the Data Protection Act, the theory being that the detail of a deal between two parties is private and can only be released with their permission. The result is that we have a very imperfect method of accurately knowing actual transaction prices.

Asking prices are no substitute for knowing what the deal was signed at, particularly in a falling market.

Thus, in Ireland we have full information for the most mundane of transactions such as booking air travel, selecting a restaurant or buying a car but for really serious transactions like buying a house, a farm or a business premises, we have to rely on biased information provided by estate agents acting for vendors or pay for a valuation. Very anti-consumer!

This is in marked contrast to other countries. In the UK, by simply going to the Land Registry website and typing in an address, you can ascertain the sale price of all transactions in that location over the past 10 years. Not only will you have prices but also the size of the unit, number of bedrooms, whether it is terraced or detached and also what properties are for sale in the location and their asking price.

This is information to kill for if you are thinking of buying a house or indeed selling one. It is putting really powerful information into the hands of the consumer.

In the UK, the Land Registration does this by gathering data on individual property sales through questions on house sizes, number of bedrooms and type of premises etc.

In the US, the system is older and not as detailed as in the UK but again the information on all property transactions is available to the public.

So ingrained is the availability of information on transactions in the US system that the valuation profession there operates not by giving a simple personal opinion or market value, as in Ireland, but by listing and then analysing all the recent transactions and then giving a reasoned opinion about the value of a particular property based on this public information. If you were buying a car, or even having a house built, you would get this kind of information but it is simply not available here for the biggest purchase most people make in their lives.

It is not as if the information on transaction prices does not exist in Ireland. Indeed, it has been a legal requirement that the sale price of all property transactions is made available not only to the Revenue but also to the Valuation Office whenever a transaction takes place. The Revenue needs the information for stamp duty and other taxation purposes and the theory is that the Valuation Office requires the information so that it can keep rating valuations up to date – that was the concept anyway back in 1837 when the obligation to give the price originated. One suspects that the Valuation Office information goes into a big box and nothing is done with it. It would be an easy thing to put it on a database and make it accessible through the web.

There are about 500,000 property transactions every year, which could be used to create a most useful database not only for the average punter wanting to buy or sell a house but also for urban planners and population and economic analysis.

It seems crazy that in 2010 we are relying on information for new house completions from the ESB's meter connections. It is equally crazy to be dependant on mortgage firms such as Permanent TSB to know the trend in house prices.

We should know the facts – not shadowy trends which are way out of date and which ignore a significant number of deals not involving mortgages.

The task of compiling a property database should be specifically given by statute to the Land Registry.

The Land Registry has been making huge strides in improving its services. It now has a most impressive data-management system and its services to the legal and allied professions are becoming world-class. It could quite easily extend its services, if it was so empowered, to make the same information public as is available from the UK Land Registry.

The failure to match international standards on property information is blamed on the data commissioner and the provisions of the Data Protection Act. This is just not good enough. This is a system failure of government.

The Data Protection Act was enacted in Ireland as a result of and based on an EU directive. So how come the UK and other European countries which operate under the same EU directive can publish such information?

Either our act goes further than it needs to and should urgently be amended or the data commissioner needs to look at the real world. We need to grasp this nettle and accept that such information be made available in the public interest.

If we aspire to be a world-class economy we need world-class information and a good place to start is with our information on property transactions. Small-minded privacy for no obvious benefit versus public interest?

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