



CONSTRUCTION DEFECTS
ALLIANCE

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RETROSPECTIVE COSTS PATHFINDER PROCESS TO PROVIDE FOUNDATIONS FOR REIMBURSING THOUSANDS OF HARD-PRESSED APARTMENT OWNERS FOR DEFECTS COSTS

The retrospective costs pathfinder process being announced today by the Minister for Housing will provide the foundations for the process of reimbursing thousands of hard-pressed apartment and duplex owners who have paid for or are paying for the remediation of fire safety and other defects.

The Minister will this afternoon brief the Construction Defects Alliance and a number of owners who have already paid significant sums towards fixing defects on the pathfinder process in Beacon South Quarter, Sandyford, Dublin 18 — one of the apartment complexes taking part in this process.

The Construction Defects Alliance’s spokesperson, Pat Montague, said that he understands that the purpose of the pathfinder process will be to help scope out and fine tune a future Retrospective Payments Scheme.

“While we await the details of what the pathfinder process will involve — including its terms of reference and the timelines involved, especially for reimbursing owners — there is no doubt that Minister O’Brien’s announcement will be a source of great relief to thousands of apartment owners across the country. The 2022 report of the Working Group to Examine Defects in Housing estimated that up to 12,000 defective apartments had been remediated at that stage with a further 34,000 in the process of remediation. The estimated costs of around €25,000 per unit have largely been borne by the owners of these units even though they were not in any way responsible for the defects in question.

“Despite considerable opposition from officials in a number of departments, the Government – rightly in the Alliance’s view – decided in principle in January 2023 that owners who have paid for defects remediation should be reimbursed. This was only right and proper given that the State was partly responsible for the defects as they arose

due to the ineffectual system of enforcement of the Building Regulations that applied during the Celtic Tiger era. The Government was also following the clear advice of the Working Group to Examine Defects in Housing who warned of the creation of a moral hazard if owners were not reimbursed.”

Mr Montague explained that many of the apartment and duplex owners concerned had to struggle really hard to raise this cash.

“For many owner-occupiers and small landlords finding the money to pay for defects remediation was a real struggle as their apartments were in negative equity and money was really tight, especially during the cost of living crisis. In some cases owners had to borrow from family members as they were already mortgaged up to the hilt so getting this money back will make a big difference to them.

“Today’s announcement will ultimately lead to the creation of a Retrospective Payments Scheme and the Construction Defects Alliance looks forward to working with Government and the Housing Agency in progressing this scheme,” Pat Montague concluded.

FOR FURTHER INFORMATION, CONTACT:

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