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Building your own home will cost you – and how!

New construction compliance regulations now contribute at least €38,000 to the building costs of every house, making them unaffordable during a critical housing crisis



Karl Deeter

Unaffordable housing has been made even more financially prohibitive in the last three years, due to the introduction of several new regulations, which were ill considered when it came to understanding their collective consequences. Those consequences are only now starting to become apparent.

Somewhat, in order to resolve several negative property symptoms, we have created a whole new disease for which no legislative cure readily exists. We've traded intensive care for palliative care, and it's adding about €38,000 onto the cost of building a home.

This is more than the national average wage before tax. It means that on your "loan to income" lending limits, large portions are going towards red tape which doesn't produce a better product – before you even purchase the actual bricks and mortar or turn the first sod.

This isn't widely known, because the various costs have not been quantified in the same space in the national conversation on property. So let's do it now.

We'll start with this statement made in the Dail on February 25 of this year by Paudie Coffey of Fine Gael: "Anecdotal evidence suggests that inspections cost



between €5,000 and €16,000, which is unacceptable, and I am determined to do something about it in the short term and the medium term," he said.

"In the short term, I will publish guidance stating that inspection regimes should appropriately cost no more than €3,000 to €3,500."

The urge to set prices aside, you can't "publish guidance" and expect prices to miraculously drop, any more than you could issue a directive that "houses shall only cost a maximum of €100,000". The badly implemented changes, disastrous when taken in tandem, simply create spiralling costs which are being passed on to consumers – in this case, those looking to build their own home.



The little-known issue of 'defensive costing' has only been seen at the coalface of this debate

So where do the costs come from? The €5,000 to €16,000 figure above relates to Assigned Certifiers and Design Certifier, an amendment to the Building Control Regulations which were introduced last year. If we take a midpoint of the range, it puts the cost at about €10,500.

Beware, however: these are not the only "certifiers" required or needed to lodge certificates of compliance on any single project.

Then you have additional contractor insurances, and the Construction Products Regulations 2013 which fall under Part D of the regulations which will add about €4,000 on to the cost of the build. (CPR 2013 actually warrants an article of its own, as do many of the regulations

discussed in this piece.)

The little-known issue of "defensive costing" has only been seen at the coalface of this debate. It's where alternative products with similar specifications are not used, because to do so would mean having to consider how those products impact overall certification.

For instance, if you were to use a cheaper render on an external insulation project, it could cost €5,000 less for a similar performance, but both contractors and design teams are disinclined to, because it strays from the 'official specification' which normally sets out brand name, highest performance products.

When you walk into a chemist, you can get a generic drug for cheaper. You

can't realistically expect the same choice when you build something, and estimates are that it can account for an additional 5 to 7 per cent of the build cost for this reason. On a typical €1,100 cost per metre build for a 120 square metre home, you are looking at about almost €8,000 more because of this.

The fRsi regulation covers thermal modelling for junctions of materials, energy certification that checks for thermal bridges, where doors and windows meet soffits or where glass meets frames or walls. It was brought in in 2013, and is part of Part L regulations (and is thus mandatory). Many architects don't even realise this is required. Prices go up to €18,000, but start at a minimum of €3,500, so tag on the lower amount.

Health and safety changes brought in from July 2012 cost about €500 for a health and safety plan, inspections cost about €1,500, and about €450 for a safety file completion. This is €2,450, and perhaps the only cost that is truly worth it, in that the view so far is that it actually helps reduce accidents and deaths.

Should your property be an attached one, Part E – which relates to noise – requires acoustic testing, and will set you back about €1,500.

Houses tend to come with electrics and plumbing, so don't forget to add in your ancillary engineer certificates, one for mechanical and electrical, the other for structural certification. They are separate jobs with their own duties. Often costing about €2,000 or more for each, that puts on at least €4,000.

Are you a self-builder? If so, it's even worse. Add on about 12 to 15 per cent for being forced to hire a contractor to do the job you were going to do without them. Given that there was never any widespread outcry of a self-build being done wrong, making these rules apply is hardcore cost inflation without corresponding benefit.

And where would we be without the new charge for connecting to Irish Water of €4,000? Add these things up, and you'll see that it's about €38,000, or more like €60,000 for a former self-builder. This is a scandalous rip-off when viewed cumulatively and evidence of the worst outcomes of good intentions.

If we are to take our housing crisis seriously at all, change should start with addressing some of these costs and weighing up just what we are trying to achieve – because, thus far, all it has produced is a scarcity of homes.

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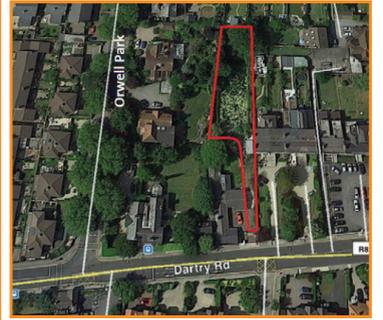
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