



CONSTRUCTION DEFECTS
ALLIANCE

Apartment Defects Campaign Update, 15 February, 2024 – PLEASE SHARE

Urgent Need for OMC Regulator

The establishment before Christmas of the Interim Remediation Scheme and the creation in due course of the full remediation scheme will see billions of Euro of public money going into Owners' Management Companies (OMCs) to address shoddy building from the Celtic Tiger-era.

While these funds are much needed, most of the country's OMCs (estimated to be 5,000 or more) try to operate on an 'above board' basis, but many OMCs are, unfortunately, not fit-for-purpose from a governance perspective such as:

- Potential conflicts of interest where OMCs are still controlled by the original builder-developers;
- Inappropriate procurement practices being used in terms of awarding of contracts and payments being made to directors.

It's worth bearing in mind that OMC board directors are volunteers, many of whom have no background in financial or construction management, which further increases the risk from a governance perspective. An additional issue, in the context of the various remediation schemes, is that the State is not in a position to communicate directly with OMCs, as there is no register currently in place.

To tackle these serious issues, the State needs, as a matter of urgency, to establish an OMC Regulator on an interim non-statutory basis. This Interim OMC Regulator should be charged with putting a register of OMCs in place and addressing the pressing governance issues outlined above.

To move this important issue forwards, the Construction Defects Alliance is asking as many of you as possible to:

- Email your TDs and Senators on the matter through clicking on this link <https://www.mudreform.ie/act/>. Once you do so you will be brought through to a map

of the country where you can click on your constituency and just sign off on the email which has already been drafted.

- Email info@mudreform.ie to let us know that you are interested in taking part in the campaign.

Update on Recent Webinar

Hundreds of apartment owners tuned in to the recent webinar with the Minister for Housing, Darragh O'Brien TD, as well as representatives of the Apartment Owners' Network, the Not Our Fault campaign and the Alliance. For those of you who missed it you can access the contents of the webinar through this link:

<https://attendee.gotowebinar.com/recording/8845048114801149272>

In summary, the following are the matters that were discussed:

- The first phase of the Government's support programme for the owners of defective apartments -- the Interim Remediation Scheme -- commenced on 11 December last and as of the date of the webinar (29 January) 72 complexes had applied for assistance under the Interim Scheme.
- Under the Interim Scheme, which will be fully-funded by the State, works like fire alarm upgrades or replacements and making escape routes safe will be carried out to ensure that people are safe in their apartment complexes while they await full remediation.
- Owners' management companies (OMCs) and the people acting on their behalf can log onto the Housing Agency's website (<https://www.housingagency.ie/interim-remediation-scheme-fire-safety-defects-eligible-apartments-and-duplexes-2023>) and register for the Interim Scheme.
- The second phase of the Government's programme – which is likely to commence in the second half of 2024 – will focus on reimbursing owners who have paid levies for remediating defects where the works have been completed and certified.
- The Minister made it clear that he wants cheques to issue to owners later this year.
- The third and final phase will involve the establishment of the overall remediation support scheme. Legislation for the scheme is currently being drafted and it's expected that it will come before the Oireachtas this summer.
- In all likelihood, it will be 2025 before the overall scheme commences.

Ends.