RONAN ENRIGHT
SOLICITORS

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2018

BUYING A HOUSE
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Welcome to the August 2018 edition of our newsletter.

This issue, as always contains articles on a wide variety of topics which I hope will be of interest to you and your business.

If you have any queries, please do not hesitate to get in touch and one of our highly experienced team at Ronan Enright Solicitors will be happy to assist you.

Ronan.

BUYING A HOUSE?

Ronan Enright - Principal Solicitor. Ronan Enright Solicitors

This will be of interest to anyone that is considering purchasing property and wants to know more about what is involved.
If you have any property queries or wish to speak to a Solicitor about buying a house then contact us at 021 2355443,
or info@ronanenright.com
www.ronanenright.com

WE'D BE HAPPY TO ANSWER YOUR QUERIES

LOOK FOR A SOLICITOR

It is important that you contact a qualified Solicitor who will give you a quotation for the costs involved in the purchase.

BID ACCEPTED? PAY A BOOKING DEPOSIT

Once you have a bid accepted on the property you wish to purchase, you normally to pay a booking deposit to the auctioneer. Booking deposits can vary depending on the value of the property but may between €5000 and €10,000. Booking deposits are entirely refundable up until the point the contracts are signed by both parties and a contract deposit is paid.

SALES ADVICE NOTICE

Once the booking deposit is paid, the auctioneer will ask you for your solicitor's name and will prepare a Sales Advice Notice and will send it to the solicitors for both sides.

ISSUING CONTRACTS

The Vendor's solicitor will prepare the contract and will send it to the Purchaser's solicitor together with the title documentation for the property.

LETTER OF OFFER

If you are getting a mortgage, it's important you contact your mortgage broker, bank or lending institution to ensure your loan offer issues for the property. Your bank will send a Letter of Offer and loan pack to your solicitor. Your solicitor will then prepare the Mortgage documents to be signed by you and advise you on the loan offer including any special conditions which you may have to comply with, prior to the signing of any contracts. These would include things like Life Cover or Mortgage Protection.

LIFE COVER/MORTGAGE PROTECTION

All banks will require that you have a policy in place to ensure that in the event of you passing away, the loan will be paid back. It is important that this be dealt with as soon as possible. Some Insurance Companies may require medical reports in regard to any medical problem you may have.

ENGINEER

You often need to employ an engineer when you are purchasing a property to ensure that the property is structurally sound, to check the boundaries of the property, to check compliance with planning permission and perhaps to check who is responsible for the roads, footpaths, drainage etc around the property.

SIGNING CONTRACTS

If your solicitor is satisfied that the title to the property is in order and that you are in a position to comply with the conditions in your loan offer, you should be in a position to sign contracts and pay the balance of the deposit which is normally 10% of the purchase price, minus any booking deposit you may have already paid to the auctioneer.

RETURN OF CONTRACTS

Your solicitor will then arrange for the contracts to be sent to the Vendor's solicitor, who will arrange for the Vendor to sign the contracts and return one copy to your solicitor. Your deposit is now no longer refundable and you are tied into buying the house.

RAISING OF REQUISITIONS ON TITLE

Your solicitor will raise Requisitions on Title which are a long set of queries dealing with the property. The Vendor's solicitor will reply to these and arrangements will be then made to complete the purchase of the property.Once a closing date is agreed, your solicitor will arrange to drawdown your loan cheque from your bank.

CLOSING OF PURCHASE

The closing of the purchase of the property will normally take place in the Vendor's solicitor's office. Your solicitor will attend. Your solicitor will check the documents to ensure they are in order and will carry out searches against both the property and the Vendor to ensure there are no judgements or burdens registered on the property, which adversely affect you. Once your solicitor confirms that the documents are in order and there are no matters appearing on the searches which are a problem, your solicitor will pay over the balance of the purchase monies and the Vendor's solicitor will either give your solicitor the keys or contact the Auctioneer to have the keys released to you.

SIGNING OF DEED TRANSFERRING THE PROPERTY INTO YOUR NAME

Before the closing, your solicitor will draft the Deed transferring the property into your name. It will be agreed by the Vendor's solicitor and will be signed by the Vendor. After the closing, the Deed must be signed by you.

STAMPING THE DEED WITH THE REVENUE COMMISSIONERS

If Stamp Duty is payable on property, it must be paid no later than 30 days from the date of the completion of the purchase. Any delay in the payment of the stamp duty could give rise to stamp duty penalties which are considerable. Your solicitor will do this online for you and will have asked you for the money for the stamp duty well in advance. Your solicitor cannot do anything about the cost of the stamp duty.

LAND REGISTRY/REGISTRY OF DEEDS

After the Deed is stamped, your solicitor will register the property in your name in either the Land Registry or the Registry of Deeds. There are two systems of land registration in Ireland. You will have to give your solicitor the registration fees in advance. These will vary depending on the property and which of the two systems of registration it is. Your solicitor cannot do anything about the cost of the registration.

TITLE DOCUMENTATION

Once the property is registered, your solicitor will schedule (or list) your title documents and send them to your bank with a Certificate of Title. Your bank will hold them on your behalf, until such time as you require them, either for the sale or the re-mortgage of the property.

If you have any conveyancing queries or wish to speak to a solicitor about buying a house then contact us at

+353 21 235 5443

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What unites Warren Buffett, Apple and the financially distressed generation of the Millennials? In one word: cash and preferences for safe haven assets.

Consider three facts.

FINANCIAL MARKETS

One: at the start of August, Berkshire Hathaway Inc. gave Buffett more room to engage in stock buybacks, just as company cash holdings rose to USD111 billion at the end of 2Q 2018, marking the second highest quarterly cash reserves in history of the firm. This comes on foot of Buffett's recent statements that current stock markets valuations price Berkshire out of «virtually all deals», just as the company took its holdings of Apple stock from USD40.7 billion in 1Q 2018 filings to USD47.2 billion in 2Q filings. Historically, Berkshire and Buffett are known for their high risk, nearly contrarian, but fundamentals-anchored investments: a strategy for selecting companies that offer long term value and growth potential and going long big. Today, Buffett simply can't find enough such companies in the markets. His call is to return earnings to shareholders instead of investing them in buying more shares.

Two: on August 2nd, Apple became the first private company in history to top USD1 trillion market valuation mark when company stock closed at above USD207.05 per share. Company's path to this achievement was based on far more than just a portfolio of great products. In fact, two key financial engineering factors in recent years have contributed to its phenomenal success: aggressive tax optimisation, and extremely active shares buybacks programme. In May 2018, the company pledged USD100 billion of its USD285 billion cash stash (accumulated primarily off-shore, in low tax jurisdictions such as Ireland, Jersey and in the Caribbean) for shares buybacks. As of end of July, it was already half way to that target. Apple is an industry leader in buybacks, accounting for close to 15 percent of all shares buybacks planned for 2018. But Apple is not alone. A study by the Roosevelt Institute released in August shows that U.S.-listed companies spent 60 percent of their net profits on stock buybacks between 2015-2017. And on foot of the USD1.5 trillion tax cuts bill passed by Congress in December 2017, buybacks are expected to top USD 800 billion this year alone, beating the previous historical record of USD 587 billion set in 2007. Whichever way you take the arguments, accumulation of tax optimisation-linked cash reserves, and aggressive use of shares buybacks have contributed significantly to the FAANGS (Facebook (FB), Amazon (AMZN), Apple (AAPL), Netflix (NFLX), and Alphabet (GOOG)) dominance over the global financial markets.

THE SQUEEZED GENERATION

And this brings us to the third fact: the lure of cash in today's world of retail investment. If cash is where Warren Buffetts and Apples of the financial and corporate worlds are, it is quite rational that cash is where the new generation of retail investors will be. Per Bankrate.com July 2018 survey data, 1 in 3 American Millennials are favouring cash instruments (e.g. savings accounts and certificates of deposit) for investing their longer-term savings. In comparison, only 21 percent of Generation X investors who prefer cash instruments, and 16 percent for the Baby Boomers. American retail investors are predominantly focused on low-yielding, higher safety investment allocations. For example, recent surveys indicate that only 18 percent of all American investment portfolios earn non-negative real returns on their savings, and that these households are dominated by the Baby Boomers generation and the top 10 percent of earners. Amongst the Millennials, the percentage is even lower at 7.4 percent.

The conventional wisdom suggests that the reasons why Millennials are so keen on holding their investments in highly secure assets is the fear of market crashes inherited by their generation from witnessing the Global Financial Crisis. But the conventional wisdom is false, and this falsehood is too dangerous to ignore for all investors - small and large alike.

In reality, the Millennials scepticism about the risk-adjusted returns promised by the traditional asset classes - equities and bonds - is not misplaced, and dovetails neatly with what both the largest American corporates and the biggest global investors are doing. Namely, they are pivoting away from yield-focused investments, and toward safe havens. The reason we are not seeing this pivot reflected in depressed asset prices, yet is because there is a growing gap between strategic positioning of the Wall Street trading houses (all-in risky assets) and those investors who are, like Buffett, focusing on longer-term investment returns.

OVERVALUED INVESTMENT

In simple terms, the U.S. asset markets are grossly overvalued in terms of both current pricing (including short term forward projections), and longer term valuations (over 5 years duration).

The former is not difficult to illustrate. As recent markets research shows, all of the eight major market valuations ratios are signalling some extent of excessive optimism: the current S&P500 ratio to historical average, household equity allocation ratio, price/sales ratio, price/book value ratio, Tobin's Q ratio, the so-called Buffett Indicator or the total market cap of all U.S. stocks relative to the U.S. GDP, the dividend yield, the CAPE ratio and the unadjusted P/E ratio. Take Buffett's Indicator: normally, the markets are rationally bullish when the indicator is in the 70-80 percent range, and investors pivot away from equities, when the indicator hits 100 percent. Today, the indicator is close to 140 percent - a historical record.

But the longer run valuations are harder to pin down using markets-linked indices, because no one has a crystal ball as to where the markets and the listed companies might be in years to come. Which means that any analyst worth their salt should look at the macro-drivers for signals as to the future markets pressure points and upside opportunities.

Here, there are worrying signs.

In the last three decades, bankruptcy rates for older households have increased almost three-fold, according to the recent study, from the Consumer Bankruptcy Project.

papers.ssrn.com/sol3/papers.cfm?abstract_id=3226574

This suggests that not all is well amongst the wealthiest retired generation, the Baby Boomers, who are currently holding the vastly disproportionate share of all risky assets in the economy. For example, 80 percent of Baby Boomers own property, accounting for roughly 65 percent of the overall housing markets available assets. All in, Baby Boomers have over 50.2 percent share of net household wealth. As they age, and as their healthcare costs rise, they will be divesting out of these assets at an increasing rate. This effect is expected to lead to a 3-3.5 percent reduction in the expected nominal returns to the pensions funds for the Generation X and the Millennials, per 2016 study by the U.S. Federal Reserve.

www.federalreserve.gov/econresdata/feds/2016/files/2016080pap.pdf

The latter is, in part, the legacy of the 2007 Global Financial Crisis, which has resulted in an unprecedented collapse in wealth held by the American middle classes. Based on the report from the Minneapolis Federal Reserve

www.minneapolisfed.org/publications/the-region/race-and-the-race-between-stocks-and-homes ,

current household wealth for the bottom 50 percent of U.S. households is at the lowest levels since the mid-1950s, while household wealth of the middle 40 percent of the U.S. households is comparable to where it was in 2001. In other words, nine out of ten U.S. households have not seen any growth in their wealth for at least 18 years now.

Over the same period of time, wages and incomes of those currently in middle and early stages of their careers, aka the Generation X and the Millennials, have stagnated, while their career prospects for the near future remain severely depressed by the longer in-the-job tenures of the previous generations.

June 2018 paper from the Opportunity and Inclusive Growth Institute, titled "Income and Wealth Inequality in America, 1949-2016"

https://www.minneapolisfed.org/institute/working-papers-institute/iwp9.pdf

documented the dramatic reallocation of purchasing power in the U.S. income across generations, from 1970 to 2015, with the share of total income earned by the bottom 50 percent dropping from 21.6 percent to 14.5 percent, while the top 10 percent share climbed from 30.7 percent to 47.6 percent. Share of wealth held in housing assets for the top 1 percent of earners currently stands at around 8.7 percent, with the remained held in financial assets and cash. For top 20 percent of income distribution, the numbers are more even at 28 percent of wealth in housing. Middle class distribution of wealth is completely reversed, with 62.5 percent held in the form of housing.

The problem is made worse by the fact that following the financial crash of 2007-2008, the U.S. Government failed to provide any meaningful support to struggling homeowners, focusing, just as European authorities did, on repairing the banks instead of households.

What all of this means for the asset values going forward is that demographically, the economy is divided into the older and wealthier generation that is starting to aggressively consume their wealth, looking to sell their financial assets and leverage their housing stocks, and those who cannot afford to purchase these assets, facing lower incomes and no tradable equity. This is hardly a prescription for the bull markets in the long run.

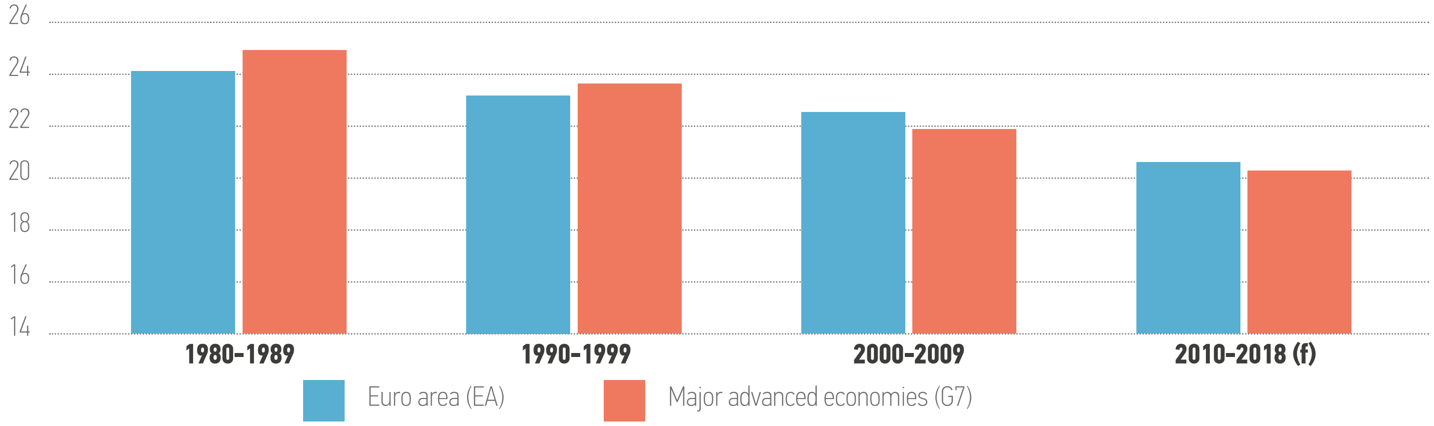
In this environment, on a 5-10 years time horizon, holding cash and money markets instruments makes a lot more sense not because these instruments offer significant current returns, but because the expected upcoming asset price deflation will make cash and safe haven assets the new market king.

The same is apparent in the corporate decisions to use tax and regulatory changes to beef up their cash holdings and equity prices, as opposed to investing in new growth activities. Even inclusive of buybacks, and Mergers & Acquisitions in the corporate sector, aggregate investment as a share of GDP continues to slide decade after decade, as highlighted in the chart below.

What makes matters even worse is that until mid-2000s, the data for investment did not include R&D activities, normally classed as expenditure in years prior. Adjusting for M&As, buybacks and R&D allocations, aggregate investment in G7 economies has declined from 24.9 percent of GDP in the 1980s to around 16-17 percent in 2010-2018. In simple terms, neither the public nor the private sector in the largest advanced economies in the world are planning for investment-driven growth in the near future, out into 2025.

None of which should come as a surprise to those following my writings in recent years, including in these pages. Over the years, I have written extensively about the Twin Secular Stagnations Hypothesis - a proposition that the global economy has entered a structurally slower period of economic growth, driven by adverse demographics and shallower returns to technological innovation. What is new is that we are now witnessing the beginning of the demographics-driven investors' rotation out of risky assets and toward higher safety instruments. With time, this process is only likely to accelerate, leading to the structural reversal of the bull markets in risky assets and real estate.

CHART 1: **Aggregate Investment, % of GDP, period averages**



Prof. Constantin Gurdgiev is the Associate Professor of Finance with Middlebury Institute of International Studies (California, USA) and an Adjunct Professor of Finance with Trinity College Dublin (Ireland). His research is concentrated in the fields of investment, geopolitical and macroeconomic risk and uncertainty analysis. Prof. Gurdgiev serves an adviser with a number of fintech start ups, and a co-Founder and Chairman of the Board of the Irish Mortgage Holders Organisation, and a co-Founder of iCare Housing Solutions, two non-profit organizations working with the issues of financial empowerment.

In the past, Prof. Gurdgiev served as the Head of Macroeconomics with the Institute for Business Value, IBM, the Director of Research with NCB Stockbrokers, Ltd, and the Editor and Director of the Business & Finance magazine.

Resilience:

A BETTER WAY TO HANDLE STRESS

Could a sheltered upbringing be the cause of diminished coping skills in millenials?

Individuals who grew up in or before the 1970s learned things the hard way. With limited disposable income, most kids of low to middle-income families did not have it easy, enjoying the privileges of the upper class, such as pocket money, cars and going on overseas trips.

Maybe that's why parents who had children in the 80's and 90's want to have an easier life for their children. Often they are over protective and are quick to reward and celebrate big (and also small) accomplishments. In addition, they lowered their expectations for what their children should do in return.

While the old-style of parenting may be considerate harsh and easing up on it is a step in the right direction, it seems as though we have gone just a bit too far in the soft parenting approach. We've put a huge buffer between our children and the real world, and we do too much for them. While it seems admirable, we're putting them at a disadvantage, as they are losing their ability to handle the ups and downs of today's world.

Every year, the rate at which antidepressants are prescribed increases, as does teen suicide.

Research compiled by VHI on mental health in the workplace showed that a high percentage of Irish corporate employees suffer from anxiety, stress and depression. It also showed that individuals under the age of 34 possessed a general lack of resilience.

What is Resilience?

Resilience is "the process of adapting well in the face of adversity, trauma, tragedy, threats or significant sources of stress - such as family and relationship problems, serious health problems or workplace and financial stressors", according to the American Psychological Association.

That does not mean that a resilient person is immune to difficulty, distress or stress in general, but rather that they are better able to bounce back from setbacks and the difficulties life throws at them. Instead of being discouraged by failure, they show a grit that enables them to persist despite any challenges they may face.

While resilience is a fundamental characteristic in any human, it is usually learned through adversity and setbacks. Sadly, people younger than 35 have been protected from life's lessons, has resulted in a generation that lacks this life skill which is required in modern-day living. As a result, they face a doubly-difficult challenge: they are trying to survive in a world that is faster moving than ever before with reduced coping mechanisms.

The lack of resilience in today's workforce is leading to many life issues, leading to problems in the workplace and an exponential increase in antidepressant consumption.

Some of the trends on the rise:

- **mental health problems**
- **frequent sick leave**
- **faster staff turnover**

A research study found that over 20% of employees felt stressed or very stressed. This lead VHI to launch a programme designed to boost people's resilience. It will focus on improving coping skills, helping people to cope better with life's ebb and flows.

Teaching resilience is not easy, as it should ideally be a byproduct of one's upbringing. However, perhaps through self-awareness and development of coping skills, people can improve their resilience.

Resilience is crucial in fast-paced, high-pressure environments where individuals are required to multitask. Resilience-based programmes can help managers to identify stress triggers and help them to share responsibilities in order to improve employees' work-life balance. Through programmes, they can develop strategies to help employees increase resilience, leading to professional effectiveness that will benefit both the individuals and their employers.

PUBLIC SPEAKING:

Coming to Grips With Glossophobia

Meeting the needs of your audience through your content can deflect from your fears

Do you admire people who can grasp the attention of the audience while relaying their message in an articulate or humourous way? You'd be surprised to learn that even those who seem to be naturals at it sometimes suffer from stage fright. Even those you look up to most, sometimes experience that fear and sweaty palms.

Public speaking is not a skill that comes naturally to most, but the good news is that you can master the art to becoming a more than passable presenter without killing yourself in the process. It all starts with proper preparation. You may have to write several drafts before your speech or presentation is audience-ready and can be delivered in the allotted time slot.

IMPORTANCE OF PREPARATION

The more you know, the easier it is to manage your trepidation and control the situation. If you're uncertain about the technology or your delivery, you will be more nervous and that will make the audience uncomfortable too.

Knowing your audience is key to a successful preparation.You must know why you are speaking to the specific audience, and you need to know which buttons to press to hold their attention.

Being familiar with your material will also help put you at ease. Nobody wants to attend an irrelevant presentation. If you get a 'curve ball' question, move on swiftly to your next point, with a promise to return to it.

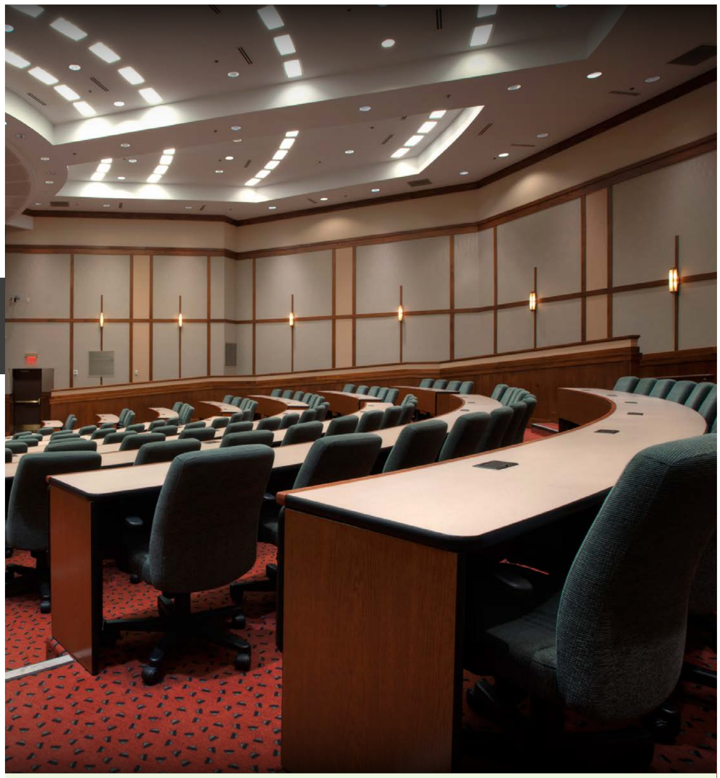
Remember a few basic techniques that can help keep your speech interesting. Pause for dramatic effect, or give the audience a moment to process the message. Consider using slogans to add flavour to your presentation and tell anecdotes to help share ideas.

CREATE A LOGICAL STRUCTURE

While planning your speech, pay careful attention to the structure. Ensure that it flows logically from the introduction to the summary, using as few steps in between as possible to avoid confusion. Many rookies make the mistake of dragging out their presentations, starting late, or running over.

Audiences prefer short presentations, which means that being time sensitive will be more likely to result in success.

Trying to learn your presentation off by heart is great - until you forget what comes next. Instead, write down the key points on cards and place them in the right order to help you maintain your sequence.



Top 10 PUBLIC SPEAKING Tips

1. You can never be over prepared
2. Know your audience's requirements
3. Write your prompts on index cards
4. Create a clear beginning, middle and end that come full circle as you link your points together.
5. Liven up your speech with quotes and anecdotes.
6. Make eye contact in small groups, or in larger halls, slowly sweep your eyes in a W formation to create the illusion of eye contact.
7. Take your time and speak clearly and articulately.
8. Practice your body language and avoid slouching, hands in pockets, finger pointing and folded arms.
9. Stick to the allocated time.
10. Know your topic well enough to explain it in simple terms.

Don't Eat at Your Desk SERIOUSLY!

Lunching at your desk may be convenient for you, but that's about where the benefits end. Apart from the fact that your co-workers will not appreciate the sounds and aromas, it also has a negative impact on your mental and physical health.

About 75% of us regularly eat al desko, which makes us guilty of the cardinal sin of desk workers: Thou shalt take regular breaks during thy working day. And there's good reason why this should apply to your at-work eating habits too.

YOU WILL HAVE A HARD TIME WITH PORTION CONTROL

Eating by your desk is bad for your waistline, as you may overeat because you're distracted with Facebook or cat videos. Research has shown that people who eat while watching television consume approximately one third more than they would otherwise, and the same would apply to eating by your desk.

YOU WILL NOT GIVE YOUR BODY A BREAK

Eating by the desk does not give your mind and body a break, and that's not only bad for your posture, but for your general mental and physical health. Modern medical science basically blames everything on a sedentary lifestyle, including:

- cancer
- heart disease
- type 2 diabetes
- poor mental well being

Most of us sit too much and exercise too little. Eating lunch at your desk is twice as bad!

Someone with a desk job usually sits for six to eight hours, unaware of the impact it has on their health. Even a small amount of physical activity, such as taking a walk at lunch time, can dramatically reduce the health risks associated with a sedentary job.

YOU MAY SUFFER FROM LOWER-BACK PAIN

Many people who follow a sedentary lifestyle suffer from lower crossed syndrome, which results in weak glutes and abdominal muscles with tight lower-back muscles and hip flexors. This condition can impact on one's personal and work life.

Savvy employers encourage their office workers to take regular breaks, not only provide physical benefits, but to encourage better stress management. Lunch breaks should be used wisely, and should include:

- fresh air intake
- hydrating
- energy boosting snacks.

It is quite common for modern workplaces to dedicate a space within office buildings for people to recharge and engage in short meditation. Some companies encourage employees to consider standing desks, walking meetings and incentivised movement challenges.

These and other small changes can contribute to improved productivity together with mental and physical health. Instead of eating your lunch at the desk, why not eat your lunch outdoors on a bench. That way, you'll get out of the office for a bit, enjoy some fresh air and vitamin D on a sunny day. Additionally, it provides a much-needed mental break after a long morning of meetings, putting out fires, or staring at a screen.

By reclaiming your lunch break, you can transition out of work mode. This will allow you to re-energise yourself, calm your mind, so that you can easily refocus when you return to the office.

Many people stay at their desks during lunch due to an office culture of presenteeism. This maybe perceived as a form of peer pressure which may lead to low worker morale. Some employers may begrudge lunch breaks, but research has shown that people are less productive between 2pm to 3pm. Perhaps taking a late lunch is a great way for your office to refocus.

Research has also indicated that most people are at their most creative and alert between 9-11, while productivity drops after lunch, and plummets after 4pm. Monday are the most productive days, with Fridays being the least productive. Autumn is the most productive time of the year, with October being their most productive month.

When an Employee Falls from Grace

Employment disputes happen all the time. We're all people, and even a superstar employee can lose his or her shine.

Whether tensions arise in the workplace because of clashing personas, or whether a person's personal issues lead to poor performance, it's inevitable. These issues can make it difficult to maintain productivity in the workplace.

We throw around cliches like «every employee is a valuable member of the team», but let's be honest - every business has a few employees that don't fit in and another group that the employer wishes to hold onto for dear life. When the dispute involves a star employee, the situation can be particularly difficult to handle.

What is an employer to do when an indispensable employee no longer performs as well as before, or after a fallout?

CONSIDER WHETHER THE RELATIONSHIP IS SALVAGEABLE

In some cases, you can salvage a relationship. Perhaps there is a way to overcome a certain hurdle in order to encourage the employee to resume his or her formal level of productivity. If the employer and employee are unable to find a resolution, other options exist to restore harmony to the working relationship.

One of the most effective tips would be for the employer to engage directly with the disgruntled employee. However, it must be clarified that all such actions are performed under the company's disciplinary procedures. For as long as the employer pays due care to what they say or do, nothing should prevent a direct intervention.

As an employer, it's up to you to ensure that conversations remain within the formal procedure, as the employer is automatically entitled to certain procedures once the disciplinary procedure is triggered. The interventions should also occur in neutral locations, and kept simple.

CONSIDER MEDIATION

If a direct intervention is either not an option or if it doesn't work, you may suggest formal mediation. This method is an important growth area in disputes and in Irish employment law. In 2017, new legislation was enacted whereby solicitors are required to suggest mediation to clients before legal proceedings are pursued.

Mediation can be a powerful tool in the employment space, as it has the potential to help rebuild employer-employee relationships. A competent mediator may be able to find common ground between parties to help them resume their working relationship.

Mediation usually involves costs, and may not immediately offer resolutions, but it can set the tone for further discussion. At the bare minimum, a good mediator will open each party's mind to the other's perspective.

In the rare case where neither direct intervention nor meditation delivers the desired result, there is a last resort option, which is disciplinary action.

Disciplinary action is tightly regulated in Ireland, and employers have to observe extremely high standards when it comes to fair procedures, or face the wrath of the Workplace Relations Commission. Inherent unfairness can cause the WRC to crack down on your disciplinary procedures if you make biased decisions, fail to be transparent in putting the case in full to the employee, refuse to allow your employee to be accompanied by a union representative or colleague, or refuse to offer an appeal.

Formal procedures often provide the jolt an employee needs to shape up, but more often, it merely triggers the end of a relationship. It's not unusual for employees to resign midway through the procedure. For that reason, most employees use these procedures as a last resort when it comes to disciplining talented employees.

Early intervention is usually the best way to salvage a relationship with a talented employee. Employment issues should not be left to fester, as it becomes harder to find a satisfactory solution, and to salvage the relationship.

INCOME DISCREPANCIES IN NON-TRADITIONAL COUPLES

When women exaggerate their men's size

Men have been known to exaggerate for ages, but did you know that women do too? US researchers compared the couples' reported salaries with their actual earnings and found fascinating trends.

The study, Manning Up and Womaning Down, from the US census was based on non-traditional couples, which makes up the 22.9% of married couples in which women earn more than their spouses, based on data from the US Internal Revenue Service. The study found that both husbands and wives tended to inflate the husbands' incomes and play down that of the wives'.

What was especially fascinating, was the finding that the higher-earning women in the study tended to exaggerate their husbands' income even more than the men did. Researchers speculated that the couples tended to feel uncomfortable when the women earned more - as though it was a violation of the status quo whereby men are the breadwinners.

Another study conducted back in 2015, Who Should Bring Home the Bacon?, found that many men and women alike still prefered that the husband earns more money.

According to Wednesday Martin, anthropologist known for her study of New York City's Upper East Side stay-at-home mothers, Primates of Park Avenue, views the new research as evidence that both genders have internalised the insistence that the man should earn more than his wife. When a woman earns more, it disrupts the fundamental order of things.

There is truth to that. When both partners work full time, women tend to handle the majority of household and childcare chores, on top of the emotional labour of planning school events and family celebrations.

In 2017, the essay entitled Women Aren't Nags - We're Just Fed Up, in which the author explains her frustrations to her husband, went viral. Many men would gladly help around the household - if their partners asked them. However, that's the problem. Women want partners to have equal initiative, rather than having the added responsibility of micromanaging housework on top of their workload. Sometimes, it's just easier to do it yourself than to ask, explain, correct and supervise, which all leads to frustration.

Marriage gurus offer many tips to happy marriage, including hiring cleaners, lowering your domestic standards, banish guilt, and learn to say no to social obligations and PTA bake sales.

When we fib about our incomes, it's not really intended to be deceptive. However, when women diminish their achievement and when men feel trapped by the pressure to be breadwinners, it can be difficult to shake the emotional attitudes that stem from traditional gender roles and their expectations.

ENERGY PRICES:

Switch to save

Looking to save on electricity and gas prices? Switching suppliers is still the easiest, most effective way to realise savings, provided you do it every year.

Whenever one supplier raises their prices, the others tend to follow suit smartly. Most recently, in June, SSE Airtricity announced that their prices would rise. The announcement was followed by Prepay Power, Bord Gais, Panda Power, Pinergy, Energia, and Electric Ireland Flogas, who all did the same by mid-July. At this point, the only two suppliers who did not raise their prices at the time of writing, was Just Energy and BE Energy.

This trend has led to speculation that there's a price cartel at play somewhere along the supply chain. Consumers may be forgiven for thinking the same, as the speed at which every energy supplier jumped to increase prices at the same time suggests a herd mentality.

However, according to the energy regulator's most recently annual review, the market is simply competitive. Since 2013, when Ireland had five electricity suppliers and four gas suppliers, we now have ten and eight respectively. Additionally, Electric Ireland's market share has dropped below 50% for the first time ever.

According to Eoin Clarke from Switcher.ie, a number of factors make up the energy price; the main factor being wholesale energy costs. This would explain why suppliers seem to follow a trend when it comes to price increases.

Daragh Cassidy from Bonkers.ie believes that competition keeps a downward pressure on electricity prices, but due to the increase in wholesale electricity prices, it has been difficult for suppliers to avoid passing some of the cost on to consumers. However, he would be remiss not to point out the disparity in price increases, which differ widely from one supplier to the next.

While Bord Gais raised their tariff by 5.8%, Energia's went up by 7.6% and Pinergy's by 9.38%. Gas prices from Bord Gais went up by 4.7%, while Flogas, Energia and SSE upped their rates by over 12%. As a dual fuel consumer, you may end up spending more than €180 a year, thanks to these price hikes. So if you've been with your supplier for more than a year, it might be time to switch and save.

Most energy companies offer a 12-month introductory rate to new customers, after which they will revert you back to standard tariffs. By remembering to switch once a year, you will end up on the discounted rate, thus getting the best value for your money.

According to the Commission for the Regulator of Utilities (CRU), customers who switched their electricity providers every year for the last four years, save as much as €1,146, while consumers who switched gas providers saved €670 over the last four years. Households who use both gas and electricity and switched regularly, would save as much as €1,417, based on energy regulator calculations.

The CRU insists that both gas and electricity switching rates in Ireland compare well with those in other EU countries. Last year's Council of European Energy Regulators backs this sentiment. At just over 20% for both gas and electricity switching rates 2016, Portugal ranked the highest. Bulgaria, Romania, Poland and Luxembourg ranked below 1%. Switching rates of over 10% are considered high by the report.

While Ireland had several new entrants into the energy supply arena which certainly shook things up, there's no firm indication that explains the high switching rates in other countries. The CRU report did indicate that there were low levels of repeat switching. Of those consumers who switched last year, 65% of electricity users and 50% of gas users defaulted to standard tariffs this year. That shows that while many of us switch, we don't do it every year in order to enjoy maximum savings.

Some consumers are dissuaded from switching by the fear of being tied into contracts, inability to tell whether a new supplier could save them money, and feeling that switching is just too much of a hassle. The truth is that switching is really simple. It takes a few minutes, but it could save you hundreds of euro a year.

Simply input your units in a CRU-accredited price comparison service such as Switcher.ie or Bonkers.ie to see how suppliers compare. When you're ready to switch, simply have your current meter reading handy and follow the easy online instructions.

The new supplier will typically sign you up for a 12-month contract and they will penalise you if you breach the contract. The penalty is usually $50 or more.

Just Energy now offers a fixed tariff, which is ideal if you're concerned about more price hikes in the next twelve months. Once the summer price hikes take effect, Just Energy's fixed rate tariffs will be one of the cheapest on the market.

Wholesale prices seem to be on an upward spiral, which makes fixed rate contracts a great option for consumers who want some peace of mind ahead of winter. The only downside is that - in the unlikely event of prices dropping - you won't enjoy rate reductions.

One Big Switch is a consumer network that helps negotiate discounted rates on gas an electricity prices. They currently offer a 28% dual-fuel discount and a 28% electricity only discount to both new and existing Bord Gais customers.

Based on the incentives, discounts and offers, there is plenty competition in the energy market. That shows that we can level the blame for our high electricity prices - Ireland's is the fourth-highest in all of the EU - at our heavy dependence on imported fossil fuels, on which we rely to generate electricity.

By continuing to invest in indigenous and renewable energy sources, we will reduce our dependence on wholesale international energy markets.

USAGE BASED MOTOR TAX:

Another Hard-Hitting Policy Failure?

Changes to the motor tax regime had both unintended and unfortunate consequences back in 2008. Now, another proposed motor tax amendment may have a devastating impact on private motorists. While it may seem sensible (on paper) to impose usage taxes on private motorists, they have been impacted hardest by policy failures in other aspects of the economy.

Those failures and the shortage of affordable housing were the reason many of these commuters were forced to relocate to rural areas in the first place. Inadequate investment in public transportation during the recession did not make commuting any easier.

Many of these commuters have been unable to afford newer cars that have low emissions and fuel efficiency, which would mean lower taxes. Unfortunately, rapid improvements in fuel efficiency combined with the kickback against diesel has caused many vehicles to be devalued to the point that it has become obsolete. Due to the fact that these cars are so devalued on the used car market, it is more expensive for motorists to trade up. These Irish citizens are the people who will suffer most when they are taxed based on their car usage.

It's important to remember that we are already paying a 47.9 cent per litre excise and carbon tax and 58.77cent per litre on petrol.

It would seem that the increase in popularity of electric cars may have had a role to play in the recent review of the motor tax regime, and the resultant recommendation of usage tax. Electric cars form only a small part of the private vehicle fleet in Ireland, at only 3,830 electric cars out of a total of more than two million total vehicles. It will take years before electric cars become a significant contender in the Irish market.

More than three quarters of the cars on Irish roads are older than four years, and almost 65% of cars are older than six years. It is unlikely that the owners of these vehicles will upgrade to the latest in vehicle technology in the next few years.

TDs that represent rural constituencies on the commuter belts are bound to react negatively to any suggestion of usage charges. This type of resistance was seen when, in 2017, it was proposed that diesel tax should be aligned with petrol tax. Recently, the Tax Strategy Group of the Department of Finance released a report stating that the tax between petrol and diesel could be equalized in the next five years.

Ironically, switching to a usage-based motor tax will see a struggling motorist with a mortgage in Mullingar and commutes to Dublin in a 2008 Skoda Octavia, paying more than a Ballsbridge commuter who owns a 2018 BMW. This may well see the Ballsbridge motorist opting for a more sporty gas guzzler, due to the low mileage.

The 2016 census showed that 61.4% of workers commuted to work, with 76% in rural areas. While the average worker lived within a 15km radius from their workplace, nearly 240,000 lived more than 25 km from work.

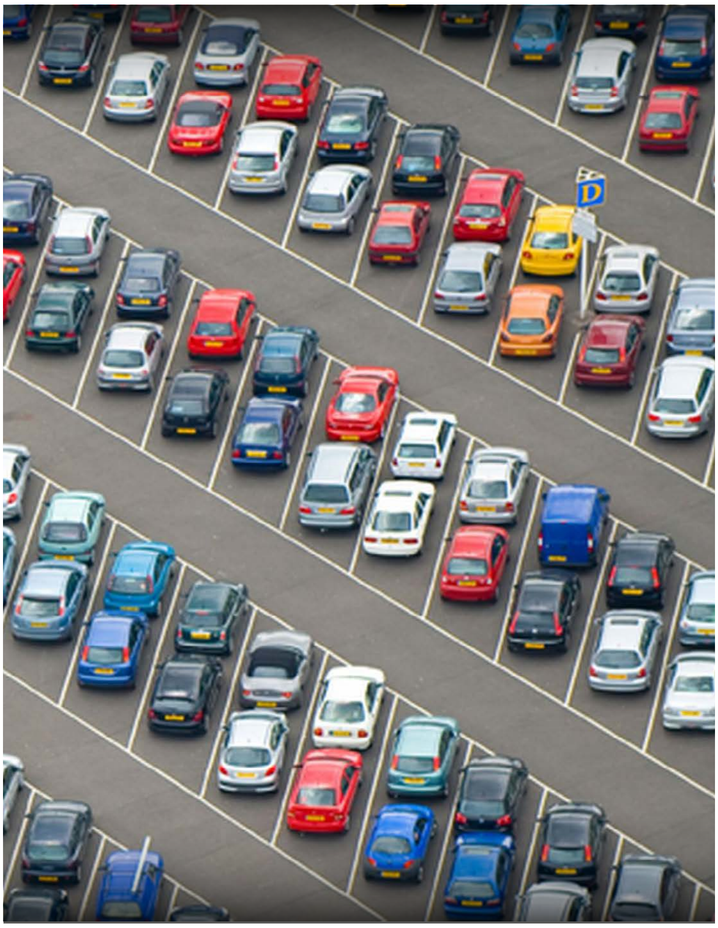
While the powers that be focus on the long-term implications on tax due to the increase in hybrids and electric cars, the current emissions-based motor tax system requires more urgent adjustment.

In the next 12 months, the EU will see a stricter fuel economy and car emissions testing regime being rolled out. This is partly due to the Volkswagen diesel emissions scandal, whereby the company fitted cheat devices to create lower CO_2 levels during testing. Due to the fact that the current testing regime is easy to exploit, and irrelevant to motorists, it is not fit for purpose.

The new test regime proposed for the EU should provide more realistic figures for fuel economy as well as real-life emissions. Under this scheme, new cars will be graded under a partial roll out starting September 1, 2018. The full WLTP will be launched on September 1, 2019 and will affect both the annual motor tax applied to new cars and the VRT.

The EU Commission reported on the impact of the new scheme, and estimates that CO_2 values for passenger cars will increase by 21% on average. Current low emissions diesel cars are likely to be hit the hardest. This will affect both annual motor tax and VRT on new cars registered from the end of August 2018, and particularly cars registered starting September 2019.

It's highly likely that a third tax system will be introduced in addition to the engine-sized system for cars registered prior to July 2008 and the emissions-based tax which has been applied subsequently. The new regime dictates that as of September 2020, all newly registered cars would be placed in a system where emissions bands are higher in order to reflect the WLTP rising official figures.



Hybrid sales have increased dramatically (by 62%) over the past two years, partially due to the diesel ban in some cities, and the backlash against diesel in general. Despite this increase, there are only 28,000 regular hybrids on Ireland's roads. It is expected that we will see official hybrid emissions figures increase with the new testing regime.

Recently, senior officials at the Department of Finance reported that if the regime is borne out, the environmental rationale of relief for conventional hybrids will be weakened or undermined. Hybrids currently avail of €1,500 in tax returns, whereas the relief is estimated to cost exchequer €19 million for 2018.

Perhaps by removing the incentive for conventional hybrids, the money could instead be allocated towards incentivising electric cars, or enhancing the infrastructure by installing more recharging points. We currently have 1,200 public charging stations located across Ireland.

Cars are constantly becoming more efficient, and with the gradual uptake of electric cars, tax systems based on emissions and fuel usage will not raise the same income levels as those that are currently available. Exchequer collected €958.9 million in tax during the first part of 2018 through car sales alone.

Changing the current system will likely result in unintended consequences. When we changed to emission-based tax in 2008, a large contingent of motorists switched to diesel, which decimated the sales and values of petrol cars. This change impacted on the environment, as it resulted in a dangerous rise in carcinogenic nitrogen oxide levels.

While the European states reverse their pro-diesel policies, the Irish government must consider disentangling our current tax regime from the diesel debate. While it may seem sensible on paper, a tax system largely based on usage can have significant impacts on commuters.

HIRING NEW TALENT:

Fresh blood or in-house promotion?

When it comes to hiring new talent, you have the option to promote home-grown talent, or to bring in someone from the outside. While promoting someone from inside the company can increase retention rates, hiring an outsider can help increase dynamism.

Hiring someone inside the company sends the message that there's room for growth in the company. It gives achievers in the company the opportunity to show their mettle and to enjoy inhouse advancement and is great for morale. The company benefits by saving on the costs of filling a vacancy inwardly - a costly and time-consuming process.

Stakeholders may not be as thrilled about in-house promotion, as they may prefer a dynamic company culture. However, promoting home-grown talent has the added benefit of ensuring continuity. It helps preserve the status quo. One should consider whether in-house or external hiring would be in the best interest of the business, and whether it expands or limits the company's options.

When it comes to selecting a new chief executive, the debate regarding hiring internally or externally becomes particularly contentious. Smurfit graduate business school professor of strategic management, Patrick Gibbons offers a potential compromise. He proposes that a company can hire an internal candidate - provided the candidate is indeed the best fit for the job, complete with the appropriate strategic vision - and place outsiders on the board in order to challenge the new CEO.

When an external candidate is hired, he or she has no allegiances and is therefore free to change or shake things up. However, the person will need time to become acquainted with the company's culture and develop working relationships with key players. The major drawback is that a new person who is unfamiliar with the business will not be able to make decisions as fast and as accurately as someone who is familiar with the business.

Ultimately, the decision to hire an internal or external candidate depends on what is best for the business at the time.

A newcomer can help infuse fresh energy into the business, and bring along experience and skills that can be beneficial to the company. An external candidate can swoop in and revolutionise the senior management team with knock-on consequences.

However, an internal hire who makes drastic changes could lead to even more resentment, as the team might feel betrayed by their own. Likewise, it is not unheard of for members of senior management to walk away when they are passed over for promotion in favour of a colleague. In those cases, an outside hire may actually unite teams.

It can be costly and risky for small companies to hire externally. A lengthy process, a bad hire can spell disaster for your organisation, and the fallout devastating. After all, a resume and interview only really provide a vague snapshot of the individual.

Some of the risk of bringing in an external CEO may be averted by relying on an independent human resources specialist to help identify and recruit the best individual for your company. Boards sometimes lack insight to select the best candidate internally, as they do not work with them every day, and therefore are unable to identify their strengths and weaknesses.

An independent third party can create confidential benchmarks for the external market, thus enabling the board to compare that to their internal pool. They can then use that intel to close knowledge gaps and develop internal talent, or bring it in from outside.

However, this process should go beyond selection. The board should remain involved in the transition, and navigate the process of providing support to the new CEO, ensuring the outgoing CEO is able to provide support to his or her successor, and communicating with the stakeholders.

Not all organisations have time to develop candidates from inside. However, every organisation can benefit from early identification of successors and exposing them to the board and the business as a whole. This will foster increased engagement with senior leaders, which will benefit the organisation in the long term.

Internal Hiring is beneficial in that it:

- builds strong morale and fosters talent.
- improves staff retention.
- is more cost-effective than hiring externally.
- ensures that you hire someone who knows the business, and the fact that the individual is known to the company can help manage expectations.

However, there are some drawbacks to hiring internally, namely, it creates a vacancy elsewhere which might be harder to fill. It also sends a no-change message to stakeholders and denies the company access to a fresh new perspective. Ultimately, it can cause tension and dissent within teams.

MEET THE TEAM

RONAN ENRIGHT
SOLICITORS

RONAN ENRIGHT
Principal Solicitor

Ronan Enright qualified as a solicitor in 2007. He received a Bachelor of Commerce degree from University College Cork and later went on to receive a Diploma in Commercial Litigation, and Diploma in Commercial Property and a Diploma in Employment Law from the Law Society of Ireland. He volunteers as a Mentor to start up companies on various accelerator programmes. Ronan is also a Practitioner of the Institute of Banking.

Ronan practices extensively in both plaintiff and defence litigation. He advises clients in relation to personal injury, general litigation and commercial litigation, and acts on behalf of private clients, insurance companies and self insured bodies. He also advises clients in relation to debt collection, employment law issues, social welfare investigations and disputes, tax investigations and disputes, road traffic matters, residential conveyancing, commercial property, wills, probate, and estate planning.

Having worked for over ten years as an associate in a general practice in Cork, Ronan formed Ronan Enright Solicitors in 2017.

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MICHAEL ENRIGHT
Consultant Solicitor

Michael Enright is a full-time Consultant Solicitor in the Firm. Having attended Christian Brothers College, and University College Cork, he qualified as a solicitor in 1973 and practiced for much of his career as a Partner and head of litigation in a large firm. He formed his own firm in 1994 where he was the Senior Partner until 2017.

Michael has extensive experience in litigation. Much of his work is on behalf of insurance companies and he has acted on behalf of a number of local authorities, dealing with public liability claims and employers' liability for many years. He also practices in the areas of plaintiff litigation and commercial litigation and has extensive experience dealing with claims of professional negligence and medical negligence. Michael is an experienced Arbitrator and has helped many clients resolve matters outside of the court system.

Michael is a former Council Member of the Law Society of Ireland and has served on many committees, including the Litigation Committee. He is a former President of the Southern Law Association, and was Chairman of the Litigation Committee of the Southern Law Association for over 20 years.

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