

## Affordable Purchase Schemes: Frequently Asked Questions

### OVERVIEW OF SCHEME

#### What is the Local Authority Affordable Purchase Scheme (LAAPS)?

The Local Authority Affordable Purchase Scheme (LAAPS) helps eligible applicants buy a home at a discount to the home's market price. It aims to help people (individuals, couples and larger households) buy their own home when they may not otherwise have been able to. This discount is only available for housing that has been identified and made available as a Local Authority Affordable Purchase Scheme.

#### What homes will be available as Local Authority Affordable Purchase Scheme (LAAPS) in Dublin City ?

A number of schemes are scheduled to deliver over 1,800 LAAPS, or affordable purchase, homes are in our current housing delivery schedule. The homes are part of Dublin City Council's *Housing for All* programme and can be viewed at:

[https://mapzone.dublincity.ie/MapzoneAffordableSchemes/MapZone.aspx?map=Affordable\\_Schemes](https://mapzone.dublincity.ie/MapzoneAffordableSchemes/MapZone.aspx?map=Affordable_Schemes)

#### How does an affordable purchase scheme work?

Local Authorities like Dublin City Council will provide what's known as an 'Affordable Dwelling Contribution.' This is basically an equity share in the home and this contribution reduces the price the home purchaser pays.

This equity share is equal to the difference between the open market value of the home and reduced price paid by the purchaser. So, if Dublin City Council took a 20% equity share the purchaser would have a 20% discount. If the Council took a 15% share the purchaser is benefitting from a 15% discount.

#### How do I know if I can apply for a particular affordable purchase home?

The 'Information on Applying' section below will give you some guidelines. However, each affordable scheme will have a different application process. If you are a first time buyer (or meet the 'fresh start' criteria explained below) and have a right to reside permanently in the State and are interested in a particular home when it becomes available you should consider applying and Dublin City Council will assess your application.

### INFORMATION ON APPLYING

#### How do I know if I qualify for an Affordable Purchase home?

It is important to note that an application process will apply for the homes in each individual affordable purchase scheme that Dublin City Council delivers. The information below is for guidance only and meeting these requirements in principle does not mean an applicant will qualify for any or all schemes.

In general, applicants must meet the following criteria:

- a) Be a first time buyer or qualify under the 'Fresh Start Principle' (see What is the 'Fresh Start Principle' question below)
- b) Meet the income criterion which will be advertised for individual LAAPS

- c) Be able to fund the purchase of the home, e.g. qualify for a mortgage from a regulated financial institution or the Local Authority Home Loan Scheme (see 'Financial Information ' section below)
- d) Each person included in the application must have a right to reside indefinitely in the State
- e) The affordable purchase home must be the household's normal or primary place of residence
- f) There will be certain cases where an applicant already has an interest in another property but that property no longer meets their needs. These applicants should contact Dublin City Council when specific schemes are advertised
- g) Specific criteria will also apply to individual schemes. These criteria must comply with [Dublin City Council's Scheme of Priority for Affordable Dwelling Purchase Arrangements](#). This sets out how Dublin City Council makes affordable purchase homes available and what order of priority is used in cases where the number of eligible applicants exceeds the number and/or type of homes available

As previously stated, the above is for guidance purposes only. Full qualifying criteria are set out in the [Affordable Housing Act 2021](#) and the [Affordable Housing \(No. 2\) Regulations 2023](#)

### **What is a first time buyer?**

You are a first time buyer if you don't own or have a legal interest in a dwelling. If you are not a first time buyer you may qualify under the Fresh Start Principle.

### **What is the Fresh Start Principle?**

The Affordable Housing Act 2021 documents all the exceptions to being a first time buyer. These are covered by the Fresh Start Principle and include:

- a) Those who were previously in a marriage, civil partnership or committed relationship with someone who they purchased or built a residential property with. If this relationship has ended and they no longer have an interest in the home they may be eligible
- b) Those who previously purchased or built a residential property but divested this through insolvency or bankruptcy may be eligible
- c) Those who previously owned, were beneficially entitled to or have an interest in a dwelling which no longer meets their needs due to overcrowding may be eligible to apply. If they subsequently purchase the affordable dwelling, Dublin City Council will require them to dispose of the interest they have in the previous property.

### **How will I know when I can apply for an affordable purchase scheme?**

Under the Affordable Housing Act 2021, local authorities need to publicly advertise when an Affordable Housing Scheme becomes available. This information has to appear in at least one newspaper circulating in the local authority's administrative area and on its website.

Full details on how a LAAPS scheme must be advertised are contained in our [Scheme of Priority for Affordable Dwelling Purchase Arrangements](#)

### **What criteria will be used to assess my application?**

These are set out in our [Scheme of Priority for Affordable Dwelling Purchase Arrangements](#).

## **If I am not successful when I apply for a particular scheme do I automatically qualify for the next scheme?**

No. All schemes require a separate application process.

## **FINANCIAL INFORMATION**

### **How much will an affordable purchase home cost?**

Affordable purchase homes must be made available at a cost at least 15% below their market value. However, the amount an eligible purchaser may pay is determined by their own income.

### **Is there a limit to how much I can earn to be eligible to purchase an affordable purchase home?**

Your income must be below a certain level in relation to the home you are interested in. Your gross income multiplied by 4 must be less than 85.5% of the market value of the home. If it's more, you are not considered to need affordability support **for that particular home**.

### **How is the market value of the property calculated?**

Dublin City Council will set the market value for the different properties in the various affordable purchase schemes it is delivering. This will be set before each individual scheme is launched and details will be made available when the scheme is advertised.

### **How is the equity share and discount calculated?**

The price that someone will pay for a particular affordable purchase home and the percentage equity Dublin City Council will take are calculated by the local authority in accordance with Government Regulations.

This price is calculated from the applicant's **maximum mortgage capacity** subject to the minimum price set by the local authority for the LAAPs home. This capacity determines how much the eligible affordable purchaser pays and the corresponding equity stake Dublin City Council will take.

### **Do I need to repay this equity share to Dublin City Council?**

An affordable home buyer doesn't have to repay the equity share until the affordable purchase home is ultimately sold, transferred or after a period of 40 years. However, they can do so at any time between initial purchase and ultimate sale or transfer if they so wish.

There are other scenarios where the local authority can issue what is known as a 'Realisation Notice' to demand the redemption of the Affordable Dwelling Equity. These scenarios are listed in the [Affordable Dwelling Purchase Arrangement](#) the affordable purchaser enters into with Dublin City Council. They include cases where the purchaser was subsequently found to have deliberately misled the local authority in respect of any material fact regarding their eligibility in making the application.

It's important to note that **the affordable purchaser would pay back an equity percentage rather than the specific value of this equity at the time of the original purchase**. The value of this equity stake will rise or fall with that of the property.

### **What's an Affordable Dwelling Purchase Arrangement?**

This is a legal contract between the local authority and the affordable purchaser setting out terms and conditions under which the local authority provides the LAAPS. All affordable purchasers must enter into an Affordable Dwelling Purchase Arrangement with the local authority. As this is a legally enforceable contract affordable purchasers are advised to seek independent legal advice before entering into it.

**How can I finance the purchase of an affordable purchase home?**

Mortgages for affordable purchase homes are currently available from AIB Group (AIB, Haven and EBS) Bank of Ireland and Permanent TSB. This list is subject to change.

**What if I don't qualify for a mortgage from one of these financial institutions?**

There can be many reasons why someone wouldn't qualify for a mortgage, e.g. age. In these cases the applicant may qualify for the Local Authority Home Loan Scheme. This is a Government backed mortgage scheme which is available through local authorities. It's available to first time buyers and 'fresh start' applicants who can't get finance through a regulated financial provider. For more information on this see [www.localauthorityhomeloan.ie](http://www.localauthorityhomeloan.ie)

**If successful will I be required to pay Stamp Duty?**

If successful, you will be required to pay Stamp Duty as affordable purchase homes are not exempt from Stamp Duty.

**Do I need a solicitor to represent my purchase?**

We would always recommend seeking legal advice when purchasing a property and this could include the advice of a property solicitor.

## Cost Rental Scheme: Frequently Asked Questions

### Overview of Scheme

#### What is Cost Rental?

A Cost Rental dwelling is a new form of tenure with the objective of providing rental accommodation for those who are above the threshold for social housing but unable to afford to buy their own property or rent on the open market.

This new form of renting, aimed at moderate income households aims to provide **secure, quality housing** that remains **sustainably affordable over time**.

#### Why is it called Cost Rental?

It is called 'cost rental' because the rent you pay is based on the cost of delivering, maintaining and financing the homes, rather than for profit. This will result in a lower rent than market rent for cost rental tenants. The rent for cost rental homes must be at least 25% below comparable market rents in an area.

#### Who is eligible for Cost Rental?

Cost rental homes are aimed at people on moderate incomes who may experience financial difficulty accessing housing or meeting the on-going cost of accommodation but who don't meet the income criteria for social housing support.

You may be eligible for Cost Rental if:

- Your net household income is below €53,000 per annum
- Your household is not in receipt of any social housing support payments, e.g. Rent Supplement or Housing Assistance Payment (HAP)
- You do not own a property
- Your household size matches the size of the property advertised. *For example, a two-bed unit may be suitable for two adults, a couple, or lone parent with 1 or more children.*
- You can afford to pay the rent for the home
- Your household has only applied once for a specific Cost Rental home

#### What is net household income?

Net household income is calculated by adding together the net income for each household member aged 18 and over. Net household income means income tax, universal social charge, pay-related social insurance and superannuation contributions have been deducted from the assessable gross income. As stated above the net household income must be below €53,000 per annum.

Further details: [S.I. No. 755/2021 - Affordable Housing Act 2021 \(Cost Rental Letting and Eligibility\) Regulations 2021 \(irishstatutebook.ie\)](#)

#### How many Cost Rental homes will be delivered by Dublin City Council?

Dublin City Council has identified over 2,300 Cost Rental homes which it will deliver as part of its *Housing for All* programme.

The locations of these homes can be viewed at:

[https://mapzone.dublincity.ie/MapzoneAffordableSchemes/MapZone.aspx?map=Affordable\\_Schemes](https://mapzone.dublincity.ie/MapzoneAffordableSchemes/MapZone.aspx?map=Affordable_Schemes)

[Information on Applying](#)

### **How do I apply for a Cost Rental home?**

Cost rental homes are new and only a number of these developments have been delivered nationally so far.

Cost Rental homes will be advertised online as they become available and in line with Government Regulations. The Cost Rental Schemes being made available within the Dublin City Council functional area will be delivered either by Dublin City Council (DCC), the Land Development Agency (LDA) or an Approved Housing Body (AHB).

DCC, the LDA or the relevant AHB will specify how an application for a cost rental dwelling is to be made. You apply to the relevant body (ie the landlord) for each scheme on an individual basis. The Government Regulations state that landlord making the Cost Rental homes available must advertise the homes online and for a period of not less than seven days, during which period the landlord of the cost rental dwelling concerned shall accept applications from prospective tenants. The landlord shall establish that all perspective tenants meet the required eligibility criteria. Further information is available on [S.I. No. 755/2021 - Affordable Housing Act 2021 \(Cost Rental Letting and Eligibility\) Regulations 2021 \(irishstatutebook.ie\)](#)

### **What happens if there is greater demand for a particular Cost Rental Scheme than the number of homes available?**

The regulations state that in cases where applications for Cost Rental homes exceed the number of homes available that *“the landlord shall, through means of an independently verifiable lottery, select from the total number of applicants a number of applicants equal to the number of tenancies available.”*

However, if a selected applicant subsequently withdraws or is deemed by the landlord to be ineligible a further nominee can be selected from the original applicants.

### **What role does household size play in determining how Cost Rental homes are allocated?**

When allocating Cost Rental homes, the regulations allow the landlord to assess the number of persons in each household and place tenants in a Cost Rental home which is appropriate to their needs. For example, a two-bed unit may be suitable for two adults, a couple, or lone parent with 1 or more children.

### **How much rent would I pay for a Cost Rental home on a monthly basis?**

This cost is calculated over a minimum of 40 years and the rents must be at least 25% below private market rents in the area. Rent can increase on an annual basis in line with inflation to account for potential increases in costs over time. It is expected that this will provide a long term sustainable housing solution as the rent is based only on the cost of delivering, financing and maintaining the property.

[Information on Cost Rental Rents and Tenancies](#)

### **Do Cost Rental Tenancies offer any greater security of tenure?**

It is important to note that Cost Rental tenancies are not classified as social housing. Instead Cost Rental tenants are protected in Residential Tenancies Legislation. You have some of the same rights as private tenants. For example, you can access the Residential Tenancy Board's (RTB's) dispute resolution process and your tenancy must be registered with the RTB.

However, there are some differences, for example, the landlord can only terminate the cost rental tenancy under one or both of the following limited grounds:

- The tenant has breached his/ her obligations;
- The dwelling is no longer suitable to the accommodation needs of the tenant and of any persons residing with him or her having regard to the number of bed spaces and the size and composition of the occupying household.

This means that most of the usual grounds on which a landlord can terminate, for example, a "Part 4 tenancy" do not apply to cost rental dwellings. This includes the landlord not being able to terminate the cost rental tenancy because they want to sell the property, the landlord or a family member wanting to live there, the wanting to substantially refurbish/ renovate the property or to change its use).

### **If I rent a Cost Rental home from Dublin City Council will I have the same Tenancy Agreement as a tenant in social housing?**

Cost Rental is a different form of rental tenure to social housing.

In the case of Cost Rental where Dublin City Council is the landlord a separate Cost Rental Tenancy Agreement will be signed by the tenant and Dublin City Council, which will include details about the length of the tenancy, as well as the rights and responsibilities you have as a tenant.