



Local Authority Affordable Purchase Scheme

 <p>An Roinn Tithíochta, Rialtais Áitiúil agus Oidhreachta Department of Housing, Local Government and Heritage</p>	<p><u>Housing for All</u></p>	 <p>COMHAIRLE CONTAE C HEATHARLACH CARLOW COUNTY COUNCIL</p>
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The following document sets out information on the eligibility criteria, shared equity, required documentation and frequently asked questions for Carlow County Council's Affordable Purchase Scheme opening soon at Cois Dara, Tullow Road, Carlow , in line with the Affordable Housing Act 2021 here [Affordable Housing Act 2021 – No. 25 of 2021 – Houses of the Oireachtas](#)

What can I do today to be ready to apply for the Affordable Housing Purchase Scheme (AHP)?

To get ready to apply for this scheme you need to make sure you have the documents listed below ready to upload with your online application when the scheme opens later this year.

1. **Check your eligibility for the Help to Buy Scheme** from Revenue.
<https://www.revenue.ie/en/property/help-to-buy-incentive/index.aspx> If you avail of the Help to Buy Scheme, then the total equity share availed of cannot be more than 20% of the market value of the property.
2. **Get Mortgage Ready.** It is strongly recommended that you have Mortgage Approval in Principle when applying for this scheme which states the maximum mortgage available to you.
3. **Photographic Identification** Any one of the following documents: Current Valid Passport, Driving Licence, National Age Card issued by An Garda Síochána, an identification form with a photograph signed and stamped by a member of An Garda Síochána.
4. **Proof of citizenship** or right to reside in Ireland.
5. **Proof of present address** in the form of a utility bill/bank statement/government issued document that shows your address and is dated within 3 months of your application date.
6. **Evidence of savings / deposit** (dated within 3 months of your application date)
7. **Evidence of First Time Buyers status** (eligibility for Help to Buy scheme for both applicants)/if applicable.
8. **Evidence of Fresh Start eligibility if not a first time buyer.** Those who are divorced/separated and have no financial interest in the family home or who have undergone insolvency proceedings may be eligible to apply under this scheme.

What is the Local Authority Affordable Purchase Scheme?

Carlow County Council are currently making homes available at a reduced price for first-time buyers whose mortgage and deposit will not cover the price of the home and who are seeking to purchase a newly built home.

Under this scheme, Carlow County Council will take a percentage equity share (share of the ownership in the home), equal to the difference between the open market value of the property and the price paid by the purchaser.

Where are the homes located?

Carlow County Council have agreed with the Developer for the sale of 20 dwellings at Cois Dara, Tullow Road, Carlow. These dwellings are mix of two and three bed homes of both two storey and bungalow type.

Do I have to be living in Carlow to avail of this scheme?

No. In accordance with the Scheme of Priorities, 70% of properties can be purchased by eligible applicants who meet the criteria outlined above. However, 30% of the properties will be reserved for eligible households whose current address as given in the application form and confirmed by utility bill/bank statement etc., located within the Municipal District of Carlow or within 5km of the advertised scheme which is Cois Dara, Tullow Road, Carlow.

Who is the scheme for?

The Affordable Purchase Scheme is aimed towards households who, when using their combined deposit and their approved maximum mortgage, cannot afford the home at its open market value. The scheme is targeted at first-time buyers but also provides for Second Chance Applicants who are divorced or separated individuals who have divested their interest in the home previously owned with their former spouse/Civil Partner. The Second Chance applicants category also includes applicants who have exited insolvency/bankruptcy proceedings and their interest in their former dwelling is now divested as part of those proceedings. A limited category of second-time buyers looking to right size (those who purchased previously but whose home is now unsuitable in size to meet their household needs) may also apply.

Do I need to apply in sole or joint names?

Where a person is married, in a civil partnership or in a committed relationship with a partner with whom they intend to reside in the affordable dwelling, they must make a joint application.

If I am not an Irish National, how do I prove residency in Ireland?

Applicants need to be an Irish/EU/EEA citizen or have indefinite leave to remain in the state. There is no time limit on residency once that is the case. In the absence of same, a letter of confirmation from the Department of Justice – through either the Immigration Service and/or the Garda National Immigration Bureau would be required to confirm your residency status.

When will the properties become available?

The development is currently under construction, nearing completion. The affordable homes will be delivered towards the end of 2023 and during 2024.

How do I know which property to apply for?

Applicants can apply for one type of dwelling only. Households of 1 person can apply for the 2 Bedroom dwelling. Households of 2 persons or more can apply for the 3 Bedroom dwelling. Where the number of eligible applicants exceeds the number of affordable dwellings for which applications are made, applications will be prioritised in accordance with Carlow County Council's Scheme of Priority for Affordable Dwelling Purchase Arrangement. Time and date of application may be used to prioritise.

Will I be able to select which house I want?

This is a matter for the Developer. Carlow County Council are facilitating the equity share of the property only.

How does the scheme work?

- The support provided by the local authority takes the form of an **Equity Share** on the home.
- To participate in the scheme, applicants must avail of the maximum mortgage drawdown available to them.
- Applicants may be able to avail of the [Local Authority Home Loan](#) if they have received two refusals from a bank or an insufficient mortgage offer.
- Applicants may be able to avail of the Revenue Help to Buy Scheme. When availing of the Help to Buy Scheme the total equity share cannot exceed 20% of the market value of the property.
- The maximum financial support available on each home will be established by the local authority delivering the homes based on the purchasing capacity of the applicant.
- The purchaser can redeem (buy-out) this equity share at a time of their choosing but the minimum repayment amount is €10,000.00.
- If the purchaser chooses not to redeem the equity share while living in the home within 40 years of taking out the equity share, the Local Authority will redeem the equity share when the property is sold or transferred, or after the death of the owner.
- The equity share in each property will be a minimum of 5% and a maximum of 25% of the market value of the dwelling.

When and how can affordable housing applications be made?

Applications will be made through an online portal. This portal will be widely advertised on Carlow County Councils website, social media pages and in local media. **DATE TO BE CONFIRMED SHORTLY.**

Once the online application portal opens, applicants will be asked to submit a fully completed application form and upload the following documents;-

1. **Consent form and declaration signed and dated by both applicants/ if applicable.**
2. **Proof of income:** - PAYE employees: Salary Certificate, Employment Detail Summary, and payslips (3 if paid monthly, 6 if paid fortnightly and 12 if paid weekly). Self-Employed: Documents for previous 2 years: - Audited/Certified Accounts, Tax Balancing Statement and Tax Payment Receipt.
3. **Proof of Citizenship:** Passport or Birth Certificate
4. **Proof of Right to Reside in Ireland:** GNI Stamp 4
5. **Photographic Identification** – Any one of the following documents: -Current Valid Passport, Driving Licence, National Age Card issued by An Garda Síochána, an identification form with a photograph signed and stamped by a member of An Garda Síochána
6. **Proof of Present Address dated within the last 3 months.** Any one of the following documents:- Current utility bill (gas, electricity, telephone, mobile phone, or internet bill), bank statement/credit union statement, document issued by government department that shows your address, Statement of Liability P21 from Revenue.

7. **Proof of PPSN/Tax Registration Number** – Any one of the following documents: - Statement of Liability P21, Tax Assessment, Notice of Credits from Revenue, Letter from Revenue Commissioners addressed to you showing PPSN, employee details from Revenue, Receipt for social welfare payment, Letter from Department of Employment Affairs and Social Protection addressed to you showing your PPSN, Medical Card, Drug Payment Scheme Card, Payslip, P45.
8. **Evidence of savings/deposit dated within 3 months of application.**
9. **Evidence of first-time buyers' status.**
10. **Confirmation of eligibility for Help to Buy Scheme** (print out from Revenue portal (myAccount (PAYE applicants) ROS (Self-assessed applicants) confirming names of applicant(s) and maximum entitlement under the scheme.) (Note that applicants are considered first-time-buyers only if BOTH are buying their home for the first time)
11. **Mortgage loan approval in principle letter stating the maximum mortgage available to applicants.**

Do applicants need to have mortgage approval in place?

It is strongly recommended that applicants have Mortgage Approval in Principle (AIP) in place when applying for this scheme. The AIP from their lender must confirm the maximum mortgage available to the applicants. Purchasers can use a mortgage from any private lending institution, such as a bank or building society, to finance their purchase or if refused by 2 banks/building societies, they can then apply for the Local Authority Home Loan. Where a purchaser is not availing of the Local Authority Home Loan through the Council to purchase the home, a separate 'Priorities Agreement' between the Council and the bank providing the mortgage to the purchaser will be necessary. This agreement between the Council and the bank will not impact on the purchaser but will record that the Council will retain an equity share in the property and will provide that the bank's interest will take priority.

If I am approved for the scheme , where can I source a loan.

Finance can be secured from any one of a number of financial institutions. However, you should ensure the financial institution is aware of and accepts the shared equity agreement. The following financial institutions are participating in the scheme; Bank of Ireland, Allied Irish Bank and Permanent TSB

How do I provide Evidence of the ability to fund the purchase.

- An Approval in Principle letter from a financial institution showing maximum amount offered to you.
- Bank statements showing your available funds.
- Eligibility for the Help to Buy scheme from Revenue (if applicable).

How will successful applicants be decided?

Applicants who are eligible and who submit a valid application will be assessed in accordance with the Affordable Housing Act 2021 and associated Regulations along with Carlow County Council's [Scheme of Priority for Affordable Dwelling Purchase Arrangements](#) . Selected applicants will be required to produce formal mortgage approval and verify their application details and offered the opportunity to purchase a property. Properties will be offered in sequential order of eligible applicants until all properties have been sold.

What type of properties are available for purchase?

The scheme offers a mix of 3 bed and 2 bed A Rated homes located at Cois Dara, Tullow Road, Carlow. The scheme includes 3 no. 2 bed bungalows, 11 no. semi detached 3 bed houses and 6 no. terraced 3 bed houses.

What is the market value of the properties?

The market value of an affordable home is the price for which the affordable home might reasonably be expected to achieve on the open market.

No. of units	Beds	Mid/End Terrace or Semi Detached	House Type	Market Value	*Indicative Minimum House Purchase Price	*Indicative Maximum House Purchase Price	**Minimum Income	**Maximum Income
1	2 bed	Mid Terrace	Bungalow	€310,000	€241,250.00	€294,500.00	€54,281	€66,263
2	2 bed	End Terrace	Bungalow	€310,000	€241,250.00	€294,500.00	€54,281	€66,263
11	3 bed	Semi Detached	2 Storey	€330,000	€256,750.00	€313,500.00	€57,769	€70,538
2	3 bed	End Terrace	2 Storey	€310,000	€241,250.00	€294,500.00	€54,281	€66,263
4	3 bed	Mid Terrace	2 Storey	€310,000	€241,250.00	€294,500.00	€54,281	€66,263

*These figures are of an indicative nature only. The minimum and maximum purchase price will depend on your purchasing power as determined by your mortgage provider. Your eligibility for Help to Buy Scheme and potentially your level of savings may also be assessed under this scheme.

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How is purchasing capacity calculated?

The purchasing capacity of applicants will be calculated using:

- Maximum mortgage capacity, plus,
- A minimum deposit of 10% of the affordable purchase price, plus,
- Any relevant savings, i.e., any savings in excess of the combined sum of the required deposit amount plus €30,000 may be taken into account, **(applicants who have savings above a certain amount, may not qualify for the scheme),**
- Any savings above the combined sum will be added to the applicant purchasing power and if this purchasing power exceed 95% of the market value of the home, the application is not eligible for the scheme.

What deposit is required?

Financial institutions require that a minimum 10% deposit must be raised by purchasers. The Help to Buy Scheme operated by the Revenue Commissioners can help with the deposit needed to purchase these affordable homes. Please see [Revenue.ie](https://www.revenue.ie) for more details.

What is the Affordable Dwelling Contribution?

The Council will provide a contribution known as an “Affordable Dwelling Contribution” that facilitates the purchase of homes by an eligible applicant. The Affordable Dwelling Contribution is the difference between the combined total of the purchaser’s deposit and maximum mortgage capacity (and savings where relevant) and the market value of the home on the date of purchase: [Market Value] minus [Deposit + Mortgage Capacity + Relevant Savings] = Affordable Dwelling Contribution. **It is an Equity Share.**

When can the Affordable Equity be repaid?

It is a condition of this scheme that the Council will register a charge on the property equal to the “Affordable Dwelling Equity”, or Equity Share, representing the percentage discount below market value that the home is purchased for. The Equity Share can be repaid at any time with a minimum payment of €10,000.00. Based on the market valuation of the property at the time of repayment, the Equity Share will in general become repayable upon the subsequent sale of the property or after forty years. The Council’s equity share in the property must be repaid in full. The Council will keep a record of all redemption payments made by the purchaser, revising the affordable dwelling equity percentage accordingly. When the full equity share is repaid in full, the Council will discharge their interest in the Registry of Deeds/Land Registry.

Can the Council demand repayment of the Affordable Dwelling Equity?

Yes. The Council can demand the repayment of the affordable dwelling equity by serving a Realisation Notice on the homeowner on the occurrence of certain realisation events including:

1. The expiry period of 40 years without redemption in full of the equity share by the purchaser(s) (which will be the period during which the Council may not realise its equity share other than for breach of other conditions of the agreement)
2. Where the purchaser(s) dies, commits an act of bankruptcy, or is adjudicated a bankrupt.
3. A mortgagee, incumbrancer or receiver gains possession of the affordable dwelling.
4. The dwelling becomes subject to an order or process for compulsory purchase.
5. The dwelling is demolished or destroyed, whether by fire or otherwise or is damaged so as to materially affect its market value.
6. The dwelling is abandoned or is no longer the principal primary residence of the purchaser(s).
7. The dwelling is sold.
8. Where there is a material breach of a covenant in the affordable dwelling purchase arrangement.
9. The purchaser(s) is found to have deliberately misled the Council in respect of any material fact regarding eligibility or priority in making their application.

A Realisation Notice will specify a period (not shorter than three months commencing on the service of the notice) after which the Council will be entitled to realise the affordable dwelling equity. The procedure for this arrangement will be clearly set out in the Affordable Dwelling Purchase Arrangement.

What is an Affordable Dwelling Subsidy Arrangement?

The Affordable Dwelling Subsidy Arrangement is the legal agreement or contract between the Council and the purchaser setting out the terms and conditions under which the Council provides the Affordable Dwelling Contribution.

Each successful applicant will enter into an Affordable Dwelling Subsidy Arrangement with the Council. This agreement will be processed prior to or at the same time as the closing of the purchase of their affordable home. The agreement covers the obligations of the purchaser and the Council and makes provision for the registration of the agreement with the Registry of Deeds/Land Registry. The agreement will also set out how and when the homeowner can make redemption payment(s) to reduce the Council's affordable dwelling equity share as well as the conditions under which the Council may seek redemption of the affordable dwelling equity. Successful applicants will be required to enter into a Contract for Sale with the developer in order to complete the purchase of the affordable home.

This Contract of Sale will include all standard conveyancing terms and conditions and the developer will also require confirmation of the purchasers' Affordable Dwelling Subsidy Agreement with the Council.

If I have a query that is not answered in this document , who can I contact?

For any queries that you are unable to find an answer to, here or the frequently asked questions attached. Please email your query to affordablehousing@carlowcoco.ie

IT IS THE RESPONSIBILITY OF THE APPLICANT TO CHECK THAT THEY HAVE FULLY COMPLETED THEIR ONLINE APPLICATION, DECLARATIONS AND UPLOADED ALL RELEVANT DOCUMENTS ON THE ONLINE PORTAL. DATE AND TIME OF APPLICATION WILL BE ONE OF THE CRITERIA UNDER WHICH ELIGIBLE APPLICATIONS WILL BE PRIORITISED.

All application details and data submitted will only be retained for this scheme and will not be carried forward for any future affordable housing scheme(s). Applicants who submit false or misleading information on their application will be disqualified from this process.