



Comhairle Contae Chill Dara

Kildare County Council

AFFORDABLE HOUSING PURCHASE SCHEME

FREQUENTLY ASKED QUESTIONS

What is the Affordable Housing Scheme?

Under the 'Local Authority Affordable Purchase Scheme', Kildare County Council is making new homes available for purchase by eligible applicants at reduced prices. In return, Kildare County Council will take a percentage equity stake in the Affordable Purchase home. The Council's equity stake will be equal to the discount of the purchase price from the full market value of the home. For example, if an eligible applicant purchases a home at a 20% discount, Kildare County Council will take a 20% equity interest in the home.

How does the Scheme work?

The main points of the Scheme are as follows:

- The Scheme is for first time buyers (along with some exceptions) who cannot afford to purchase a home at market value.
- The Scheme applies to specific new-build houses and apartments.
- The Affordable Home will be the principal private residence of the purchaser.
- Applicants who are married, in a civil partnership or in a committed relationship with a partner with whom he/she they intends to live in the affordable dwelling, may not apply for an affordable dwelling on his/her their own but must apply jointly his/her their spouse/partner.
- To participate in the Scheme, applicants will be required to maximise their mortgage drawdown capacity (four times a household income), from a participating bank, lender or Local Authority Home Loan. Participating banks include Bank of Ireland, Allied Irish Bank, Permanent TSB, EBS and Haven Mortgages.
- The maximum financial support (equity share), available on each home will be established by Kildare County Council.
- The equity share range available on this scheme can be viewed [here](#).
- All purchasers must sign up to an 'Affordable Dwelling Purchase Arrangement' with Kildare County Council. Under this arrangement the Council will take a percentage equity share in the dwelling, equal to the difference between the market value of the dwelling and the price paid by the purchaser, expressed as a percentage of the market value of the dwelling.

- The equity share required will not be less than 5% of the market value of the dwelling.
- The purchaser can buy out this equity share at a time of their choosing but there will be no requirement to do so.
- The Council may not seek realisation of its affordable dwelling equity for a 40-year period (other than for breach of the agreement). However, the purchaser may choose to redeem or buy out the affordable dwelling equity at any time by means of one or a series of payments to the Council. The minimum amount of redemption payment is €10,000.
- If the purchaser chooses not to redeem the equity share while living in the home, the local authority can do so when the property is sold or transferred, or after the death of the owner.

Am I eligible for this Scheme?

In order to be eligible to apply for an Affordable Housing Scheme, applicants must satisfy the following criteria.

- Each applicant must be a First-Time Buyer or meet the exceptions under the Fresh Start Principle or own a dwelling which, because of its size, is not suited to the current accommodation needs of the applicant's household.
- The affordable home must be the household's normal place of residence.
- Applicants' purchasing power must not exceed 95% of the market value of the property.
- Each person included in the application must have the right to reside indefinitely in the State. A secondary joint applicant may be considered as part of a joint application provided, they have obtained permission to remain in Ireland (that is not temporary), irrespective of length of prior residence whereby they are married/in civil partnership with.

A) Irish/UK citizens habitually resident in the State

B) Non-EU/EEA citizens who meet the minimum periods of residency required as noted above.

In such cases, evidence of this via submission of valid residency card and letter from the Department of Justice confirming conditions of residency is required.

How do I prove that I am a First Time Buyer?

By self-declaration and/or Revenue Help to Buy approval obtained from the Revenue Commissioners is alternative documentary proof.

Are there exceptions to the First Time Buyer requirement?

The [Fresh Start Principle](#) applies for applications to State affordable housing and loan schemes. This means that the following categories of persons are eligible to apply for the Local Authority Affordable Purchase Scheme:

- Applicant(s) who previously purchased or built a residential property but is divorced/separated or otherwise and has left the property and divested themselves of their interest in the property are eligible. Where a couple was in a relationship but not married, and the relationship has ended, the Fresh Start Principle can apply.
- Applicant(s) who previously purchased a residential property but has been divested of this through insolvency or bankruptcy proceedings, are eligible to apply. However, a separate assessment of creditworthiness will be conducted by the underwriters.

A further exception may apply in the case of an applicant who owns a dwelling which, because of its size, is not suited to the current accommodation needs of the applicant's household.

Where can I buy an Affordable Home?

Affordable homes will be made available for sale by Kildare County Council, under affordable dwelling purchase arrangements under the Affordable Housing Act 2021 and associated Regulations. Details of specific schemes will be advertised in advance of the open date for applications.

When will the properties be available?

When affordable homes are available for purchase, the details of specific schemes will be advertised in advance of the opening date for applications, in the following places:

- Kildare County Council's website here [Affordable Housing - Kildare County Council](#)
- Kildare County Council's Social Media pages
- Published in a local/national newspaper
- KFM Radio

The advertisement will include details about the Scheme including when and how to apply.

How do I apply for the Scheme?

The application process will be via an online platform. On the day the application portal opens, you will first need to register on the portal and then you can proceed to complete the online application form and submit supporting documentation. See Documentation checklist [here](#).

The applications will be prioritised on a first come first served basis and in line the Kildare County Council's Scheme of Priority [here](#).

It should be noted that only complete applications will be allocated a number and considered a valid application.

There will be an individual application for each Affordable Housing Scheme, there is no general application form or waiting list.

What information is needed to support my application?

In the online application process, applicants will have to submit a fully completed application form with all declarations completed.

Please see the Documentation checklist of requirements that should be uploaded to complete the Affordable Housing Scheme application [here](#).

What is meant by market value?

The market value of a property is the price for which the property would be expected to achieve on the open market. A valuation will be required when a redemption payment is being made by the purchaser, as outlined in the Affordable Dwelling Purchase Arrangement.

What is meant by affordable purchase price?

The affordable purchase price for a property is the price that the applicant will pay for the property after the discount has been applied to the market value. This price is based on an applicant's income and purchasing capacity. The Council will provide and "Affordable Dwelling Contribution" to reduce the purchase price payable for successful applicants. This discount gives the minimum purchase price, which is the affordable purchase price of these properties. Discounts are dependant on successful applicants, income, deposit, help to buy support and savings.

Do I need Mortgage Approval to apply for an Affordable Housing Scheme?

Applicants must apply for the maximum mortgage available to them. This will determine the equity percentage Kildare County Council cover and the property type they qualify for. It is recommended applicants have mortgage approval in principle prior to applying for this Scheme. You are required to have mortgage approval at the time of the assessment of your application.

What is meant by Equity Share?

Kildare County Council will retain an Equity Share in the property, equal to: The difference between the open market value of the dwelling and the Purchase Price paid by successful applicants' expressed as a percentage of the Open Market Value of dwelling. Kildare County Council may not seek realisation of this Equity Share for a 40-year period (with exception where a breach of the agreement occurs). However, successful affordable purchasers can choose to redeem or purchase the Equity Share in the dwelling at any time by means of one or a series of payments to Kildare County Council. The minimum amount of redemption payment is €10,000.

Note: If the property is sold, the value of the percentage Equity Share must be repaid in full to Kildare County Council.

How is the affordable purchase price calculated?

Example – Property with a Market Value of €395,000
 The below examples show varying incomes and how they determine the affordable purchase price and the Council’s equity share of a property with a market value of €395,000. These are examples only.

Example Based on 3 bed Semi Detached House Minimum Prices

Gross household income	Mortgage (income x 4)	Deposit (Minimum 10%)	Purchasing Power, (Mortgage + Deposit)	KCC Contribution	KCC Equity Share	Total Cost
€73,000	€292,000	€29,200	€321,200	€73,800	19%	€395,000
€77,000	€308,000	€30,800	€338,800	€56,200	14%	€395,000

The higher an applicant’s purchasing power is, the more they will contribute to the price and the less equity the Council will take.

How is my purchasing capacity calculated?

The purchasing capacity of applicants will be calculated as the combined total of:

- Maximum mortgage capacity, i.e., 4 times gross household income
 Plus
- A minimum deposit of 10% of the affordable purchase price
 Plus
- In limited circumstances, 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.

How much of a deposit do I need?

Financial institutions require that a minimum 10% deposit must be raised from applicants' own resources. Example: For a property with a market value of €350,000 you will need a deposit of at least €35,000. The Help to Buy (HTB) Scheme operated by The Revenue Commissioners can be utilised towards this deposit amount where the applicant does not have savings to account for same.

Stamp Duty

Stamp Duty is calculated on the full Market Value of the house and is payable by the applicant.

How is a decision made on my application?

The decision on your application is made by Kildare County Council in accordance with the eligibility criteria set out in this document and a Scheme of Priority adopted by Kildare County Council on 24 October 2022.

Properties will be allocated on a first come first served basis. Kildare County Council will contact all **successful** applicants.

What is the Scheme of Priority?

A [Scheme of Priority](#) was approved by the Elected Members of Kildare County Council on 24th October 2022. The Scheme of Priority outlines a methodology to be applied to determine the order of priority accorded to eligible households where the demand for such arrangements exceeds the dwellings or resources available. The main points are as follows:

- The Property must be suited to the applicant household's need.
- In relation to 70% of the dwellings, date and time of application will be one of the criteria on which eligible applications will be prioritised under the Council's Scheme of Priority.
- The balance of 30% of the dwellings, priority will be given to eligible applicants making the application based on any person making the application being or having been resident in the administrative area of Kildare County Council for a minimum period of 5 years.

If I am approved for the scheme, where can I apply for a loan?

Finance can be secured from the participating banks including Bank of Ireland, Allied Irish Bank, Permanent TSB, EBS and Haven Mortgages. Finance can be sourced via Kildare County Council by way of a Local Authority Home Loan.

Applications for Local Authority Home Loans should be made to Local Authority Home Loans Section, Housing Department, Kildare County Council, Aras Chill Dara, Devoy Park, Naas, Co. Kildare.

Email: housingloans@kildarecoco.ie.

- If a home is being sold under a Local Authority Affordable Purchase scheme, the relevant price for the determination of the home's eligibility for the Local Authority Home Loan is the 'purchase price' determined by the relevant local authority for that Affordable Purchase home.
- Applicants can borrow up to 90% of the purchase price for a home under the Affordable Housing Schemes within the house price limits set out for the Local Authority Home Loan. A deposit of at least 10% of the purchase price is also required.
- Regardless of the market value, if the 'purchase price' is below the relevant maximum price under the Local Authority Home Loan for that local authority, it is eligible to be purchased using the Local Authority Home Loan scheme.

Click [here](#) for more information about the Local Authority Home Loan.

Can the Council demand repayment of the "Affordable Dwelling Equity"? (Other Equity Realisation Events)

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 which are set out in the Affordable Housing Act 2021.

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 Purchase Arrangement?

The Affordable Dwelling Purchase 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 Purchase Arrangement with Kildare County Council. 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 with also require confirmation of the purchasers' Affordable Dwelling Purchase Agreement with the Council.

For any queries regarding **Kildare County Council's Affordable Housing Schemes**, please email: affordablehousing@kildarecoco.ie