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 they intend to live in the affordable dwelling, may not apply for an affordable dwelling on their own, but must apply jointly with 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, Avant Money and Haven Mortgages. Participating Credit Unions include Kilcock Credit Union, People First Credit Union, Community Credit Union, Altura Credit Union & Life Credit Union.
- The maximum financial support (equity share), available on each home will be established by Kildare County Council.
- The equity share ranges available on each scheme can be viewed on our website.
- 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 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?

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 applicant must have the right to legally reside in the State. Each applicant must provide evidence of this right to reside. Each applicant must provide proof of residency such as current valid Irish, UK, EU/EEA or Swiss Passport or a valid Irish Residence Permit. All applicants must be legally resident in Ireland at the time of their application.

Do I need to be living in Co. Kildare to be eligible?

No, applicants living in any county in the Republic of Ireland can apply. However, should Kildare County Council receive more eligible applications than there are properties, 30% of the properties will be issued to eligible applicants who have **provided evidence** of being or have been a resident in Co. Kildare for a **minimum period of 5 years** in accordance with the Kildare County Council Scheme of Priority. It should also be noted that the affordable home must be your principal place of residence. Evidence will be requested during the assessment process.

For joint applicants, only one applicant is required to submit evidence of living in Kildare for a continuous 5-year period.

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.

Am I eligible if I am from a country outside of the Republic of Ireland?

Yes, you are eligible to apply if you have the right to legally reside in the Republic of Ireland. All applicants and household members must be legally resident in Ireland at the time of application.

What proof of 'Right to Reside' in Ireland is required for non-EEA/EU applicants?

Each applicant must provide evidence of their right to legally reside in the Republic of Ireland. Each applicant must provide proof of residency such as current valid Irish, UK, EU/EEA or Swiss Passport or a valid Irish Residence Permit.

What is a Household Member?

Anyone who plans to live in the Affordable dwelling should be listed as a household member on the application form. All household members must legally reside in Ireland at the time of submitting the application form.

When do I need to submit a joint application?

Applicants who are married, in a civil partnership or in a committed relationship with a partner with whom they intend to live in the affordable dwelling, may not apply for an affordable dwelling on their own, but must apply jointly with their spouse/partner.

What is a First Time Buyer?

A First-Time Buyer is someone who has never previously purchased or built a dwelling in the State for their occupation and does not own or is not beneficially entitled to an estate or have an interest in any dwelling.

Joint applicants are considered first-time-buyers only if BOTH are buying their home for the first time.

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. A template Self Declaration is available here.

Your consent is also requested on the application form to allow Kildare County Council to carry out a Local Property Tax check.

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 website
- Kildare County Council Social Media pages
- Published in a local/national newspaper

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

How do I apply for the Scheme?

When the homes are nearing completion and therefore ready for applications, Kildare County Council will advertise them in advance of the application portal opening. The advertisements will appear in local newspapers, on our website and across our Social Media platforms. The public will be notified of available affordable homes at least 2 weeks in advance of the application portal opening. The portal will remain open for a minimum of 3 weeks.

The application process is via an online platform. There will be an individual application portal for each Affordable Housing Scheme. There is no general application form or waiting list.

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. A documentation checklist is available here which outlines what documents are required to be submitted along with the online application form.

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

What information is needed to support my application?

During the online application process, applicants will have to submit a fully completed application form with all declarations completed. For your application to be treated as a valid application, all required documents must be uploaded & submitted along with the application form. A documentation checklist is available here which outlines what documents are required. We may request further clarification/documentation during the assessment process.

When will I hear from you once my application has been submitted?

Applicants will be contacted on a first come first served basis and in line with Kildare County Council's Scheme of Priority. If we reach your application during the assessment process, we will contact you by email regarding the assessment of your application. We may request further clarification/documentation during the assessment process.

Do you have a step-by-step guide on how to purchase an affordable home?

Yes, a step by step guide on how to purchase an affordable home is available here.

Can I register my interest in the Affordable Housing Scheme and go on a waiting list?

There is no waiting list for dwellings being delivered through the Affordable Purchase Scheme.

Can I amend my application once it has been submitted?

No. Changes to the application will not be accepted after the application has been submitted.

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 dependent 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 may be utilised towards this deposit amount where the applicant does not have savings to account for same.

Will I require a solicitor?

Yes, you will require a solicitor to do the conveyancing (legal work involved in buying a property). You can use the Law Society's website to find a solicitor in your area.

Do I have to pay Stamp Duty?

Yes. This amount is payable by you to the Revenue Commissioners. Stamp Duty is calculated on the full Market Value of the house. Your Solicitor will calculate how much stamp duty is due.

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. Kildare County Council will contact applicants based on the Scheme of Priority.

How will I know if my application has been successful?

After the online application portal closes, Kildare County Council will contact applicants based on the Scheme of Priority to complete the assessment process. **Successful applicants will be contacted by email as soon as possible.** Kildare County Council will then instruct the developer/nominated sales agent to contact you to progress your application. **Once all successful applicants have been identified, the unsuccessful applicants will also be notified via email.**

Can I avail of the First Home Scheme to assist in buying an affordable home?

No. The First Home Scheme is a separate shared equity scheme with different qualifying criteria and cannot be used in conjunction with the Affordable Purchase Scheme.

The properties provided under each scheme are different. Properties under the Affordable Purchase Scheme are provided by local authorities or through arrangements with local authorities as specified in sections 6(1) and (2) of the Affordable Housing Act 2021. The First Home Scheme is only available for houses or apartments in private developments, sold by private developers. The First Home Scheme brochure defines private developments: *A private development consists of houses or apartments built by a third party for private purchase*. There are no properties that would qualify for both schemes.

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

Finance can be secured from participating banks which include Bank of Ireland, Allied Irish Bank, Permanent TSB, EBS, Avant Money and Haven Mortgages. Finance can also be secured from participating credit unions which include Kilcock Credit Union, People

First Credit Union, Community Credit Union, Altura Credit Union & Life Credit Union. Finance may also 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 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 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

Affordable Housing Purchase Scheme – Glossary of Terms

Affordable Dwelling Contribution
This is the amount paid by Kildare County Council towards your purchase of an affordable dwelling. This refers to the monetary amount paid, whereas the equity share refers to this amount as a percentage of the Market Value.

Affordable Dwelling Purchase Arrangement (ADPA)
This is the legal contract you will enter into with Kildare County Council if your application is successful and you are approved to purchase an affordable dwelling. This sets out, among other legal arrangements, the details of the Affordable Dwelling Contribution made by the Council, a valuation mechanism, and procedures for making redemption payments.

Affordable Purchase Price
This is the price you will pay after Kildare County Council's Affordable Dwelling Contribution is subtracted from the Market Value. This will be calculated using your income, savings and the terms and conditions of the Affordable Housing Scheme you are applying for.

Scheme of Priority
In cases where the number of applications exceeds the number of available dwellings, the Scheme of Priority outlines the rules Kildare County Council uses to decide which applicants will be offered dwellings. This may include factors such as household size, residency in the local authority's area, or an allocation based on the order the applications are received.

Approval in Principle
An Approval in Principle takes the form of a letter from a lender indicating the amount you are eligible to borrow for a mortgage.

Equity Share
This is the percentage of the market value that Kildare County Council will contribute to the purchase of an affordable dwelling. This will be at least 5% of the market value. This entitles the Council to the same percentage in value of a future sale of the property subject to terms and conditions. It does not establish the Council as a co-owner of the property.

First Time Buyer
A First Time Buyer is someone who has never previously purchased or built a dwelling in the state for their occupation or owns or is entitled to a stake in a dwelling.

Fresh Start Principle
The Fresh Start Principle enables you to apply for an affordable dwelling if you previously owned a home but no longer do. This applies if you have sold or been

divested of your interest in a home through insolvency of bankruptcy proceedings, or as part of separation or divorce arrangements.

Local Authority Home Loan

The Local Authority Home Loan is a mortgage offered by a local authority. If you have been unable to get a mortgage from a bank you may be able to use a Local Authority Home Loan (LAHL) to purchase your property, subject to the terms and conditions of the LAHL.

Redemption Payments

These are payments made to Kildare County Council to reduce their Equity Share and increase your ownership share. These can be made at any time subject to a minimum amount of €10,000 and to the Long-Stop Date.

Long-Stop Date

This is the date after which Kildare County Council may request full repayment of its Equity Share in the property if it has not previously been paid down through redemption payments. It is set at 40 years after the date of purchase.

Market Value

This is the price that the affordable dwelling might reasonably be expected to be sold for on the open market. This market value will be initially set by Kildare County Council. This will be equal to the affordable purchase price that you pay, plus the affordable dwelling contribution made by the Council.

Realisation Notice/Realisation Event

There are certain conditions under which Kildare County Council will request that their equity share in the property be redeemed. This is called a Realisation Event, and you will be notified as such by a Realisation Notice. The most typical case is when a property is sold and a percentage of the sale price equivalent to the percentage equity share must be paid to the Council. Other circumstances when this may occur include but are not limited to bankruptcy, the property being subject to a Compulsory Purchase Order, or abandonment of the property, or in the event of the death of the homeowner(s).

Valuation Mechanism

The market value of your home may vary over time, and the valuation mechanism is the process that will be used to reassess the market value of your home. This will be outlined in your Affordable Dwelling Purchase Arrangement.