

AFFORDABLE HOUSING SCHEME 2010

1. Introduction

Section 98(2) of the Planning and Development Act 2000 requires local authorities to establish a scheme which determines the order of priority to be accorded to eligible applicants for the purpose of allocating affordable dwellings acquired under Part V of the Act.

2. Eligible Person

"Eligible person" means a person who is in need of accommodation and whose income would not be adequate to meet the payments on a mortgage for the purchase of a house to meet his or her "accommodation needs" because the payments calculated over the course of a year would exceed 35 per cent of that persons annual income net of income tax and pay related social insurance. For the purposes of the scheme the "accommodation needs" of an eligible person includes the "accommodation needs" of any other person who might reasonably be expected to reside with the eligible person.

In determining the eligibility of a person for the purposes of this scheme the Council shall take into account:-

- (a) half the annual income, net of income tax and pay related social insurance, of any other person who might reasonably be expected to reside with the eligible person and contribute to mortgage repayments and
- (b) any other financial circumstances of the eligible person and any person who might reasonably be expected to reside with the eligible person and contribute to mortgage repayments.
- (c) The Council may not consider applications from, or allocate dwellings under this scheme to person(s) who it is satisfied is, or has been, engaged in anti-social behaviour and such an allocation would not be in the interest of good estate management. This is in accordance with S 14 (3) of the Housing (Miscellaneous Provisions) Act 1997 as amended.

3. Previous Home Owner

Applications may be accepted at the discretion of the Council from eligible persons who were previous home owners but no longer own a home due to marital separation.

4. Existing Home Owner

Applications may be accepted from persons who are in the process of selling their existing home due to circumstances such as:-

- (i) marital breakdown, where their existing home must be sold,
- (ii) inheritance of a share in a property, which must be sold
- (iii) relocation from another County due to change of employment, where it would not be feasible to commute the distance between their existing home and their new place of employment,

and in all of the above circumstances, where the proceeds of the sale of their existing home would not be sufficient to enable them to

purchase other accommodation suitable to their needs on the open market.

Applicants in these circumstances must also meet the eligibility criteria set out at **2** above and must use the proceeds from the sale of their existing dwelling to fund the acquisition of the affordable dwelling. However, no offer of affordable housing will be made to such an applicant until they have disposed of their interest in that dwelling. Any such applicant must state their reason for seeking affordable housing in Dun Laoghaire-Rathdown County and a decision to offer an affordable dwelling will be at the discretion of the Council.

5. Existing Tenant Purchasers

Existing Tenant Purchasers of dwellings provided by Dún Laoghaire Rathdown County Council will be eligible to apply provided they meet the eligibility criteria set out at **2** above and that they surrender their dwelling to Dún Laoghaire Rathdown County Council in a suitable condition.

6. Existing Tenants

Existing Tenants of Dún Laoghaire Rathdown County Council or of dwellings in the County provided by approved housing bodies will be eligible to apply provided they meet the eligibility criteria set out at **2** above and that they surrender their dwelling to Dún Laoghaire Rathdown County Council or the approved housing body in a suitable condition.

7. Allocation of dwellings

All properties currently advertised on the Council's web page, www.dlrcoco.ie/ah are available for sale on a first come/first served basis. Some of these properties are available for sale on the open market, with priority given to Affordable Housing applicants.

If, however, there is more than one applicant interested in the purchase of a particular property, the offer of that property will be based on the date the applications were received.

8. Legal Advice

An applicant is advised to seek independent legal advice prior to completing the purchase of any dwelling under the affordable scheme.

9. Negotiations with vendors

The Council alone will conduct all purchase negotiations (including the purchase price) with vendor's agents.

10. Structural Survey

An applicant to whom an offer of a dwelling has been made should satisfy herself/himself as to the structural soundness of the dwelling before completing the purchase.

11. Requirement to occupy affordable dwelling

Applicant(s) will be required to occupy the allocated dwelling as their normal place of residence.

12. Control on Resale of dwellings

In accordance with the provisions of Section 99(2) of the Planning and Development Act 2000: -

Where dwellings are provided or sites made available under the Part V Affordable Housing Scheme, the sale or lease of those dwellings or sites shall be subject to the following conditions:

the notification of the Council of the resale of any dwelling or land

the basis on which any dwellings sold or leased under this part may be occupied

where a new dwelling or site is sold or leased under the Affordable Housing Scheme by the Council at a discount from market value and where the dwelling or land or portion thereof is first resold before the expiration of 20 years from the date of purchase, the person selling the property shall pay the Council out of the proceeds of the sale that amount equal to a percentage of the proceeds which percentage is calculated in accordance with the following formula-

$$\frac{Y \times 100}{Z}$$

where:

Y is the difference between the market value of the house or land at the time of the purchase and the purchase price and

Z is the market value of the property at the time of the original sale by the local authority to the person

The amount payable shall be reduced by 10% in respect of each complete year after the 10th year during which the person to whom the dwelling or land was sold has been in occupation as his or her normal place of residence.

Where the amount payable would reduce the proceeds of the sale (disregarding solicitor and estate agent's fees and costs) below the price actually paid, the amount due shall be reduced to the extent necessary to avoid that result.

In calculating the amount payable, due allowance will be made for any "material improvements" made by the purchaser. "Material improvements" means improvements made to the dwelling (whether for the purpose of extending, enlarging, repairing or converting the dwelling) but does not include decoration or any improvements carried out on the land including the construction of a house.

For the purpose of this Scheme a lease means a Shared Ownership Lease within the meaning of Section 2 of the Housing (Miscellaneous Provisions) Act 1992.

13. Provisional Offer of Accommodation

The Council may make a Provisional Offer of accommodation suitable to the needs of an eligible applicant based on their position on the Affordable Housing List(s).

A one or two-bedroom unit may be offered to a single person or a couple. A two or three-bedroom unit may be offered to a couple or where two or more names are included on the application form.

14. Financing the Purchase of an Affordable Dwelling

Applicants' income must be sufficient to secure a mortgage to a level which would enable them to finance and meet the repayments on the property offered.

Approved applicants may:-

- (a) apply for mortgage finance to an approved mortgage provider participating in the Scheme, or
- (b) they may apply for mortgage financing under the Shared Ownership or House Purchase Loan Scheme, if eligible.

Application Fees

An application fee of €50 applies and covers applications to all four Dublin Authorities. An Administrative Fee of €1,000 is payable by each purchaser prior to signing Contracts. This fee will contribute towards Dun Laoghaire Rathdown Council's cost in administering the Scheme. A fee of €1,050 will also be payable which will contribute towards the Council's legal fees in acquiring and disposing of the Affordable Housing properties. **CASH PAYMENTS ARE NOT ACCEPTED.**

Payments must be in the form of banker's draft or personal cheque. To download an application form please go to www.dlrcoco.ie/ah.