



Pilot Dun Emer Home Purchase Scheme

Approved by Fingal County Council on 9th November, 2020





1. Background

Fingal County Council intends to deliver affordable homes for sale in Dun Emer, Lusk, Co. Dublin. In this development it is proposed to achieve a mixed tenure objective.

This document contains the details of the Dun Emer Home Purchase Scheme to be operated by Fingal County Council. The scheme has been prepared in advance of the publication of additional Regulations under Part 5 of the Housing (Miscellaneous Provisions) Act 2009, as amended.

The Council adopted a **Scheme of Priority for Affordable Dwelling Purchase Arrangements** on 13/05/2019 as required under the Section 85 of the Housing (Miscellaneous Provisions) Act 2009 and the Housing (Miscellaneous Provisions) Act 2009 (Part 5) Regulations 2019, S.I. 81 of 2019.

In the absence of the pending Regulations, this scheme will use the key principles of this part of the Act but certain elements have not yet been specified so certain details, for example, eligibility criteria have been set down here for the purposes of clarity for potential purchasers, elected members and the general public.

2. Scheme Overview

The purpose of the scheme is to provide households that meet the eligibility criteria with the opportunity to purchase a home provided by Fingal County Council at a discount to market value.

Under this scheme, Fingal County Council will arrange to make homes available for sale at a price that is below the market value. Households interested in purchasing these homes can apply to Fingal County Council after the homes have been advertised for sale.

One of the conditions of the sale is that Fingal County Council will register a charge over the home for the percentage discount below market value that the home is sold for. Purchasers will be required to repay the value of this charge to the Council within 40 years or if the house is sold. This is referred to as an Equity Charge.

For example, if a dwelling with a market value of €300,000 is sold under this scheme for €240,000, the discount is equal to 20%. This percentage is registered as a charge on the property. If the property is sold in the future for €300,000 the amount owe to the Council is €60,000, i.e. 20% of the market value at the time of sale.



Example

Illustrative example of initial purchase price and equity share under new affordable purchase scheme;

Open market value at time property is first sold	€300,000	100%
Discounted purchase price paid by the eligible household	€240,000	80%
Value of local authority's 20% equity share	€60,000	20%
Property sold in the future for	€300,000	
Amount due to local authority	€60,000	€300,000 x 20%
Property sold in the future for	€320,000	
Amount due to local authority	€64,000	€320,000 x 20%
Property sold in the future for	€280,000	
Amount due to local authority	€56,000	€280,000 x 20%

Purchasers will need to be in a position to fund the cost of buying the home and will be subject to the standard assessment criteria for the purposes of securing a loan from a financial institution or a Rebuilding Ireland Home Loan from Fingal County Council.

All successful applicants will be required to obtain independent legal advice and pay their own legal costs to process the sale of the property, these and other associated costs must be considered when applying.



3. Eligibility Criteria

The Scheme of Priority for Affordable Dwelling Purchase Arrangements, adopted by Council on 13th May 2019 sets out the manner in which affordable dwelling purchase arrangements will be made available by the Council. It sets out the methodology to be applied to determine the order of priority for households deemed eligible. The main points being;

- Eligible for the scheme - be a first-time buyer (certain exceptions apply e.g. divorced)
- Property suited to the applicant household's needs
- Resident in county more than 12 months
- Full time education within 70km of the dwelling
- Employed within 70km of dwelling
- Employed and in full time education within 70km of the dwelling

These criteria may change subject to further regulations.

The Adopted Scheme of Priority for Affordable Dwelling Purchase Arrangements is attached for information.

Income Eligibility

Pending regulations, the following are the criteria that households must meet to be eligible to purchase an affordable home under this pilot Dun Emer Home Purchase Scheme;

- earn up to a maximum of €50,000 gross income in a year for single adult households or,
- earn up to a maximum of €75,000 gross income in a year for households where two or more qualifying adults will own the home.
- have the right to reside indefinitely in Ireland. Intending purchasers from a member state of the EU/European Economic Area can apply for an affordable home, provided they are living and working in Ireland. Where intending purchasers are not an Irish/EU/EEA citizen, they must have indefinite leave to remain in the State.



4. Application Process

In accordance with the existing Scheme of Priority, the Council will, no later than three months in advance of the date when the particular homes are scheduled to be completed, advertise the availability of the homes in at least one newspaper circulating within the Council's administrative area and on the Council's website.

Details of the homes available and how interested households can apply will be provided on the Fingal website, www.fingal.ie. Applications will be made through an online system which will open for applications no earlier than one week after the homes have been first advertised. Applicants will be able to submit all of the required documents pertaining to their eligibility for the scheme, via the application portal.

Once eligibility is verified, the relevant households will be provided with details of how to proceed with the purchase of their homes which will be managed directly by the Developer engaged by the Council.

See Scheme of Priorities for Affordable Dwelling Purchase Arrangements.

5. Charging Order

One of the conditions of the sale will be a requirement to get an undertaking from the purchaser's solicitor to register a charge over the property for the percentage discount achieved in a form that will be specified by the Council. The pending Regulations will set out the form that this order is to take.

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