



5 January 2021

Ms. Anne Maria Walsh,
Kilkenny County Council,
County Hall,
John Street,
Kilkenny.

Email: info@kilkennycoco.ie

RE: HPLG-MOBO-01387-2020

Dear Ms. Walsh,

I have been asked by Mr. Darragh O'Brien TD, Minister for Housing, Local Government and Heritage, to respond to your letter dated the 1 December 2020, in relation to income thresholds for housing support.

The Minister has asked me to thank you for your letter, the contents of which have been noted.

As mentioned in the Departments previous correspondence of 16th October 2020, a review of income eligibility for social housing supports is underway. The Department is working in conjunction with the Housing Agency in respect of the review. The review will have regard to current initiatives being brought forward in terms of affordability and cost rental and will be completed and available when the impacts of these parallel initiatives have been considered.

Within the Department, Budget 2021 provided for a suite of affordable housing measures totalling €468 million, which represents 14% of the total Housing Budget. This will be utilised across two new programmes to deliver affordable homes to purchase and rent, the existing Serviced Sites Fund, the Local Infrastructure Housing Activation Fund, the Rebuilding Ireland Home Loan and through the Land Development Agency.

From this sum, €110 million was ring-fenced for two new national schemes designed to deliver more affordable housing, the Affordable Purchase Shared Equity Scheme and the Cost Rental Equity Loan facility to help deliver Cost Rental homes. Both of these programmes will begin in 2021.



€75 million of this sum will be provided to deliver a new national Affordable Purchase Shared Equity Scheme for first time buyers. It is intended to target the scheme at first time buyers including single persons, who are seeking to buy a new home but who cannot quite secure the full mortgage amount to do so at the present time. Subject to the final qualifying criteria, the scheme would see the State take a limited equity stake in a property, in order to help more people meet the cost of buying a new home with their available mortgage.

To this end, significant preparatory work has already been carried out by the Department, working primarily with the Housing Agency and the Department of Finance. Intensive engagement continues with key stakeholders informing the final detailed parameters of the scheme, as well as with home builders to seek to increase the output of new homes in response to the new scheme.

In addition, €35m has been allocated to the new Cost Rental Equity Loan (CREL) facility to support Approved Housing Bodies (AHBs) to deliver approximately 350 Cost Rental homes at scale from next year. This scheme will leverage the proven expertise and capacity of the AHBs, demonstrated in their development and management of social housing units. It will allow cost-covering rents to be set a lower level and so making them more affordable for tenants. Further details on the scheme will be announced in due course.

In addition to these new schemes, the local authority led scheme to deliver more affordable homes for purchase and rent on public land will also be progressed and accelerated. The statutory basis for the delivery of affordable new housing for purchase on local authority lands is Part 5 of the Housing (Miscellaneous Provisions) Act 2009, which was commenced in June 2018.

The broad parameters of the local authority led Affordable Purchase Scheme will be as follows:

- aimed at first-time buyers, including single persons, who cannot purchase a home adequate to their needs on the open market under the macro prudential rules;
- homes purchased under the scheme will be subject to a maximum statutory discount of 40% (relative to the market price), with the final price of the affordable homes to be linked to the cost of provision, on a site by site basis, and
- the local authority maintains a fully repayable equity share in the properties equivalent to the percentage discount given.

It is envisaged that the homes delivered under all of the above schemes will be made available to applicants who meet defined eligibility criteria. The precise eligibility conditions are currently being developed in light of the on-going policy analysis



outlined. It is intended to bring forward any necessary provisions to underpin these schemes in a forthcoming Affordable Housing Bill which will be brought to Government in the coming weeks.

In relation to the point raised by the Council regarding Working Family Payment, this has been noted and will be considered as part of the review on income eligibility.

Yours sincerely,

Niamh Redmond,
Private Secretary.