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Introduction to the Affordable Housing Scheme

Affordable Housing Scheme

Under the Housing for All Delivery Plan 2022 – 2026 Wicklow County Council will aim to make homes available at a reduced price to bridge the affordability gap.

The Affordable Housing Scheme is designed to help first time buyers or those that qualify under the fresh start principle acquire their first home with help from the Local Authority.

When purchasing a property the Local Authority will retain a percentage equity share in the property. The Purchaser must enter into an Affordable Dwelling Purchase Agreement with the Local Authority.

This is a percentage equal to the reduction you have received off the open market value of the property. This is called the equity share this can be paid off before it is due but you are not required to do so (with exception where a breach of the agreement occurs e.g. you sell the property).

What is the Affordable Housing Scheme?

The Affordable Purchase Scheme is for households who have a combined deposit and an approved maximum mortgage but still can't afford a home at full market value. The Scheme is designed to help bridge the gap between what purchasers can afford to pay and the price of the house they wish to buy. It may be the option you need to buy your newly built home.

Through our Affordable Housing Schemes, Wicklow County Council offer homes at a reduced price and provide an equity facility to assist with the purchase of a newly built home at a price lower than the market value. In return, Wicklow County Council will take a percentage equity share in the home, equal to the difference between the market value and the reduced price you pay. For eligibility criteria and more information about Fingal County Council Affordable Housing schemes see below.

Please note that details of previous schemes are provided for informational purposes only, and that applications are not being accepted in respect of these schemes.

Wicklow County Council Schemes

Upcoming Schemes – details TBC



Lott Lane,
Kilcoole

Current Schemes

No current schemes – Check back soon

Previous Schemes



Murrough View,
Wicklow



St Ernan's,
Rathnew



Aldborough
Manor,
Baltinglass

Eligibility Criteria

Who is eligible to avail of the Affordable Housing Scheme?

The Scheme is designed to help you bridge the gap between what you can afford to pay and the price of your new home. It is aimed at people who cannot afford to purchase a home at its full purchase price, based on their ability to receive a 90% mortgage from a financial institution (based on current macro prudential rules of 4 times your income). The minimum equity share your local authority can provide to help you "bridge the gap" is 5% of the full purchase price of the home. You will not be eligible if you require less than a 5% equity share - see example below.

Open market value	What you can afford to pay (purchasing power)	Affordability gap (€)	Affordability gap (%)	Eligible to apply for scheme?
€400,000	€390,000	€10,000	2.5%	No
€400,000	€340,000	€60,000	15%	Yes

In order to be eligible to apply for Affordable Housing, applicants must satisfy the below criteria:

- 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.
- Each person included in the application must have the right to reside indefinitely in the State.
- The affordable home must be the household's normal place of residence.
- The gross household income must be below a certain amount. This income limit will be different for each scheme.
- Your purchasing power must not exceed 95% of the open market value of the home.
- You have a minimum deposit of 10% of the purchase price.

Property Types

Most developments will consist of a variety of dwelling types and sizes. You may choose to apply for more than one property type within a given development. In such a scenario, you will be considered for the most expensive dwelling type that you can afford first. If successful at this point, you will not be considered for any further dwelling types. Therefore, you should only apply for a dwelling that you wish to purchase.

Household Profile

The following persons may be considered as part of an applicant's household:

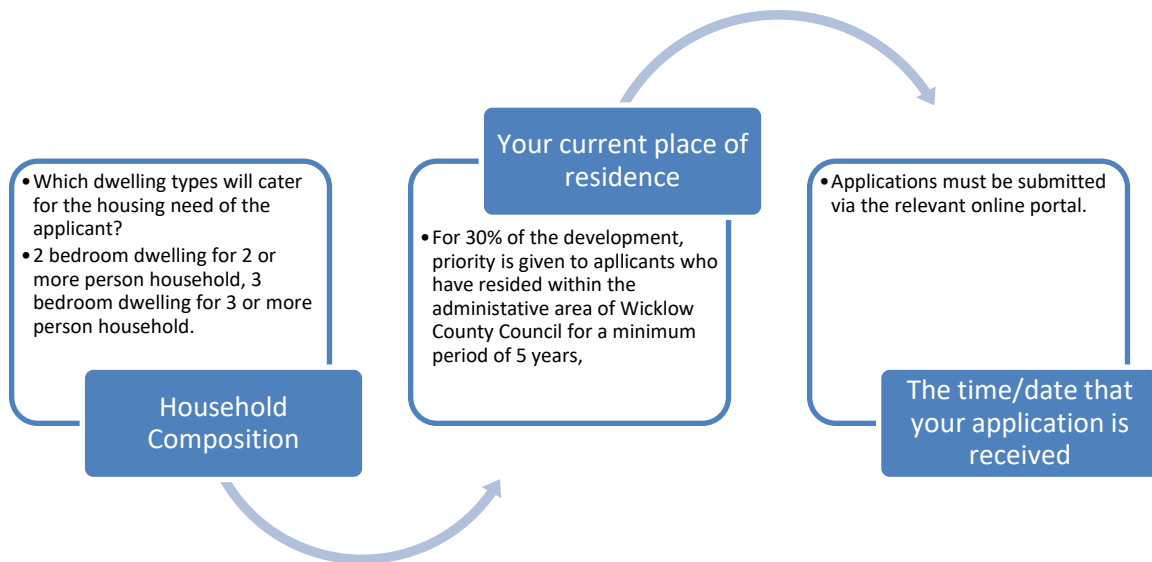
- Their partner (aged 18 or over) – including married, civil partners, unmarried partner and cohabitants etc.
- A person that Wicklow County Council accepts as suitable for inclusion on the basis of an accepted commitment or dependence, i.e. designated carer in receipt of Carers Allowance
- Dependent children ordinarily living with the applicant (on a full-time or part-time basis.)
- Persons residing with the applicant who, in the opinion of the Executive Manager, should be considered a member of the applicant's household following thorough review (considering length of time resident with the applicant etc.)

Evidence to verify any claim by an applicant as to their household composition may be required.

Allocation of Homes to Eligible Applicants

For full details on how Wicklow County Council prioritise the allocation of homes to eligible applicants, please see the Scheme of Priority document.

There are three primary factors that Wicklow County Council will use to prioritise eligible applications.



When the number of eligible applicants exceeds the number of dwellings available for purchase, applications will be prioritised subject to the following conditions;

Should the number of eligible applicants exceed the number of affordable dwellings for which application have been accepted, the priority as to which type of dwelling is deemed to adequately cater to the accommodation needs of a household:

If number of eligible applications still exceeds the number of dwellings for which applications were made, priority shall be given to the eligible applicants in the date and time order that their applications were received.

Local applicants have additional prioritisation for 30% of a given development. This is defined as any person making the application being or having been resident in the administrative area of Wicklow County Council for a minimum period of 5 years.

Where all of the above has been applied and the number of eligible applicants is still in excess of the number of dwellings available, riority shall be given to the eligible applicants in the date and time order that their applications were received.

Purchase Price Calculations and Examples

Maximum Mortgage Capacity

It is important to note that purchase price is variable per applicant and per scheme. Each home will have a set minimum and maximum purchase price. The actual purchase price of a home under the Affordable Housing Scheme will be calculated by Wicklow County Council based on the maximum mortgage capacity and the minimum price set for the home in a given scheme, representing the 'purchasing power' of an eligible applicant. You can calculate your maximum mortgage capacity as follows:



Open Market Value: **€330,000**
Minimum Price: **€280,000**

Gross household Income = **€60,000**

€240,000 + Deposit: **€33,000** + Relevant Savings: **€20,000**,

Max. Mortgage Capacity: **€293,000**

Please Note:

1. First Time Buyers may avail of the Help to Buy Scheme towards the deposit amount
2. If you have savings above a certain amount, you may not qualify for the scheme. You can have the money to cover the deposit on the home and an additional €30,000. Anything above this is added to your purchasing power. And, if this purchasing power goes above the maximum price set for each home, you are not eligible for the scheme

Equity Share, Calculations and Examples

The gap between your Maximum Mortgage Capacity and the cost of the home is made up by funding by Wicklow County Council by means of an equity share. For example if you buy a home at a 20% discount, Wicklow County Council will have a 20% stake in your home. This does **not** establish Wicklow County Council as a co-owner of your home. If your total Purchasing Power gives you a figure which results in you not requiring **a minimum 5% equity share** from the local authority then you will be ineligible.

Gross Household Income	(A) Mortgage Capacity	(B) Purchaser can pay	Deposit	(C) Open Market Value	Local authority contribution (€)	Local Authority Equity Share (%)
	(Income x 4)	(A) ÷ 0.9	10% of (B)		(C) – (B)	
€73,000	€292,000	€324,444	€32,444	€395,000	€70,556	18%
€77,000	€308,000	€342,222	€34,222	€395,000	€52,778	13%

A	Market Value of the Home	€390,000
B	Applicant's Purchasing Power <i>Mortgage Capacity + Deposit + Relevant Savings</i> (€292,000 + €32,444 + 0)	€324,444
C	Affordable Dwelling Contribution (A – B)	€65,556
D	WCC Equity Share (C ÷ A) x 100	16.81%

Buying out or 'Long Stop'

Wicklow County Council's equity share can be bought out by you at a time of your choosing but there will be no requirement to do so. The total amount repayable in respect of the Affordable Dwelling Contribution to remove WCC's equity share from the property will depend on the future open market value of the home and the timing of the repayment(s).

You can decide when to make redemption repayments on WCC's equity share, subject to a minimum repayment amount of €10,000. Certain events can trigger the equity share to be repaid, for example, when you decide to sell your home or in the event of your death.

Wicklow County Council may not seek repayment of our affordable dwelling equity for a 40 year period. After 40 years we may request full repayment of our equity share in your home if it has not previously been paid down through redemption payments. This is referred to as the long stop date.

Realisation Events

There are certain events which will trigger the local authority requesting their equity share to be redeemed. This is called a 'Realisation Event'. In most cases, this event is triggered when a property is sold by the homeowner. A percentage of the sale price, equivalent to the percentage equity share, must be paid to the local authority.

Wicklow County Council can demand the repayment of the Affordable Dwelling Equity by serving a 'Realisation Notice' on the homeowner on the occurrence of one of the below certain 'Realisation Events':

- The Long-Stop date of 40 years from the date of purchase of the property has expired without the purchaser having paid back the full equity share;
- Where the purchaser(s) die;
- Where the purchaser(s) commit an act of bankruptcy, or is adjudicated as bankrupt;
- A mortgagee, incumbrancer or receiver gains possession of the affordable dwelling;
- The dwelling becomes subject to an order or process for compulsory purchase;
- The dwelling is demolished or destroyed, whether by fire or otherwise or is damaged so as to materially affect its market value;
- The dwelling is abandoned or is no longer the principal primary residence of the purchaser(s);
- The dwelling is sold;
- Where there is a material breach of a covenant in the affordable dwelling purchase arrangement;
- The purchaser(s) is found to have deliberately misled the Local Authority in respect of any material fact regarding eligibility or priority in making their application.

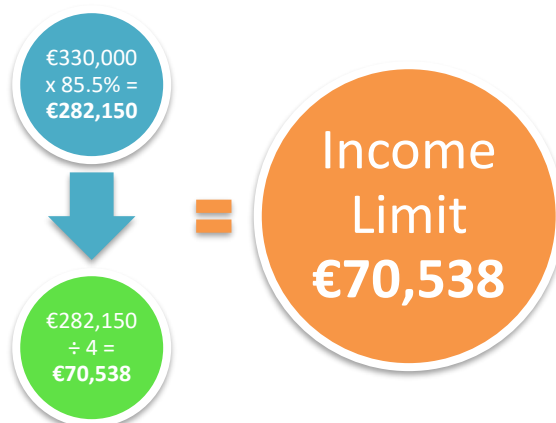
A Realisation Notice will specify a period (not shorter than three months commencing on the service of the notice) after which the Local Authority will be entitled to realise the affordable dwelling equity. The procedure for this arrangement will be clearly set out in the 'Affordable Dwelling Purchase Arrangement'.

Income Limits

It is important to note that income limits will differ depending on the scheme, and that there are exceptions to income limits (please see document on Exceptions to Income Limits). Generally, the income limit calculation is as follows:

(Open Market Value x 85.5%) ÷ 4.

For example, a house with an Open Market Value of **€330,000** would have an Income Limit of **€70,538** within the Scheme.



How can I apply?

Wicklow County Council currently has no open Affordable Housing Schemes. When the next scheme is announced, it will be shared on this website, via press release and on Wicklow County Council's social media pages. The below provides a general overview of the overall process.



Further Information

Useful Documents

- Affordable Housing Act 2021
- Affordable Housing – Glossary of Terms
- Income Assessment Policy
- Exceptions to Income Limits
- Documents Required for Affordable Housing Application
- Fresh Start Principle
- Scheme of Priority
- Scheme of Priority (Sample – Baltinglass)
- Affordable Purchase – Step-by-step Guide

Useful Links

- [Affordable Homes](#)
- Affordable Homes Eligibility Indicator [Eligibility Indicator](#)
- Revenue – [Help to Buy Scheme](#)

Contact Information

Please send all further queries to: AffordableHousing@wicklowcoco.ie

Appendix
Scheme of Priority

Required Documentation

Fresh Start Principle

Affordable Housing Act 2021

Income Assessment Policy

Exceptions to Income Limits