



AFFORDABLE PURCHASE SCHEME



ELIGIBILITY CRITERIA AND FREQUENTLY ASKED QUESTIONS

This FAQ document will be updated regularly.

- Section 1: How Does the Scheme Work?
- Section 2: Eligibility Criteria
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Section 1: How Does the Scheme Work

The main points of the scheme are as follows:

- The scheme is for first time buyers who cannot afford to purchase a home at its market value some exceptions apply.
- Applicants who are married, in a civil partnership or in a committed relationship with a partner with whom he/she intends to live in the affordable dwelling, may not apply for an affordable dwelling on his/her own but must apply jointly with his/her spouse/partner.
- To participate in the scheme, applicants will be required to maximise their mortgage drawdown capacity (4 times a household income), from a participating lender or Local Authority Home Loan.
- The maximum financial support (equity share) available on each home will be established by Galway County Council.
- All purchasers will sign up to an 'Affordable Dwelling Purchase Agreement' with Galway County Council. Under this agreement, 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.
- The purchaser can buy out this equity share at a time of their choosing but there will be no requirement to do so.
- 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.
- Applications will be prioritised based on the date and times the applications are received.

Section 2: Eligibility Criteria

2.1 Am I Eligible for this Scheme.

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

- You are over 18 years of age.
- You are a First-Time buyer or qualify under the Fresh Start principle.
- 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.
- You have a right to reside indefinitely in the State.
- The affordable home will be your principle place of residence.

Galway County Council will assess your eligibility in accordance with regulations and their Scheme of Priority.

2.2 Scheme of Priority

As well as the above eligibility criteria, a Scheme of Priority for households deemed eligible will apply to the scheme in the instance there are more applicants than properties. Full details of the Scheme of priority can be found by clicking [here](#). The main points being;

- Property suited to the applicant household's needs
- Resident in the county for more than 2 years
- Resident within the Municipal District of the relevant affordable scheme or within 10 kms of the said relevant affordable scheme

Section 3: Affordable Dwelling Contribution

If you are a successful applicant purchasing an affordable home, you will be required to sign up to an “Affordable Dwelling Purchase Arrangement” with Galway County Council.

An Affordable Dwelling Purchase Arrangement is a legal contract between you and Galway County Council. The Affordable Dwelling Purchase Arrangement covers the obligations of you and the Council and makes provision for the registration of the agreement with the Registry of Deeds / Land Registry (Tailte Éireann). It will also set out how and when you can make redemption payment(s) to reduce the Council’s affordable home equity share as well as the conditions under which the Council may seek redemption of the affordable home equity.

Section 4: Shared Equity

Galway 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 the dwelling”

The Equity Share can be redeemed or “bought out” at a time of your choosing, but there is no obligation for you to do so. If you choose not to redeem the equity share while living in the dwelling, Galway County Council may do so when the property is sold, transferred, after your death or after a 40 year period (with exception where a breach of 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 Galway County Council. The minimum amount of redemption payment is €10,000.00.

Note: If you sell the property, the value of the percentage equity share must be repaid in full.

Section 5: Application Process

The application process will be via an online portal. Any new developments for affordable housing will be advertised at least two weeks prior to the portal opening.

The link to this online portal will be on Galway County Councils website. The system will allow for the input of all relevant data and uploading of all supporting documentation.

Supporting documentation that will be required, can be viewed [here](#). Your submission will ONLY be awarded a date and timestamp when you submit a COMPLETE application. All application details and data submitted will only be retained for this scheme and will not be carried forward for any future affordable housing scheme(s).

In the online application process, applicants will have to:

- provide personal details (e.g., name, address, date of birth, PPSN),
- confirm and provide proof that they are a First-Time Buyer or that they qualify under the Fresh Start Principle,
- declare the total gross annual income for their household for the preceding 12 months,
- provide evidence of their 10% deposit and any savings, i.e., bank statements,
- provide evidence of how they intend to Finance the property in the form of a mortgage approval-in-principle.
- prove that they have the right to reside indefinitely in the State.

Applicants who submit multiple applications and/or include any false or misleading information on their application will be disqualified from this process.

Section 6: Frequently Asked Questions

Eligibility

- **How do I prove I am a First Time Buyer / Fresh Start Principal applicant?**

There is a self – declaration question on the portal application. Help to Buy approval can be obtained from the Revenue Commissioners and can be used as confirmation of your first time buyers' status. Alternatively, a Statutory Declaration declared before a solicitor will suffice confirming that you have never previously owned a dwelling in Ireland or any other state nor beneficially entitled to an estate or interest in, any dwelling.

Should you be successful in your application we will seek proof of your first-time buyer status or Fresh Principal status. You will be asked to provide proof in your online application.

- **Am I eligible if I am not a First – Time Buyer or Fresh Start Applicant?**

No, with the exception of certain exemptions such as under the Fresh Start Principle which are set out in the Affordable Housing Act 2021, which does allow particular categories of exceptions to the First – Time Buyer eligibility criteria, to include circumstances of divorce or separation, personal insolvency or bankruptcy, or those who own a dwelling which, because of its size, is not suited to the current accommodation needs of the applicant's household.

- **Are there any circumstances where I might still be eligible for this scheme even if my gross household income exceeds the income limits for the affordable homes?**

Some applicants with a higher income may also be eligible if their lender will only provide them with a maximum mortgage which is less than 85.5% of the market value of the dwelling. Please note evidence that an applicant cannot avail of a higher mortgage is required by Galway County Council from their bank or financial institution, in a format which is prescribed in the Affordable Dwelling House Legislation.

Applicants will be required to provide Galway County Council with the evidence the Council requires, in the format requested, within the timeframe given. Note that applicants cannot choose to avail of a lower mortgage than that which is available to them.

- **Can I apply for the Help to Buy Scheme?**

The Help to Buy (HTB) Scheme helps first-time buyers purchase a newly-built house or apartment. You can also get it for once-off self-build homes. It only applies to properties that cost €500,000 or less.

The Help to Buy Scheme gives a refund of the income tax and Deposit Interest Retention Tax (DIRT) you have paid in Ireland for the 4 years before the year you apply.

The HTB Scheme was increased in July 2020. This increase is known as the Enhanced Help to Buy Scheme. The Enhanced Help to Buy Scheme is available until 31 December 2024.

- **Do I need to be living in Galway County Council's administrative area to be eligible?**

No, applicants from any county in the Republic of Ireland are accepted. However, should Galway County Council receive more applications than there are properties, 30% of the properties will be issued to eligible applicants who will be prioritised in line with the Scheme of Priority.

- **If I am not an Irish National, how do I prove residency in Ireland?**

Applicants need to be an Irish/UK/EU/EEA citizen or have indefinite leave to remain in the state. Examples of the documents required are outlined in the document checklist.

My Application

- **How do I apply for the scheme?**

Applications and supporting documents will be accepted through an online application system. The system will allow for input of all relevant data and uploading of all supporting documentation.

Details of the online application portal will be released in print media, our website and social media channels.

- **What documentation is needed in support of my application?**

Document Checklist This document sets out examples of the information required for your application. This document will be updated regularly, and further documentation may be sought by Galway County Council upon receipt of your application.

- **How do I know which property to apply for?**

You are advised to apply for the property most suited to your household needs, bearing in mind the scheme of priority which sets out that a 2 or more person household will be given priority for a 3-bed home, and a 3 or more person household will be given priority for a 4-bed home.

- **How is a decision made on my application?**

The decision on your application is made by Galway County Council in accordance with the eligibility criteria set out in Section 2 of this document and the Scheme of Priority adopted by Galway County Council on the 24th April 2023.

- **Will I be able to select the property I want?**

If you are successful, and after you have received your offer letter from Galway County Council, your details will be passed over to the selling agent. The preference of applicants for a particular property & location within the scheme will be based on the confirmed order of merit following the assessment of applications by Galway County Council.

When your property is assigned, you will be required to pay a booking deposit.

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.

- **Do I need to apply in sole or joint names?**

Where a person is married, in a civil partnership or a committed relationship with a partner with whom he or she intends to reside in the affordable dwelling, he or she may not apply to purchase an affordable dwelling under an affordable dwelling purchase arrangement on his or her own but should make any such application together with his or her spouse, civil partner or partner, as the case may be.

- **Will I need evidence of mortgage approval?**

Applicants should submit a **Mortgage Approval in Principle** letter from their proposed lender confirming maximum mortgage available to the applicant when applying for affordable housing.

Purchasers can use a mortgage from any approved private lending institution, such as Bank of Ireland, Permanent TSB, AIB and its Haven subsidiaries.

Alternatively, finance can be sourced via Galway County Council by way of a Local Authority Home Loan. Please visit <http://localauthorityhomeloan.ie/> for more details.

- **What does Approval in Principle mean?**

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

What Will I Pay

- **How is the affordable purchase price calculated?**

Galway County Council, in line with the Affordable Housing Regulations, will set a minimum price that the affordable properties can be sold for. The affordable purchase price to be paid by an applicant will all depend on that applicant's purchasing power and their ability to raise the relevant finances.

- **How much of a Deposit do I need?**

Financial Institutions require that a minimum 10% of the full purchase price must be raised as a deposit from your own resources.

The Help to Buy Scheme (HTB) operated by the Revenue Commissioners can be utilised towards this deposit amount where the applicant is eligible for the HTB Scheme. Please refer to the qualifying criteria defined by the Revenue Commissioners for eligibility for the scheme (www.revenue.ie).

- **Will I have to pay Stamp Duty?**

Successful applicants purchasing an affordable home are not exempt nor do they face a lesser rate of stamp duty. The stamp duty liability will arise on the full value (market value) of the property, just as with the purchase of a home on the private market.

- **If I am approved for the scheme, where am I allowed to source a loan?**

Finance can be secured from banks nominated to issue loans to individuals who are availing of a local authority affordable dwelling purchase arrangement. Alternatively, you may be eligible for financing from Galway County Council by way of a Local Authority Home Loan.

- **What is a Local Authority Home Loan?**

The Local Authority Home Loan is a mortgage offered by a local authority. If you have been unable to secure a mortgage from a lending institution you may be able to use a Local Authority Home Loan to purchase your home, subject to the terms and conditions of the loan.

- **How do I provide evidence of the ability to fund the purchase?**

Loan Approval in Principle (AIP) Letter from a lender confirming the maximum mortgage loan entitlement available to applicant(s) as required under Affordable Housing Legislation to show that you have maximised your mortgage capacity (ie. You have borrowed as much as you are eligible for).

Your AIP letter should be valid and in date. It must also be from a Pillar Bank. Pillar Banks are Bank of Ireland, AIB, PTSB, EBS, Haven or Local Authority Home Loan.

- **How is my purchasing power calculated?**

Your purchasing power will be calculated as the combined total of:

- ❖ Maximum mortgage capacity ie. 4 times gross household income, plus,
- ❖ A minimum deposit of 10% of the purchase price, plus,
- ❖ Savings in excess of your mortgage deposit + €30,000 are used to assess eligibility.

Example: These figures are based on a notional property with a market value of €395,000

	Column A	Column B		Column C		
Gross Household Income	(A) Mortgage Capacity (Income x4)	(B) Purchaser can pay (A) ÷ 0.9	Deposit 10% of (B)	(C) Market Value	Local authority contribution (C) - (B)	Local Authority Equity percentage
€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%

If it is the case that your maximum mortgage capacity is less than 4 x gross household income you may still be eligible. Please contact Galway County Councils Affordable Housing Team for further information.

- **What is the Open Market Value?**

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

- **What is the Affordable Dwelling Contribution?**

The local authority will provide a contribution towards the purchase of your home known as an Affordable Dwelling Contribution. Unlike the equity share which is represented as a percentage of the open market value, the Affordable Dwelling Contribution is a monetary amount. It represents the difference between the open market value of the home and the reduced purchase price to be paid by you.

- **What is the Purchase Price?**

This is the price you will pay after Galway County Council's Affordable Dwelling Contribution is removed from the open market value (which is the price the home might reasonably be expected to be sold on the open market). The purchase price you pay will be calculated by the local authority and may vary for each purchaser as it will be based on your income and savings. This price is based on the applicant's income and purchasing power. Purchasing power must not exceed 95% of the open market value of the home.

- **What is the Equity Share?**

This is the percentage of the open market value that Galway County Council will contribute to the purchase of your affordable home. For example, if an eligible applicant purchases a home with a 20% reduction on the open market value, the local authority will take a 20% equity share in the home. This does not establish the local authority as a co-owner of the home.

You will need to require a minimum equity share from the local authority of 5% to bridge the gap between what you can afford to pay and the open market value of the home.

General Information

- **I have a query that is not answered in this document, who can I contact?**

For any queries, please email your query to affordablehousing@galwaycoco.ie

- **Will I need evidence of mortgage approval?**

The local authority will advise you of the evidence they require but whilst it is not a requirement, it is recommended that prior to applying for an affordable home, you have a Mortgage Approval in Principle letter from a mortgage provider confirming the maximum mortgage available to you.

- **Why am I asked if I am fluent in Irish?**

In Gaeltacht areas it will be a requirement that a percentage of applicants have level of proficiency in Irish in order to comply with planning permission requirements.

Applicants who select yes will be nominated for an Irish Language interview with Galway County Council to determine their level of proficiency.

- **What is the Affordable Dwelling Purchase Arrangement (ADPA)?**

This is the legal contract you will enter into with the local authority if your application is successful and you are approved to purchase an affordable home. The ADPA is the legal agreement between

you and the local authority setting out the terms and conditions under which the local authority provides the Affordable Dwelling Contribution to you and that they will acquire an equity share in the property. This will be signed prior to the closing of the purchase of your affordable home.

It will set out how the affordable dwelling equity share can be redeemed by you as the homeowner and realised by the local authority. The agreement covers the obligations of you as the purchaser, and the local authority to each other and makes provision for the registration of the agreement with the Registry of Deeds / Land Registry (Tailte Éireann).

The agreement will set out a valuation mechanism and when and how you, the homeowner, can make redemption payment(s) to reduce the local authority's affordable dwelling contribution. It will also set out the conditions under which the local authority may seek redemption of their affordable dwelling contribution.

You may also be required to enter into a Contract of Sale with the developer in order to complete the purchase of your home. This legal document will include all standard conveyancing terms and conditions. At the time of signing the Contract for Sale the developer will require confirmation that your Affordable Dwelling Purchase Agreement is in place with the local authority.

- **How to repay the Affordable Dwelling Contribution?**

The Affordable Dwelling Contribution (the local authority's equity share in your property) can be bought out by you at a time of your choosing but there will be no requirement to do so.

You can decide when to make redemption repayments on the local authority's equity share, subject to a minimum repayment amount of €10,000.00. 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. Under the Affordable Purchase Scheme, the equity share is redeemable by you at a future date of your choosing within the period of 40 years of the Affordable Dwelling Purchase Agreement being signed between you and the local authority. After 40 years the local authority may request full repayment of its 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.

The local authority will keep a record of all redemption payments made by you, revising the affordable dwelling equity percentage accordingly.

The total amount repayable in respect of the Affordable Dwelling Contribution to remove the local authority's equity share from the property will depend on the future open market value of the home and the timing of the repayment (s).

- **Can the Local Authority demand repayment of the Affordable Dwelling Contribution?**

The local authority can require the repayment of the Affordable Dwelling Contribution by serving a Realisation Notice on you, the homeowner, on the occurrence of certain realization events.

This includes reaching the long stop date. This is the date after which the local authority may request full repayment of its equity share in your home if it has not previously been paid down through redemption payments. It is set 40 years after the date of purchase.

The local authority may not realise its Affordable Dwelling Purchase Arrangement (ADPA) or in the event of other realization events which are set out in the Affordable Housing Act 2021 and include:

- Where the purchaser(s) dies, commits an act of bankruptcy, or is adjudicated a bankrupt.
- A Mortgage, 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 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 their equity share. The procedure for this arrangement will be clearly set out in the Affordable Dwelling Purchase Agreement.