



Oifig an Aire
Office of the Minister

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March 2017

Ms. Nicola Radley,
Senior Executive Officer Cork County Council,
County Hall,
Cork,
Ireland

REP588/SC/17

23 March 2017

Dear Ms. Radley,



The Minister for Housing, Planning, Community and Local Government, Mr. Simon Coveney, T.D. has asked me to refer to your letter of 28 February 2017 regarding a resolution of the Council in relation to Affordable Housing Purchase schemes.

The Minister currently has no plans to re-introduce an Affordable Housing Purchase Scheme. However, a range of measures are being taken under the Rebuilding Ireland Action Plan for Housing and Homelessness to increase housing supply overall, with the aim of creating a functioning and sustainable housing system which can meet housing demand at more affordable prices.

The plan is divided into five pillars, with each targeting a specific area of the housing system. Pillar 3, entitled *Build More Homes*, has a key objective of increasing the output of private housing to meet demand at affordable prices, including by

- Opening up land supply and State lands including the Major Urban Housing Development Sites initiative, which identified large-scale sites in the main cities that are capable of delivering significant homes in the short to medium term to boost overall housing supply;
- €200m Local Infrastructure Housing Activation Fund;
- National Treasury Management Agency financing of large-scale “on-site” infrastructure;
- Planning Reforms;
- Putting in place a National Planning Framework and land management actions;
- Efficient design and delivery methods to lower housing delivery costs;
- Measures to support construction innovation and skills.



Pillar 4 of the Plan, entitled *Improve the Rental Sector*, provided for the introduction of an affordable rental scheme to enhance the capacity of the private rented sector to provide quality and affordable accommodation for households currently paying a disproportionate amount of disposable income on rent. As set out in the recently published Strategy for the Rental Sector, this commitment is now being progressed through kick-starting supply in rent pressure zones.

Other measures taken to increase the supply of housing include -

- The enhanced supply of more affordable starter homes in key locations through a targeted rebate of development contributions in Dublin and Cork for housing supplied under certain price levels;
- New National Apartment Planning Guidelines, reducing the cost of apartment building;
- Changes to aspects of the operation of Strategic Development Zones to enable swifter adjustments to meet market requirements;
- A vacant sites levy.

In relation to assistance to purchase, the Help to Buy incentive is designed to assist first-time buyers with obtaining the deposit required to purchase or self-build a new house or apartment to live in as their home. The incentive provides for a refund of Income Tax and Deposit Interest Retention Tax (DIRT) paid over the previous four tax years to first-time buyers. (<http://www.revenue.ie/en/tax/it/reliefs/htb/index.html>).

It might also be noted that a first time buyer who is unable to get a loan from a building society or bank may be eligible for a mortgage from the local authority, in cases where the gross income (before tax) is €50,000 or less for a single income household or €75,000 or less in the case of a double income household. The loan can be up to 97% of the price of the house subject to a maximum loan of €200,000. Also, first time buyers can apply for a Home Choice Loan to purchase a new or second hand property or build their own home. Home Choice Loan provides up to 92% of the market value of a property purchased, subject to a maximum loan amount of €285,000. Further information is available at www.homechoiceloan.ie.

The Minister trusts that this clarifies the position.

Yours sincerely,



Niamh Redmond,
Private Secretary.