

CORK CITY COUNCIL AFFORDABLE HOUSING PURCHASE SCHEME

ELIGIBILITY CRITERIA & FAQ, HEATHFIELD, BALLINCOLLIG



Please note the following important information:

- The information contained in this document provides important information about how to apply for Heathfield, Ballincollig Affordable Housing Scheme and explains the eligibility criteria. It should be read in conjunction with the following documents – Purchase Price Calculation Examples, Heathfield and Checklist for Heathfield Affordable Housing Scheme. **Please read these documents carefully.**
- It is **strongly recommended** that applicants are mortgage ready at the time of their application and have mortgage approval in principle from a lender. **Applicants must maximise their mortgage capacity** and you should apply for a mortgage of **four times your gross household income**.
- First time buyers should also have made a Help to Buy application to Revenue.
- People who are married or in a civil partnership, or who are in a committed relationship and intend to reside in the home with their partner **must apply jointly.**



The following document sets out information on the Eligibility Criteria and 'Frequently Asked Questions' for Cork City Council's Affordable Housing Purchase Schemes

- 1) What is the Affordable Housing Scheme?
- 2) How does the Scheme work?
- 3) Am I eligible for this Scheme?
- 4) Do I need a mortgage before applying?
- 5) How do I prove that I am a First Time Buyer?
- 6) How is the Affordable Purchase Price of the properties decided?
- 7) How can I apply?
- 8) How do I apply on the Online Portal?
- 9) What happens next?
- 10) Frequently Asked Questions



1) What is the Affordable Housing Scheme?

Under the 'Local Authority Affordable Purchase Scheme', Cork City Council is making new homes available for purchase by eligible and qualifying applicants at reduced prices. In return, Cork City Council will take a percentage equity stake in the Affordable Purchase home, equal to the discount of the purchase price from the full market value of the home. For example, if an eligible and qualifying applicant purchases a home at a 20% discount, Cork City Council will take a 20% equity interest in the home.

The price to be paid for a new Affordable Purchase home by purchaser, and the percentage equity stake to be taken by the local authority, are calculated by the local authority in accordance with Government Regulations. The price is calculated from an applicant's maximum mortgage capacity (usually gross income x 4) subject to a minimum price set by the local authority for the home.

2) How does the scheme work?

The main points of the scheme are as follows:

- The scheme is for first time buyers (with some exceptions) who cannot afford to purchase a home at its open market value.
- The scheme applies to new-build houses available for sale under Cork City Council's Affordable Housing Scheme.
- To participate in the scheme, applicants are required to maximise their mortgage drawdown capacity (usually 4 times a household income).
- All purchasers will sign up to an 'Affordable Dwelling Purchase Arrangement' with Cork City Council. Under this arrangement 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, expressed as a percentage of the market value of the dwelling.
- The equity share required will not be less than 5% of the market value of the dwelling.
- The purchaser can buy out this equity share at any time, subject to a minimum of €10,000. The Council may not seek realisation of its affordable dwelling equity for a 40-year period (other than for breach of the agreement).
- The equity share is fully repayable to the Local Authority upon sale of the property or in the event of death of the homeowner.

3) Am I eligible for this scheme?

In order to be eligible to apply for Cork City Council's Affordable Housing schemes, applicants must satisfy the following criteria;

- Each applicant must 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. If you are a Fresh Start Principle Applicant or already own a dwelling which is not suited to your current accommodation needs, please contact Affordablehousing@corkcity.ie for further information.
- Income Limits apply to each scheme and house type. Details are available on the website of each Affordable Housing scheme.
- Some applicants with a higher income may also be eligible if their lender provides them with a maximum mortgage which is less than 85.5% of the market value of the dwelling.
- 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. 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 provide documentation demonstrating indefinite leave to remain in the State.
- Applicants' purchasing power must not exceed 95% of the market value of the property.
- Under the Scheme of Priority for Affordable Dwelling Purchase Arrangements, as adopted by Cork City Council, where the number of eligible applicants exceeds the number of affordable dwellings for which applications are made, applications will be prioritised in accordance with Cork City Council's Scheme of Priority.

4) Do I need a mortgage before applying?

While it is not a requirement, it is **strongly recommended** that applicants have their Mortgage Approval in Principle prior to applying for Affordable Housing. If you have not already applied to a lender for a mortgage at the time of your application, you should do so as soon as possible.

A minimum **deposit** of 10% of the purchase price of the property will also be required so applicants should ensure they have sufficient savings before applying. First time buyer applicants can avail of the Help to Buy Scheme. This is operated by the **Revenue Commissioners**. For more information please see; <https://www.revenue.ie/en/property/help-to-buy-incentive/index.aspx>. Please note that co-habiting or married applicants must be jointly assessed for the mortgage for the property they are applying for.

Applicants must maximise their mortgage capacity and should apply for a mortgage of four times your gross household income.

5) How do I prove that I am a First Time Buyer?

This can be done on the online portal application by self-declaration, and with Revenue Help to Buy approval. If you are a first-time buyer and have not already applied to Revenue for your Help to Buy Claim, you should do so as soon as possible.

6) How is the affordable purchase price of the properties decided?

The affordable purchase price will be calculated by Cork City Council based on the “purchasing power” of eligible applicants. This calculation takes into account applicants maximum mortgage capacity and the minimum price set for the home by the Council. The higher an applicant’s purchasing power, the greater their purchase price and the lower the Local Authority’s equity share.

The purchasing power of applicants will be calculated as the combined total of:

- Maximum mortgage capacity, i.e., typically 4 times gross household income, plus,
- A minimum deposit of 10% of the affordable purchase price including Help to Buy if applicable, plus,
- Relevant savings**.

** **All savings must be declared.** You can have the money to cover the deposit on the home and an additional €30,000. Savings above €30,000 are reckonable towards the calculation of your purchasing power. And, if this purchasing power goes above the maximum price set for each home, you may not qualify for the scheme.

7) How can I apply?

All applications are via the Online Portal - [there is no general application form or waiting list.](#)

When affordable homes are made available for purchase, they will be advertised in the following places;

1. Cork City Council’s website
2. Cork City Council’s Social Media pages
3. In a local/national newspaper

The advertisement will include details about the scheme including how and when to apply. Applications will be accepted through an **online application portal**. On the day the application portal opens, you will be required to register on the portal before you can proceed to application stage. You can proceed to complete the online application form and upload the requested documentation.

Please be aware that applications **must include** all the required documentation and will be prioritised on a first come first served basis. Applicants who submit **incomplete applications** will be contacted to request outstanding information and **it is only when all the relevant information is received that your completed and submitted application will receive a date and time stamp.**

It is the responsibility of each applicant to ensure that all required information and documentation is submitted at the time of application. Failure to do so could result in your application being deemed invalid.

A checklist of documents required is attached and should be read in conjunction with this document.

8) How do I apply on the Online Portal?

The application process will be via an online platform. The system will allow for the input of all relevant data and the uploading all supporting documentation. **As per the Affordable Housing Act, only one application, per couple/single person, per scheme, is allowed.**

Step 1: REGISTERING: Register with the online platform. You will need the following information: Your Full Name, a valid & active email address & a Mobile Phone Number. You will generate a registration verification number via text message, which you will enter to complete the set- up process.

Step 2: LOG ON: You will then be able to log on to the online platform to begin your application process. Again, as part of this login, you will generate a verification number via text message to your mobile device. You will then need to enter this six-digit code to log in.

Step 3: THE APPLICATION: You will be presented with 5 tabs. If you are a single applicant you will need to complete 4 tabs and if you are a joint applicant, five tabs will need to be completed.

Tab 1: Application

This tab will contain the general scheme information, such as scheme name, single or joint application, number of household members to reside in the house, type of property you are seeking etc.

Tab 2: Applicant A

This tab will contain the specifics of the principal applicant: name, date of birth, PPS number, Marital status, Nationality, contact telephone numbers and email, current address, employment details, previous year's gross income details, the option to add details of other dependent household members (name, date of birth, age)

You will also be required on this tab to upload documents in relation to the following: proof of income (Salary Cert and Employment Detail Summary), proof of citizenship, proof of right to reside in Ireland, proof of buyer status i.e. Help To Buy, and proof of address.

Tab 3: Applicant B

This tab must be used where there is a secondary or joint applicant. The same details as above will be required.

Tab 4: Finance

All applicants will be required to provide evidence of their ability to finance the purchase of their selected property, i.e. mortgage approval in principle letter, Help to Buy amount if applicable and proof of savings i.e. **recent** statements for **all** bank & credit union accounts.

Tab 5: Declarations

You will need to agree to a number of declarations in relation to your application e.g. the information you submitted is true and accurate, etc.

9) What happens next?

Your application will be assessed, and Cork City Council will determine whether you qualify for an affordable dwelling or not. When all applications have been assessed and eligibility has been determined, we will contact all applicants to advise if they have been successful and if they will be receiving an offer or not, depending on the number of properties available.



FREQUENTLY ASKED QUESTIONS

Q: Am I eligible if I am not a first-time buyer?

A: No, with the exception of certain exemptions 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, subject to terms and conditions.

Q: How do I know which property to apply for?

A: It is recommended that single person households apply for the 2 Bedroom dwelling – on the basis that under the Scheme of Priority for Affordable Dwelling Purchase Arrangements, as adopted by Cork City Council, where the number of eligible applicants exceeds the number of affordable dwellings for which applications are made, applications will be prioritised in accordance with Cork City Council’s Scheme of Priority, to include that for three-bedroom dwellings, priority shall be given to 2 or more-person households.

Q: What is the Scheme of Priority?

A: In cases where the number of applications exceeds the number of available dwellings, the Scheme of Priority outlines the rules Cork City Council uses to decide which applicants will be offered dwellings. This may include factors such as household size, residency in the local authority’s area, or an allocation based on the order the applications are received.

Q: How much deposit do I need?

A: Financial institutions require that a minimum 10% deposit must be raised from your own resources. Example: If your Affordable Purchase price is calculated to be €290,000 you will need a deposit of €29,000. The Help to Buy Scheme operated by The Revenue Commissioners can be utilised towards this deposit amount. **NOTE: The Help to Buy Scheme is administered by Revenue and applicants should familiarize themselves with the terms and conditions that apply to this Revenue administered scheme.**

Q: How can I provide evidence that I have resided in Cork City for more than 5 years?

A: A copy of a rental agreement, utility bill or other correspondence clearly dated is sufficient.