

## Affordable Housing

### Frequently Asked Questions



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## Frequently Asked Questions (FAQs)

Email Us: affordablehousing@galwaycity.ie

### 1. What is the Local Authority Affordable Purchase Scheme?

Under the ‘Local Authority Affordable Purchase Scheme’ Galway City Council makes new homes available to purchase for eligible applicants at reduced prices.

It is aimed at first time buyers (exceptions apply) who are looking to purchase a home but need additional funding to **bridge the gap** between their mortgage and deposit to cover the entire cost of the home.

The Council takes an equity share (also known as the ‘**Affordable Dwelling Contribution**’) in the property. This is a monetary contribution which is equal to the difference between the open market value (**OMV**) of the property and the reduced price paid by the purchaser (also known as the ‘**Affordable Purchase Price**’).

#### Example:

- The **OMV** of the home is **€340,000**
- The Council takes an **equity share of 22.5%**, which is **valued at €76,500**  
( $€340,000 \times 22.5\% = €76,500.00$ )
- You will **pay €263,500** ( $€340,000 - €76,500 = €263,500$ ). This is the **Affordable Purchase Price** of the property.

### 2. What legislation covers Galway City Council’s Affordable Purchase Scheme?

The Local Authority Affordable Purchase Scheme is covered by:

- [The Affordable Housing Regulations 2023](#)
- [The Affordable Housing Regulations 2023 \(No. 2\)](#)
- [Galway City Council Scheme of Priorities](#)

### 3. When can I apply?

All of Galway City Council’s Affordable Purchase Schemes will be advertised on the Galway City Council Website, Galway City Council social media channels and advertised in the local newspapers outlining the date and time the portal will go live for applications.

## 4. Am I eligible for the Affordable Purchase Scheme?

To be eligible to apply for the Affordable Purchase Scheme you 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 home which, because of its size, is not suited to your current accommodation needs.
- Each person included in the application must have the right to reside legally in the country.
- The affordable home must be the household's principle private residence.
- Applicants' purchasing power must not exceed **95%** of the market value of the property.
- Each Scheme will have different income limits depending on the cost and location of the homes. Please see [Affordable Purchase Dwelling Arrangements Income Assessment Policy](#)
- **Exception to income limits:** The exception caters for a situation where an applicant's income multiplied by 4 exceeds 95% of the market value of the dwelling, but the applicant is in fact unable to secure a mortgage from a bank/financial institution for 95% of the market value of the dwelling.
- If you are in a **committed relationship, and you intend to reside in the affordable purchase property**, you **must** submit a '**Joint Application.**' Failure to do so may result in your application being disqualified.

## 5. What is the income limit to be eligible for the Affordable Purchase Scheme?

Applicants' purchasing power **cannot exceed 95% of the open market value of the property.**

- In general, the income limit for an affordable dwelling is 95% of the open market value divided by 4. Please see our [Affordable Purchase Dwelling Arrangements Income Assessment Policy](#).
- **Exception to income limits:** An exception allows for a situation where an applicant's income multiplied by 4 exceeds 95% of the market value of the dwelling, but the applicant is unable to secure a mortgage from a bank/financial institution for 95% of the market value of the dwelling.

For further information on **assessable** and **non-assessable** forms of income for your application, please review our [Income Assessment Policy](#).

## 6. What is a First Time Buyer?

A First Time Buyer is someone who has never previously purchased or built a dwelling in any State to live in and does not own or is not beneficially entitled to an estate or hold interest in any dwelling in any State.

## 7. How do I prove that I am a First Time Buyer?

Galway City Council requires documentary evidence to confirm the applicant(s) is a/are First Time Buyer(s).

The following documents are accepted:

- Revenue Help to Buy (HTB) approval obtained from the Revenue Commissioners, or:
- An affidavit stamped by a practicing solicitor.

### **Solicitor's Affidavit:**

If you are a 'First Time' buyer and not availing of Help to Buy, please provide an affidavit from a solicitor confirming that you have never previously owned a dwelling in Ireland or any other State.

**Please note** that your solicitor cannot be a member of your family.

**Please note** that in the case of a joint application, your application can only be considered as a 'First Time Buyer' application if both applicants are buying a house for the first time. Therefore, both parties need to be named on the required documentation either together on same documentation or separate documentation for each applicant.

## 8. Are there exceptions to the First-Time Buyer requirement?

The **Fresh Start Principle** applies to applications for affordable housing and loan schemes. This means that the following people may also be eligible to apply for an affordable home:

1. Applicant(s) who previously purchased or built a residential property but are divorced/separated or otherwise and have left the property and divested themselves of their interest in the property. Where a couple was in a relationship but not married, and the relationship has ended, the Fresh Start Principle can apply.
2. Applicant(s) who previously purchased a residential property but have been divested of this through insolvency or bankruptcy proceedings, are eligible to apply.
3. A further exception may apply in the case of an applicant who owns a dwelling which, because of its size, is not suited to the current accommodation needs of the applicant's household.

## 9. Do I need to be living in Galway City Council's administrative area to be eligible?

Applicants living in any county in Ireland can apply. For more information, see our [Scheme of Priorities](#).

### **Please Note:**

- 70% of the listed properties are open for applications from any county, including Galway Metropolitan area.
- 30% of the properties, priority will be given to eligible applicants based on any person making the application being or having been resident in the administrative area of Galway City Council.

## 10. How do I prove my right to reside indefinitely in the State?

You are eligible to apply if you currently have a legal right to reside and work in the State. However, there are minimum periods of residence required for some applicants:

- **Irish citizens** are automatically legally resident.
- **UK citizens** will be regarded as being legally resident in Ireland. (This is in line with the Common Travel Area requirements).
- **All EU/EEA citizens** must have resided in the State for a minimum of three months. Thereafter, they will be eligible to apply.
- **Non-EEA/EU citizens:** for single/joint applications where both applicant(s) are Non-EEA/EU citizens, applicants must be legally resident in Ireland for a period of 5 years; or have leave to remain extending to potentially permit 5 years reckonable residence; or have indefinite leave to remain in the State.
- **Non-EEA/EU national, who is a spouse or civil partner of the EU/EEA national:** you may be considered as part of a joint application for that household, provided they have a valid residence card or permanent residence card with a valid Stamp 4EUFam.

## 11. Who is defined as a member of my household?

The property you choose must be within your purchasing power and suit your household size in line with the local authority's [Scheme of Priorities](#). Full information on the priority given to each household will be found in the Scheme of Priority for each development and will be available to view on the local authority's website.

For one-bedroom and two-bedroom properties, priority is not given based on household size. A single person household will get the same priority as a household of two people.

Regarding three bed units, you must be a household of at least two people to apply for these.

## 12. What documents will I need to apply?

Document Type	JPEG, PNG, PDF	✓
<b>Photo ID</b>	<b>Each applicant</b> must provide current Valid Passport, Passport Card, EU/EEA Driving Licence (must contain photo), National Age Card issued by An Garda Siochana, an identification form with a photograph signed and stamped by a member of An Garda Siochana	
<b>Proof of Right to Reside in Ireland</b>	For non-EU applicants, valid copy of Irish Resident Permit, indicating stamp/permission type (Stamp 4,1, 1G, 5 etc)	
<b>Income PAYE Employees</b>	<a href="#">Salary Certificate</a> for <b>each applicant</b> completed by your employer, dated within the last 6 months (payslips <b>NOT</b> acceptable) <b>AND</b> Employment Detail Summary <b>for each applicant</b> , (previously known as P60) which is available from <a href="http://www.ros.ie/myaccount">www.ros.ie/myaccount</a>	
<b>Income Self Employed</b>	Documents for previous 2 years: - Audited/Certified Accounts, Tax Balancing Statement and Tax Payment Receipt.	
<b>Unemployed</b>	You must provide a statement from the Department of Social Protection for the last 12 months.	
<b>Proof of Finance</b>	If you have not already applied for a mortgage, you should do so now. Your Loan Approval in Principle letter should be valid and in date.  An AIP must be from a Pillar Bank. Pillar Banks are: Bank of Ireland, AIB, PTSB, Haven, EBS or <a href="#">Local Authority Home Loan</a> . Your Loan Approval in Principle letter should be valid and in date.  Your approved mortgage amount should be four times your gross household income. Applicants with a mortgage approval amount less than four times their income are required under the Affordable Housing Legislation to show that they have maximised their mortgage capacity (i.e. Have borrowed as much as they are eligible for).	
<b>Proof of Savings</b>	It is a requirement to include statements for each bank account / credit union / financial institution in which you hold an account, for the previous 3 months. Name and address of the account holder should be clearly visible. ( <b>online screenshots are not acceptable</b> ). This includes all Current Accounts and Revolut.  (Please provide a concise summary statement instead of multiple pages, and include a statement that shows any large, lodged sums.)	
<b>First Time Buyer</b>	Help to Buy completed application, confirming approval. If you have not already applied for Help to Buy, you should do so now at <a href="http://www.ros.ie/myaccount">www.ros.ie/myaccount</a> .  Alternatively, you can provide an affidavit from a solicitor confirming that you have never previously owned a dwelling or had an interest in a dwelling in any States.	
<b>Fresh Start Principle</b>	Applicants who believe they may qualify under the Fresh Start Principle must provide proof of legal separation / divorce documents / bankruptcy or personal insolvency.	
<b>Proof of Residency</b>	Formal Correspondence, such as a utility bill, TV licence, official government such as, revenue, DSP, Bank Statements/ credit union, clearly showing your name and address.	

## 13. Do I require a Mortgage Approval in Principle letter?

Applicants **MUST** 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 and Community Credit Union. Alternatively, finance can be sourced via Galway City Council by way of a Local Authority Home Loan. Please visit [Applying for a Local Authority Home Loan | Galway City Council](#) for more details.

**Please note that**, according to the [Affordable Housing Legislation](#), you are required to borrow the maximum mortgage amount you qualify for.

## 14. How do I apply for the scheme?

The application process is online. The online portal will allow you to input all necessary data and upload all supporting documentation. You can find the online application portal on [Galway City Council's website.](#)

**It is advisable to complete your application on laptop or pc instead of a mobile phone.**

If you are having any issues uploading your documentation or submitting your application, please email [affordablehousing@galwaycity.ie](mailto:affordablehousing@galwaycity.ie)

### **How to Apply:**

Please read our application guidelines below before you begin the process.

#### **Step 1: Register:**

You will first need to register when the portal goes live.

We advise all applicants to **register using their personal email address and personal mobile phone number**, as some work, college, or school accounts may run into security issues.

#### **What do I need to register?**

- Your full name (as on your passport/birth certificate)
- A valid and active personal email address
- A valid and active personal mobile phone number

#### **Step 2: Log on:**

You will then be able to log on to the online platform to begin your application process.

- A six-digit verification number will be sent via text message to your personal mobile phone number.
- Enter this code to log in.

### **Step 3: The Application:**

You will see several sections or tabs, each of which will need to be completed in full before you can submit your application.

**Please Note:** 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 may deem your application invalid or, at the least impact, the date and time stamp allocated to your application.

## **15. How do I know what property to apply for?**

The property you choose must be within your purchasing power and suit your household size in line with the local authority's [ADPA Income Assessment Policy](#).

## **16. Where can I apply for my mortgage?**

You can apply for a mortgage loan from any of the following lending institutions:

- Bank of Ireland (BOI)
- Permanent TSB (PTSB)
- Allied Irish Bank (AIB)
- Haven Mortgages
- EBS
- Local Credit Union

Alternatively, you may source finance from Galway City Council by way of a [Local Authority Home Loan](#).

## **17. How is a decision made on my application?**

A decision is made on your application in accordance with:

- The eligibility criteria
- The Council's Scheme of Priority

## **18. What is the Scheme of Priority?**

The Scheme of Priority sets out how affordable dwelling purchase arrangements are made by Galway City Council. It also outlines the methodology that will be applied to determine the order of

priority given to eligible applications where the demand for properties exceeds the number of properties available within the Affordable Purchase Scheme.

- **70%** of the listed properties are open for applications from any county, including the Galway City Council Metropolitan area.
- All properties in the 70% allocation are **allocated on a first-come, first-served basis**.
- In relation to 30% of the dwellings, priority will be given to eligible applicants based on any person living or working at a current address in the Galway City Metropolitan areas and/or within a 15km radius of the Galway City Council boundary.

**Map link below:**

[Galway City Administrative Boundary Map](#)

Please read [Galway City Council Scheme of Priorities](#) for more information.

## 19. When will I know if my application was successful?

We anticipate that you will be informed of the outcome of your application within 8 weeks of the application portal closing.

## 20. What does my Application Reference Number mean?

When you submit your application, you will receive a reference number via email. This is an application **reference number alone**. It allows us to **identify your application**. It does not indicate your position in the application process.

## 21. Will I require a solicitor?

Successful applicants will require a solicitor to proceed with the sales process. It is the responsibility of each successful applicant to organise for a solicitor to act on their behalf. Galway City Council will not provide solicitors for successful applicants.

## 22. What is the Open Market Value?

This is the value of the affordable purchase home that it might be expected to achieve in the open market.

## 23. What does 'Affordable Purchase Price' mean, and how is it calculated?

Galway City Council, in line with the [Affordable Housing Regulations](#), have set a minimum price that the affordable purchase properties can be sold for.

The **affordable purchase price** to be **paid by you** depends on:

- Your purchasing power,
- Your ability to raise the relevant finances, and
- The minimum sales price of the property (whereby the Council takes an equity stake in the property)

**Please note:** The minimum sales price may not be the affordable purchase price that you pay.

## 24. How is my Purchasing Power calculated?

Your purchasing power is calculated as the combined total of:

- Maximum mortgage capacity (ideally 4 times your gross household income), plus
- A minimum deposit of 10% of the Affordable Purchase Price, plus
- Relevant savings

**Please Note:** The higher your purchasing power, the more money you will have to contribute to the price of the affordable dwelling. So, the Council will take less equity.

## 25. What is the Affordable Dwelling Contribution?

This is the monetary amount paid by the Galway City Council towards the purchase of an affordable home. It is the difference between the Affordable Purchase Price paid by the applicant and the OMV of the home on the date of offer.

## 26. What are the Equity Share and the Affordable Dwelling Purchase Agreement?

The Equity Share is the Affordable Dwelling Contribution expressed as a percentage. It is the stake that Galway City Council will take in your home that bridges the gap between the Affordable Purchase Price paid by you and the OMV of the property. Equity shares are calculated on an individual basis and are linked to your purchasing power.

**For example:** If you buy a home at a 20% discount, Galway City Council will have a 20% stake in your home.

For the Affordable Purchase Scheme, the equity share taken by the Council will be **no less than 5% and no more than 20% of the OMV of the dwelling**. The Equity Share will be written into the Affordable Dwelling Purchase Arrangement (ADPA).

The ADPA is a contract between:

- You, the purchaser, and
- Galway City Council

It explains the terms and conditions under which the Council provides the Affordable Dwelling Contribution.

**Key Points:**

- You will sign the Affordable Dwelling Purchase Agreement (ADPA) with the Council, before or at the same time as you finalise the purchase of your affordable dwelling.
- You will register the agreement with the Registry of Deeds or Land Registry.
- ADPA explains how and when you can make payments to reduce the Council's equity share in your home. It will also explain when the Council can ask for their share back.
- You will also sign a Contract of Sale with the Developer to complete your home purchase.
- Providing false information on your application can lead to the agreement being cancelled and the offer to purchase the home being withdrawn by the Council.

## 27. Do I need to repay the Affordable Dwelling Contribution/Buy out the Equity Share?

A **Redemption Payment** is a payment that is made by the purchaser to the Council to pay back the Affordable Dwelling Contribution that was provided.

- Redemption Payments are subject to certain conditions which are outlined in the Affordable Dwelling Purchase Agreement.
- The purchaser can redeem or “buy out” the equity share at a time of their choosing, but there is no obligation to do so. The **long stop** date 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 **minimum** redemption payment is **€10,000**.
- If the purchaser chooses not to redeem the equity share while living in the home, the Council can require the redemption of the Council's equity share when the property is **sold, transferred, or after the death of the owner**. This is known as a **Realisation Event**.

## 28. How much of a deposit do I need?

You need 10% of the affordable purchase price of the property as a deposit which will be required on exchange of contracts.

**For example:** for a property with an affordable purchase price of €320,000, you need a deposit of €32,000 ( $\text{€320,000} * 10\% = \text{€32,000}$ ).

## 29. Can I avail of any other schemes in conjunction with the Affordable Purchase Scheme?

**Help to Buy (HTB):** Yes.

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.

It gives a refund of the income tax and Deposit Interest Retention Tax (DIRT) you have paid in Ireland for the 4 years before you apply.

For more information about the Help to Buy claim, please refer to the [Revenue website](#).

**First Homes Scheme:** No.

[The Local Authority Affordable Purchase Scheme](#) is different from [the First Homes Scheme](#).

You cannot apply for and use both schemes when purchasing an Affordable Purchase Scheme property.

We advise that you familiarise yourself with both Schemes and that you select the one that is most suited to your needs.

## 30. Do I have to pay Stamp Duty? Yes.

[Stamp Duty](#) is calculated based on the OMV of the property. You must pay your stamp duty.

## 31. If I am successful, will I be able to choose which property I want?

As part of the application process, you can select which property type you are applying for. You may select only one property type per application.

You cannot change the property type you have applied for once you have submitted your application. It is your responsibility to decide which of the property types is best suited to your household's needs.

## 32. Can I rent out the property?

The Local Authority Affordable Purchase Scheme is provided to homebuyers who intend to make the property their Principle Private Residence.

### 33. If I want to sell my affordable home, what should I do?

If you sell your property you are required to redeem (buyback) the equity share. If you have not already redeemed the equity in your home, you cannot sell the property without written consent of the local authority. This consent should be requested in writing.

To avoid unnecessary delays, notification should be sent when you are putting your house on the market and the notification must include a proposed minimum selling price for the home and any other information necessary for the local authority to consider the request.