



Relate

The journal of developments in social services, policy and legislation in Ireland

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Introduction

There are various supports available to people who want to get a house (we use the word house to include a flat or apartment unless different rules apply to them). These include the provision of local authority housing, supports for first-time buyers and a range of schemes for affordable housing. There are supports for people who are renting privately and there are also grants and schemes for house improvements. Here we outline the main supports available. This is meant as a guide – the main conditions which apply to the schemes are outlined but there may be other conditions which we do not have space to cover.

Housing policy

The Department of the Environment, Heritage and Local Government has overall responsibility for housing policy. That policy is mainly implemented by the local authorities. Other bodies including the Health Service Executive (HSE) and the Department of Social and Family Affairs also have a role in providing support.

Delivering Homes, Sustaining Communities is the title of the housing policy statement which the Government issued in February 2007. This states that the overall objective of housing policy is to “enable every household to have available an affordable dwelling of good quality, suited to its needs, in a good environment and as far as possible at the tenure of its choice”. The general principle underpinning the housing objective is that those who can afford to provide for their housing needs should do so either through home ownership or private rented accommodation and that targeted supports should be available to others having regard to the nature of their need.

The policy document includes a number of proposals for changes to housing supports – the main ones are mentioned below. A number of these will be introduced in November 2007. Some require changes to legislation and this is being drafted.

Social housing

Social housing needs can be defined broadly as the housing needs of households who cannot afford to provide suitable and adequate housing for themselves. Their needs can be met by providing local authority houses or by one or more of the other social housing schemes or by the provision of support for privately rented accommodation. The National Development Plan 2007-2013 provides for the investment of almost €2 billion in social housing.

The most recent assessment of social housing needs was carried out by local authorities in 2005 (the next one will be in 2008). This assessment shows that there were nearly 44,000 households in need of social housing.

Delivering Homes, Sustaining Communities includes a commitment to put in place a new means of assessing need for social housing support. Among other things, this would involve consistent means testing and identification of special needs. It also provides for plans to establish housing advice centres in all major local authorities. These will provide information to new applicants and ongoing services to tenants.

Housing strategy

The Planning and Development Act 2000 requires local authorities to prepare housing strategies for inclusion in their development plans. The housing strategy must aim to ensure that adequate land is zoned for housing and that there is sufficient social and affordable housing available in the area.

The housing strategy must take account of:

- The number of people who are likely to need social housing
- The need to ensure that housing is available for people on different income levels
- The need to ensure an adequate mixture of housing, including housing for older people and people with disabilities
- The need to counteract social segregation

The strategy must estimate the amount of housing needed for the period of the development plan and must provide that up to 20% of the land available for housing be used for social or affordable housing. Specific requirements may be set for particular areas.

Homelessness

Homeless people may qualify for the various social housing options. Emergency accommodation may be provided in hostels and shelters or in bed and breakfast arrangements.

The *Integrated Strategy on Homelessness* was published in 2000 and the *Homeless Preventative Strategy* in 2002. These strategies require local authorities and the HSE to draw up action plans. The local authorities are responsible for emergency accommodation and the HSE is responsible for care. The preventative measures try to ensure that people at risk such as those leaving prison, leaving psychiatric hospitals and young people leaving care have accommodation provided. An independent *Review of the Implementation of the Government's Integrated and Preventative Homeless Strategies* was published in 2006. It is proposed to publish a new Strategy on Homelessness later this year. Among other things, this will aim to address the situation of homeless people in long-term emergency accommodation with a view to eliminating such homelessness by 2010. A National Homeless Consultative Committee was established in April 2007 to facilitate input from providers of local homeless services and strengthen the involvement of the voluntary and cooperative housing sector in the development of government policy. The Committee will have a role in monitoring the implementation of the proposed new homelessness strategy.

Travellers

Travellers are entitled to social housing schemes in the normal way. The Housing (Traveller Accommodation) Act 1998 required local authorities to have 5-year programmes to meet the existing and projected accommodation needs of Travellers in their areas.

People with disabilities

People with disabilities are entitled to housing supports in the usual way. It is proposed to develop a National Housing Strategy for people with disabilities by 2009. The Citizens Information Board and the Disability Federation of Ireland (DFI) are currently preparing a social policy report on the housing and accommodation needs of people with disabilities. The report is expected to be published in November 2007.

Buying a house

All first-time buyers are entitled to stamp duty exemption and may also qualify for tax relief on their mortgage payments. If you cannot afford to buy a house under the usual commercial terms, you may be able to avail of the affordable housing arrangements. Alternatively, you may be able to avail of the supports for buying a house under the general social housing provisions which are described below.

Stamp duty

First-time buyers do not have to pay stamp duty on the house whether it is new or second-hand and regardless of its price. This applies to transactions on or after 31 March 2007 – see Relate, August 2007 for details.

Gaeltacht and island houses

If you live in the Gaeltacht or plan to build and live in a house there and you speak Irish as your normal household language, you may qualify for a new house grant of €5,100. If you build and live in a new house on the islands, you may get a grant of €15,300. These grants are not limited to first-time buyers. Further information: Department of Community, Rural and Gaeltacht Affairs: www.pobail.ie

Mortgage interest tax relief

Mortgage interest tax relief may be available to everyone who has a mortgage but the amount is greater for first-time buyers. This relief is granted at source – this means that your mortgage provider takes it into account when calculating your mortgage payments. You do, however, have to claim the relief from the Revenue Commissioners who then inform the mortgage provider.

Tax relief on mortgage interest is at the standard rate of tax – 20%. This means you get a tax credit of 20% of the mortgage interest paid up to the maximum stated.

The following are the upper limits for mortgage interest tax relief for first-time buyers. This relief lasts for seven years.

| | |
|------------------------|------------------------|
| Single person | Married/Widowed |
| €8,000 | €16,000 |
| Max. tax credit €1,600 | Max. tax credit €3,200 |

For non-first-time buyers, upper limits are:

| | |
|----------------------|------------------------|
| Single person | Married/Widowed |
| €3,000 | €6,000 |
| Max. tax credit €600 | Max. tax credit €1,200 |

You can get further information from the Revenue Commissioners Lo-call: 1890 463 626 and www.revenue.ie

Affordable housing

Affordable housing means that the local authority sells houses at lower than the market price to people who meet

the criteria for social housing. The local authority may have an order of priority for allocating affordable housing. Sometimes these houses are built on local authority land, sometimes they are built by private developers who are required to reserve some of them for social and affordable housing.

You buy the house using a local authority loan which can be up to 95% of the sale price. The actual amount depends on your capacity to repay. Your monthly repayments should not be more than one-third of the net household income. The loan is repayable over 25 years.

If your household income is less than €28,000 the local authority may pay a Mortgage Subsidy towards the repayments. If you do not qualify for this subsidy, you may qualify for the Mortgage Allowance Scheme (see below) for the first 5 years.

If you sell the house within 20 years, you may have to pay part of the proceeds to the local authority.

In order to qualify for affordable housing you must generally be a first-time buyer although people who have been separated or divorced may be able to qualify. You must have enough income to meet your mortgage repayments after you have paid all your other costs – broadly, your mortgage repayments should not be more than one-third of your net income (that is, income after tax and PRSI). In general, you must have an income of between €25,000 and €58,000 if you are applying on your own and up to €75,000 if two people are applying together, but these are not absolute limits. Generally, you are expected to have 3% of the price available as a deposit.

Affordable Homes Partnership

The Affordable Homes Partnership is a state agency with a nationwide remit to coordinate and promote the delivery of affordable homes. It provides services on behalf of the Minister of the Environment, Heritage and Local Government.

It provides information on affordable housing and has published an *Affordable-home handbook*, which can be accessed on its website www.affordablehome.ie

Affordable Homes Partnership

2nd Floor, Cumberland House
Fenian Street, Dublin 2
Tel: (01) 656 4100

Local authority housing

Local authorities build and buy houses which are then rented to people who have been assessed as in need of housing. If you want to get a local authority house, you should apply to the local authority in the area where you live. Some local authorities require you to be living in their area for a specific length of time before assessing your application. The way the assessment of housing need is done varies somewhat from one authority to another but, in general, the assessment takes into account your income, health, any disability, number of people in the household, your current housing arrangements and your ability to access funds to buy a private house. Each authority should have written guidelines on how the assessment is carried out and these should be publicly available.

The local authority usually draws up a list of people who need housing and allocates available houses on the basis of greatest need. Some have separate lists for older people and people with disabilities. In rural areas, the local authority may build a house for you, possibly on your own land. If you are on the authority's list, but are unlikely to actually get a house in the near future, you should consider the other social housing schemes outlined below.

Differential Rents

If you are allocated a local authority house you are a tenant and you pay rent. The amount of the rent is related to your income and is usually called differential rent. There are some variations on how rent is assessed by the different authorities.

Tenant Purchase Scheme

If you have been a tenant of a local authority house for at least a year, you may apply to buy the house outright or under the Shared Ownership Scheme. The price you have to pay is the market value of the house less discounts. Any increase in the market value due to improvements you made to the house is disregarded in calculating the price. The discount is 3% of the value of the house for each year that you have rented it, up to a maximum of 10 years, plus €3,809. You do not need to pay a deposit and you do not have to pay stamp duty.

You may get a commercial mortgage or a local authority loan to fund the purchase (or your share in the case of shared purchase) and you must take out mortgage protection insurance.

Virtually all local authority tenants may buy their house. However, flats and purpose-built houses for older people are not included in the scheme, but legislation is currently being drafted to provide for a new tenant purchase scheme which will include arrangements for the sale of flats.

In certain circumstances, the local authority may refuse to sell for reasons of good estate management or if it is intended to carry out repairs. The local authority is not obliged to put the house into good repair before selling – the price should reflect the condition of the house.

If you want to sell the house within 20 years or before it is fully paid for, you need the consent of the local authority.

Incremental Purchase Scheme

It is proposed to introduce a scheme whereby people who are allocated a local authority house may start to buy it immediately. The idea is that you would build up equity in the house by paying more than the normal rent and taking over responsibility for maintenance.

The scheme will apply to new local authority houses. Some of these would be made available for existing tenants to avail of the scheme (they, of course, could opt to buy their existing house under the Tenant Purchase Scheme). It is expected that the households who qualify will have incomes in the range of €20,000-€30,000 a year. The amount to be paid would be somewhere between the normal differential rent and the cost of the house under affordable housing arrangements. It is not clear when this scheme will come into effect.

Other social housing schemes

Apart from getting a local authority house, there is a range of other social housing options. You may be able to combine a number of schemes – for example, you could get a local authority loan to buy a house and also use the Shared Ownership Scheme or qualify for the Mortgage Allowance Scheme.

Who qualifies

In general, you may qualify for one or more of the social housing supports if you meet one of the following criteria:

1. You have been assessed by your local authority as being in need of housing – in effect, if you are on the housing list.
2. You are
 - (a) a local authority tenant or
 - (b) a tenant purchaser or
 - (c) a tenant for at least a year of a voluntary housing capital loan and subsidy scheme (see below) and you agree to return your present house to the local authority and move to a privately owned house.
3. You pass a means test.

Other groups may qualify for some of the schemes.

The means test

You only have to pass the means test if you are not already qualified by virtue of being on the housing list or a tenant/tenant purchaser moving to the private sector as at item 2 above. The means test takes into account your gross income in the last tax year. It is assessed as follows:

- One-income household: multiply your gross income (before tax) by 2.5. If the result is €40,000 or less (that is, your gross income is €16,000 or less) you are eligible.
- Two-income household: multiply the gross income of the higher earner by 2.5 and add the gross income of the other earner. If the result is €100,000 or less, you are eligible.

Local authority loans for house purchase and improvements

You may get a loan from the local authority to buy or improve a house if you pass a means test (as outlined above) and if you are unable to get a commercial mortgage from a bank, building society or other financial institution or if you meet the general social housing criteria.

The maximum house purchase loan is €185,000 and the maximum for house improvements is €38,000 (€50,000 on offshore islands), where the loan is secured by a mortgage on the house and €15,000 where the loan is not secured.

The interest rate on local authority house purchase and house improvement loans is variable. Mortgage protection is required with house purchase loans but not with improvement loans. Tax relief on the interest payments is granted in the same way as for commercial house loans – the relief is applied at source by the lender.

Shared ownership

This is a scheme where you buy a house in conjunction with the local authority. You must meet the conditions for social housing outlined above.

You choose the house – it may be new or second-hand or you may have one built. Initially, the local authority actually buys the house. You then buy at least 40% and rent the rest from the local authority. You can raise the money to pay for your share from private sources or you can get a local authority loan (see above).

Once you have the house, you then have to pay the usual mortgage repayments on your loan as well as rent on the local authority's share of the house. The rent is calculated at 4.3% of the cost of the rented part and is increased annually by 4.5%. If your household income is less than €28,000, you may get a subsidy towards the rent.

You may buy out the local authority's share of the house at any time and you must buy it within 25 years. You may do this by paying cash if you have it or by increasing your loan from time to time or by paying off the initial loan in full and then getting a new loan. If you sell the house within 20 years, you may have to pay part of the proceeds to the local authority.

Improvement works in lieu of local authority housing

If you own a house and you meet the criteria for social housing, and your housing needs could be met by extending or improving your present house, the local authority may do that instead of allocating you a house. If you are a local authority tenant or a tenant purchaser or a subsidised tenant of a voluntary housing association and you agree to return your present house to the local authority and you move to a privately owned house, then you may also avail of this arrangement. It does not apply to a privately rented house.

The local authority pays the full cost of the extension or improvements. This is regarded as an interest-free loan and you repay it by means of a charge which is related to your income and to the costs incurred in the improvements or extension. This charge is payable over 15 years or until the full cost is paid, if earlier. If you sell the house before this time is up, you may have to make some repayment.

Mortgage Allowance Scheme

If you are a tenant/tenant purchaser or rental subsidy tenant and you give up your existing house and buy in the private sector with a mortgage of at least €38,092, you may qualify for the Mortgage Allowance Scheme. The allowance is linked to your mortgage repayments. It is paid directly to the lending agency. The maximum amount of the allowance is €11,450, paid on a reducing basis over 5 years. The allowance paid in any year cannot be greater than the amount of the mortgage repayments.

This scheme does not apply in the case of the Shared Ownership Scheme.

Low-cost housing sites

If you meet the general conditions for social housing, the local authority may give you a site at very low cost.

You may also qualify if you are:

- A member of a cooperative or non-profit housing group of which at least 75% of the members are either tenants/tenant purchasers or people on the housing list
- A person availing of a group shared ownership project sponsored by a local authority or a housing cooperative – see below

Voluntary housing bodies providing houses under the Capital Assistance or Rental Subsidy Schemes may also avail of the sites scheme, as may people taking shared ownership through a group housing project sponsored by a housing cooperative or local authority. The sites scheme can be used in conjunction with the Mortgage Allowance Scheme.

If you sell the house within 20 years, you may have to pay part of the proceeds to the local authority.

Group shared ownership projects

Local authorities or housing cooperatives may sponsor housing schemes for people who want to avail of the Shared Ownership Scheme.

Housing cooperatives

Housing cooperatives are usually organised by groups affiliated to the Irish Council for Social Housing or the National Association of Building Cooperatives.

Irish Council for Social Housing
50 Merrion Square East

Dublin 2.

Tel: (01) 661 8334

www.icsh.ie

National Association of Building Cooperatives

33 Lower Baggot Street

Dublin 2

Tel: (01) 661 2877

www.nabco.ie

Voluntary housing

Over 600 voluntary organisations get Government support to provide voluntary housing. These voluntary housing bodies must be approved by the Department of the Environment, Heritage and Local Government. Each local authority has details of the voluntary housing bodies active in its area.

Capital Assistance Scheme

This scheme involves a capital grant to voluntary housing groups to build houses for older people, people with disabilities, homeless people, returning emigrants or others with special housing needs. At least 75% of the houses must be allocated to people who would qualify for social housing. One-third of these (i.e. 25% of the total) may be allocated to eligible returning older emigrants. The other 25% of houses may be let to people chosen by the voluntary housing organisation but, in practice, are usually let to people who are on the local authority list. The tenants pay rent which is usually related to their income and the cost of managing and maintaining the houses.

Capital Loan and Subsidy Scheme

The voluntary housing groups provide the housing and the rent is subsidised by the local authority. At least 75% of the houses must be let to people who are qualified for local authority housing. The rent payable by the tenant is income-related.

You cannot buy the house you rent from the voluntary association but you are eligible for the various social housing purchase schemes when you have been a tenant of a voluntary housing scheme for a year.

Grants for house improvements

A small range of grants are available for house improvements. The grants have been revised and new schemes come into operation on 1 November 2007.

Current grant schemes

Disabled Person's Grant

This grant is for additional accommodation or adaptations for a member of a household with a disability. There is no means test. The grant may be up to 90% of the approved cost of the works in the case of private houses and up to the full cost of the works in the case of a house let by the local authority.

Generally, an occupational therapist (OT) from the HSE assesses the need for the changes. This may cause delay because of the shortage of therapists. Some people pay for

the services of a private OT in order to speed up the process.

Essential Repairs Grant

The Essential Repairs Grant scheme provides for basic repairs to be carried out to a house. The scheme is mainly intended for older people.

Special Housing Aid for Older People

This scheme is administered by the HSE. The aim of the scheme is to make a dwelling habitable for an older person. It may cover the provision of water and sanitary services and heating but does not normally include major structural works.

New grant schemes – from 1 November 2007

The new grant schemes will all be administered by the local authorities. The maximum rates will be increased annually in line with inflation. It is intended to put arrangements in place to ensure maximum cooperation between local authorities and the HSE in dealing with cases which require medical and/or occupational therapy assessments. (There is currently a protocol in place in relation to children under 5 who are assessed as having housing needs in the assessment of need under the Disability Act 2005.) The Department of the Environment, Heritage and Local Government funds 80% of the grant schemes and local authorities fund the remaining 20%. The new grant schemes come into operation on 1 November 2007.

Mobility Aids Grant Scheme

This scheme provides fast-tracked support for a basic suite of works designed to address mobility problems, mainly but not exclusively, associated with ageing. The grants are for people whose maximum annual household income is less than €30,000. The maximum grant available is €6,000 and may cover 100% of the cost of works.

Housing Adaptation Grant for People with a Disability

The scheme provides means-tested grants for the provision or adaptation of accommodation to meet the needs of people with a disability. The maximum grant increases from the current €20,320 to €30,000. The scheme gives priority to those on lower incomes. People with household incomes of less than €30,000 may qualify for 95% of the cost of the works (subject to the maximum of €30,000) tapering to 30% for household incomes of between €54,001 and €65,000. The Housing Adaptation Grant for new houses for people with disabilities, that is, houses which are adapted within one year of their completion, increases from the current maximum of €12,700 to €14,500.

Housing Aid for Older People

The scheme amalgamates the existing Essential Repairs and Special Housing Aid for the Elderly Schemes and aims to make the homes of older people habitable. The maximum grant available is €10,500 and may cover 100% of the cost of works for people with an annual household income of less than €30,000, tapering to 30% for those with annual household incomes of €54,001 to €65,000.

Other grants

If you own a thatched house you may get a grant of two-thirds of the cost of renovating the thatched roof, to a maximum of €3,810. €7,000 is available for houses in the Gaeltacht and €10,500 for houses on offshore islands.

There are grants for the installation of water and sewerage facilities, including group water schemes.

Grants of up to €6,000 or 80% of the cost, whichever is the lesser, may be made available for the installation of central

heating in local authority houses. The work may also include related energy improvement and smoke detection measures.

A pilot scheme for the installation of central heating and associated insulation in private houses occupied by older people in the Dublin area was started earlier this year.

You may get help with energy costs under the "Greener Homes" grant scheme, which was covered in Relate, February 2007. This is administered by Sustainable Energy Ireland.

www.sei.ie/greenerhomes Lo-call: 1850 734 734

The Citizens Information Board is the statutory body which supports the provision of information, advice and advocacy on the broad range of social and civil services to the public. It provides the Citizens Information website and supports the voluntary network of Citizens Information Services and the Citizens Information Phone Service.

Head Office

7th Floor t + 353 1 605 9000
Hume House f + 353 1 605 9099
Ballsbridge e info@ciboard.ie
Dublin 4 w www.citizensinformationboard.ie

The private rented sector

Supports are available for people renting privately.

Rent relief for private rented accommodation

Tax relief may be granted for rent paid in the private rented sector. The following are the current maximum amounts which attract tax relief:

| | Single | Widowed/Married |
|----------|--------|-----------------|
| Under 55 | €1,800 | €3,600 |

Rent and Mortgage Supplement

Under the Supplementary Welfare Allowance scheme, a Rent Supplement or Mortgage Interest Supplement may be payable if your income is low. Generally, you may not qualify if you are in full-time employment but there are some exceptions. The scheme is administered by the Community Welfare Officer at the HSE (it is intended to transfer the service to the Department of Social and Family Affairs). Basically, the scheme provides that you should have a minimum income left to live on after you have paid your rent or mortgage interest.

Rental Assistance Scheme

The Rental Assistance Scheme (RAS) applies to people who have a long-term housing need and who have been dependent on Rent Supplement for 18 months or longer. The scheme involves the local authorities in making accommodation arrangements instead of paying a Rent Supplement. A variety of accommodation arrangements are being put in place. Generally the local authorities are making direct arrangements with landlords to rent premises on behalf of RAS recipients.

Private Residential Tenancies Board

All private rented residential premises must be registered with the Private Residential Tenancies Board (PRTB) and must meet certain standards. See *Relate*, December 2005 for information on the rights of tenants and landlords.

Further information

The Department of the Environment, Heritage and Local Government provides information on the various schemes: www.environ.ie

Threshold is a voluntary organisation which deals with housing issues.

Dublin: 21 Stoneybatter, Dublin 7,
Tel: (01) 678 6096

Cork: 22 South Mall, Cork,
Tel (021) 427 8848

Galway: Victoria Place, Merchant's Road, Galway,
Tel: (091) 563 080

Limerick: 26 Catherine Street, Limerick,
Tel: (061) 405 400 www.threshold.ie



Citizens Information

LOG ON
www.citizensinformation.ie

LO-CALL
1890 777 121 Open Mon to Fri, 9am to 9pm

DROP IN
For your local centre see Golden Pages listing