

## **Affordable homes**

Affordable homes are homes provided at a discount to the market price for people who cannot afford to buy a home on the open market. An affordable home is a home that you buy at a discount to the market price. Your affordable home is for you to live in as long as you want. If you sell it within 20 years, you will have to pay back a percentage of the sale price to the local authority.

### **To qualify for an affordable home, you should:**

1. be a first-time buyer (but there are some exceptions, for example if you are divorced);
2. have enough income to meet your mortgage repayments after you have paid all your other costs; and
3. as a guide, earn up to €55,000 in a year as a single person (up to €75,000 between you if you are a couple). These are the approximate income limits only - lower income limits may apply.

### **How do I apply?**

You apply to the local authority in the area in which you want to live. You can apply to more than one local authority. Local authorities include county councils, city councils, borough councils and town councils. All local authorities have application forms for affordable homes.

### **What happens once I apply?**

The local authority will assess your application to decide whether you qualify for an affordable home. They will send you a letter explaining the outcome of your application. Some local authorities may ask you to go to a meeting to discuss your application in more detail.

### **What are my chances of being offered an affordable home?**

There is more demand for affordable homes in some places than others. The number of affordable homes available may be limited in the area you would prefer to live in. Keep your options open by considering alternative areas.

## **How much is an affordable home?**

An affordable home is a home that you buy at a discount to the market price, but the prices are different in different areas of the country. The price depends on the area you want to live in and on the size and type of affordable home available. The price of affordable homes in large towns and cities tends to be higher than elsewhere. In all cases you pay less for your affordable home than you would pay if you were buying it on the open market - that is what makes it an 'affordable home'.

## **Where can I get a mortgage for an affordable home?**

You may get a mortgage either from the local authority or from the following organisations.

Bank of Ireland - Breakthrough Mortgage

Educational Building Society (EBS) - Home Access Mortgage

IIB Home loans Ltd - Advantage Mortgage

### **If you choose a mortgage with a bank or building society and the local authority offers you a home:**

1. the local authority will give you a 'Confirmation for Lender' certificate, which describes the property and tells you the banks or building societies that may be willing to grant you a mortgage for your affordable home; and
2. you can then take this certificate and apply for a mortgage with a bank or building society. The term of your bank or building society mortgage (the number of years you make repayments for) can be up to 35 years.

### **If you choose a mortgage with the local authority;**

1. the most you can borrow from a local authority is €185,000 however, it is possible to buy a home with a value of more than this by taking part in a shared-ownership scheme;
2. the term of your local-authority mortgage can be for up to 30 years; and
3. your mortgage repayments cannot be more than 35% of your net income. If you are applying for a mortgage with someone else, the repayments cannot be more than 35% of your net income put together.