



## **1: Pathway to Supporting Homeownership and Increasing Affordability**

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### **The current context:**

Affordability and the chance to own a home is at the heart of the Government's housing policy. Presently, many people are unable to buy or rent a home. Many on low and moderate incomes face huge challenges in securing accommodation that suits their needs. High rents make it more and more difficult to save for a deposit to buy a home in the location of choice. The inability to secure appropriate housing and the scarcity of options has led to other difficulties such as many people being forced to undertake lengthy commutes to their work or education locations.

While schemes such as the Rebuilding Ireland Home Loan scheme have helped over 2,200 home buyers in just over three years, more people require a home loan, having failed to secure one from a bank. The Government firmly believes that homeownership is good for individuals, families, communities and the State. Achieving more homeownership requires new measures to provide affordable accommodation to buy or rent.

### **Key actions in Housing for All:**

- Government funding of 54,000 affordable homes for rent or purchase between 2022 and 2030. These will be provided by Local Authorities, Approved Housing Bodies (AHBs) and the Land Development Agency (LDA).
- A new local authority provided Affordable Purchase Scheme, primarily aimed at helping first-time buyers to purchase affordable housing being sold by local authorities and AHBs.
- The LDA, the State agency tasked with delivering affordable housing (primarily on State land), will progress Project Tosaigh. This initiative will enable the early delivery of new affordable homes.
- A new affordable purchase shared equity 'First Home' scheme for buyers of new build homes in private developments. The scheme will last until 2025.
- A new form of rental tenure, Cost Rental homes, with rents targeted at, at least 25% below market rates.
- Expanding 'Part V' contributions (where the developer provides 10% of the uplift in value of zoned residential development for social housing), from 10% to 20%.
- A newly expanded 'Local Authority Home Loan', with an interest rate for new borrowers of 0.25% less than the current Rebuilding Ireland Home Loan scheme interest rate. The maximum income ceiling for single persons will be €65,000 in certain areas, and increase on the €50,000 income ceiling for a single applicant under the existing Rebuilding Ireland Home Loan scheme.

- A 'Fresh Start' principle: people who are divorced and have no interest in the family home, or who have undergone insolvency proceedings, can apply for State affordable housing and loan schemes.
- Introduce a new form of 'owner occupier guarantee', which will enable local authorities to specify a minimum proportion of the houses and duplexes to be restricted to first occupation by individual purchasers or owner-occupiers.
- Extend the Rent Pressure Zone Protections to 2024, with rents linked to the Harmonised Index of Consumer Products (that is, inflation).
- Introduce indefinite tenures (that is, occupancies) for rental leases.
- Set inspection targets of rental properties at 25% of all private residential tenancies (as soon as Covid-19 restrictions permit).
- Provide additional resources to the Residential Tenancies Board (RTB) to facilitate early engagement to prevent disputes between landlords and tenants escalating to formal RTB dispute resolution.
- Amend rental legislation so that landlord-tenancy conciliation is a default part of the dispute resolution process.

### **The expected outcomes:**

Between now and 2030 the Government expects:

- Approximately 54,000 affordable homes will be supplied for purchase or rent. 29,000 will be delivered by the end of 2026. As part of this an average of 2,000 Cost Rental homes will be provided each year.
- The expansion of the eligibility criteria for the Local Authority Home Loan scheme will lead to many more prospective home buyers availing of local authority loans to purchase homes than have in recent years.
- The Affordable Purchase and First Home schemes will help thousands of others bridge the funding gap between maximum mortgage and deposit, and the cost of purchasing a new build home.
- The benefits of the expansion of the 'Part V' contribution will be felt in the medium to long-term with the private sector delivering more social and affordable housing.
- Strengthened protections for renters.

Taken together these measures, among others, will make homeownership achievable for tens of thousands of additional individuals and families in the short and long-term. They will reduce the rental pressures on thousands of hard-pressed middle income earners.

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