

# Tenant (Incremental) Purchase Scheme 2016

## Frequently Asked Questions



Comhairle Cathrach Chorcaí  
Cork City Council

Cork City Council  
Housing Loans and Grants Section  
Ground Floor  
City Hall  
Anglesea Street  
Cork  
T12 T997

Tel: (021) 492 4000

## Frequently Asked Questions

### Who is eligible to purchase?

If you have been a tenant (or joint tenants) of a Local Authority for a minimum of at least 10 years, you may apply to purchase your property under the Increment Tenant Purchase Scheme 2016

### Is there a closing date for the scheme?

There is no closing date for the Incremental Tenant Purchase Scheme 2016

### How is the purchase price calculated?

The purchase price of a house is the value of the house for the purposes of calculating the applicable discount and will be calculated as the greater of –

- (a) The market value of the house (which reflects its prevailing state of repair and condition) or
- (b) Half the estimated cost to the council of providing a replacement house to modern standards in its housing stock to accommodate a household in the same class as that for which the house was designed.

### Can a tenant contest a local authority valuation?

Yes, but you must submit a valuation certificate from a qualified valuer to support your claim. In the event of a significant difference between the authorities original valuation and that submitted by the tenant, the authority will refer the matter to the panel of independent valuers. You must pay the cost of this independent valuation.

### What discounts are available?

The discount given to a tenant purchaser depends on the reckonable tenant income, as follows:

- A discount of 60% off the purchase price applies where the reckonable tenant income is in the range of €12,500 to €20,000;
- A discount of 50% off the purchase price applies where reckonable tenant income is in the range €20,001 to €29,999;
- A discount of 40% off the purchase price applies where reckonable tenant income is equal to or greater than €30,000

## Are any houses not for sale?

The Incremental Tenant Purchase scheme **excludes** the following.

- Houses designed for occupation by elderly persons,
- Houses provided for persons with disabilities making the transition from congregated settings to community-based living under the National Deinstitutionalisation Programme,
- Group traveller housing,
- Houses in a private development transferred to the local authority by the developer (Part V dwellings)
- Apartments and duplex units
- Houses managed by a housing body.
- Houses purchased by Cork City Council under the Rental Accommodation Scheme
- Houses purchased by Cork City Council under the Mortgage to Rent Scheme
- Caravans, mobile homes, etc.,
- Houses that a housing authority decides not to sell for reasons of proper management of its stock of housing accommodation or on account of their structural condition, and
- Houses that an authority decides not to sell for the time being on account of proposals the council has to carry out remedial works in the estate concerned or to regenerate the area in which the house is located.
- Tenant subject to Debt Relief
- Tenant who has not submitted all relevant income details.
- All houses other than 3 bed units are excluded from potential purchase within the scheme.

### Other exemptions include;

- Arrears: You must not have been behind in your rent for more than 12 weeks in the past three years. If so, a payment arrangement must have been agreed or in place. Your application will be cancelled if it doesn't meet the above arrears criteria;
- Anti-social behaviour: No-one living in your home can be engaged in anti-social behaviour.
- You must not have bought a house under an earlier tenant purchase scheme.

Cork City Council may, at their discretion, exclude houses for reasons of housing stock management, good estate management or because of their structural condition or if they have proposals to carry out remedial works to them.

### Does the local authority have to put the house into good structural condition?

No. The sale price of your house will reflect its existing state of repair and condition. The local authority is under no obligation to put any house being purchased into good structural condition prior to sale. No warranty by the local authority shall apply, or be deemed to be implied, as to the state of repair or condition, or the fitness for human habitation of any house sold under the purchase scheme.

### Who is responsible for the maintenance after purchase?

Like all homeowners, you will be fully responsible for the upkeep and maintenance of your house from the date you sign the purchase agreement with the local authority.

### How is the purchase of the property financed?

The purchase price will be payable at the point of sale and the tenant, as purchaser, will be responsible for raising the necessary finance. If you need to get a mortgage loan, as most purchasers will, you have the choice of applying to your local authority or to a bank or building society. **Please note that only the person/persons who appear on the current Tenancy Agreement and are registered as Tenants for a period of 10 years may apply for loan approval.**

The local authority will be able to offer you (subject to certain conditions)

- A Local Authority Home Loan

### **Is a deposit required when purchasing a property?**

A Deposit is not required if you are funding the purchase of the property through a loan from a private lending institution.

However, you may also apply for a Local Authority Home Loan from Cork City Council.

### **Is mortgage protection insurance required?**

Mortgage protection insurance is compulsory in the case of a local authority mortgage and is currently added to the interest rate on your loan. Building societies and banks also normally require and arrange mortgage protection insurance.

### **Are there restrictions on the use/resale of the house?**

Yes. The house must, unless the local authority otherwise allow, be occupied as a normal place of residence by the purchaser, the purchasers family or successor in title. If you wish to sell, re-mortgage or transfer the ownership of the house within a period of 20 to 30 years from the date of purchase **you must get the consent of the local authority.**

### **Will I incur legal costs?**

Yes, there will be legal fees associated with purchasing your local authority rented property, payable to Cork City Council.

Cork City Council also advise that you must engage the services of a Solicitor to complete purchase of the property.

### **Will I need to insure my property?**

Yes, once the sale is complete you will become responsible for the full insurance cover on the property. If the purchase of the property is by loan advanced by Cork City Council you must also indemnify the Council on this policy.

### **Will I be responsible for the maintenance and upkeep of the property?**

Yes. Once the property is purchased you will be solely responsible for the maintenance and upkeep of same. Cork City Council will no longer provide a maintenance service to you as you will now be the property owner.

### **What charges will need to be paid in full prior to application being made for Incremental Tenant Purchase?**

You must have paid in full and any monies outstanding to the Local Authority. Documentary evidence will be required to ensure that payment has been made in full.