



Drogheda Borough Council Incremental Purchase Scheme

The Incremental Purchase Scheme has been introduced as a new purchase option to meet the needs of those requiring long term housing support and assist those households with low-incomes to make a start on the route to homeownership.

The main aspects of the Scheme are as follows:-

- The house is sold at a discounted price and the purchaser becomes the full owner at the time of sale.
- The Incremental Purchase Scheme applies to new build houses only and does not include apartments/flats.
- The purchaser is responsible for maintaining the house and ensuring that it is adequately insured to the satisfaction of the Council.
- A reducing charge equal to the amount of discount given is placed on the property. The charge (*or the money owed to the Council on re-sale*) is reduced by 2% each year, except for the first five. At the end of the 5th year, the charge is reduced by 10% and 2% thereafter until the charge period expires or until nothing is due back to the Council. The length of the Charge will depend on the amount of discount given.
- Purchasers may undertake improvement works only with the agreement of the Local Authority.
- A house bought under this Scheme can be re-sold, however the remaining charge (which is the discount given) based on the market value at the time of re-sale must be paid to the Local Authority from the proceeds of the sale.
- If the house is being re-sold, the Local Authority determines the market value at the time.
- Allowance is given which is deducted from the amount owed back to the Local Authority if any improvement works were carried out, but only if prior approval was given by the Local Authority.
- The Local Authority has first option to buy the house in the event the house is being re-sold.
- The Local Authority may also refuse to consent to a IPS house being re-sold where it believes the house is being sold below the current market value.

Who is eligible:-

- Existing tenants of the Local Authority, Approved Housing Body or RAS (rental assistance scheme) who are willing to move to a new build. The IPS house must be purchased at the outset.
 - Approved Housing Applicants. If an applicant is allocated a IPS house, they have up to 5 years to purchase same.
 - All of the above must satisfy the 'Household Means Policy' to determine income eligibility and affordability.
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The following are also taken into consideration when assessing an applicant(s) eligibility and suitability to purchase a house under the Incremental Purchase Scheme:-

- Minimum income requirements apply. A household must have a gross annual income of not less than €15,000.
- Income from Social Insurance, Social Assistance payments, allowances, pension allowances & other welfare benefits are not assessable income for the purposes of IPS, except where this is a secondary source of income ie, where a person receives a social welfare payment in addition to income from employment and/or where the spouse/partner of an employed applicant receives a social welfare payment. Notwithstanding this, some types of benefits will not be accepted as income.
- The IPS house being sold must meet the Housing Needs of the household purchasing same.
- Local Authority must carry out an assessment under the 'Household Means Policy' to determine income eligibility and ensure the ability of the household to maintain a mortgage, cover insurance and maintenance on the house.
- Rent Arrears History.
- Any incidents/records of anti-social behaviour.
- Any convictions/prosecutions pending in the 5 year period prior to the date of your application in respect offences/breaches of orders committed under the following under the Criminal Justice (Public Order) Act, 1994 and Criminal Justice Act 2006.
- A household who previously bought a house from any Local Authority is not permitted to buy a house under the IPS.

Discounts and Income Bands:-

- Discount are applied using 3 bands as follows:-

Bands	Household Income Level	Discount Applicable
Band 1	€15,000 - €19,999	60%
Band 2	€20,000 - €29,999	50%
Band 3	€30,000 +	40%

Financing the purchase of an IPS House:

- The normal means of financing the purchase of an IPS House is to seek mortgage finance from a lending institution of your choice and submit evidence of same to the Local Authority. If you are genuinely unable to obtain a mortgage and have received at least two refusals you may apply to Drogheda Borough Council for a mortgage to finance the purchase. Drogheda Borough Council can only consider applications from persons who are in a financial position to meet the repayments and all applications are subject to certain lending criteria.
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Breaching the terms and conditions of the Scheme:-

If any of the terms and conditions of the Scheme are breached the following may apply:-

- Any improvements carried out WITHOUT the consent of the Local Authority will not be taken into account in the event the house is being re-sold.
- If a breach occurs, a suspension of the reducing charge may be applied by the Local Authority for a period of time, this outstanding money must be paid by the household if the house is re-sold or at the end of the charge period.
- If the house is re-sold to someone other than the Local Authority and any money due to the Local Authority is not paid at the time of sale, the Local Authority can recover monies owed to through the courts.

For further information on the Incremental Purchase Scheme or to make an application for same, please contact the Housing Section, Drogheda Borough Council at 041-9876197 or email: housing@droghedaboro.ie

Information may also be obtained from our website: www.droghedaboro.ie
