



Enhanced Long Term Social Housing Leasing Scheme

What is Enhanced Leasing?

The Enhanced Long-Term Social Housing Leasing Scheme is being made available to property owners who can deliver properties at scale and provide the requisite property maintenance services under the terms of the lease. The scheme is operated using template contracts (Agreement for Lease and Lease) and the counterparty to the agreement is the local authority.

The purpose of the scheme is to:

- target newly built or yet to be built houses and apartments for leasing;
- target property developers and investors who are in a position to deliver housing at a reasonable scale; and
- provide for 25-year lease terms that require the property owner to provide day to day maintenance of the properties under a schedule of Management Services.

The Housing Agency is the national co-ordinator of this scheme and manages and administers it on behalf of local authorities and the Department of Housing, Planning and Local Government.

General Principles of Enhanced Leasing

There are a number of general principles of scheme and these are:

- Proposers submit a proposal to Lease to a Local Authority on a long-term basis of up to 25 years a minimum of 20 properties in a particular Local Authority area.
- The Local Authority will make rental payments of up to 95% of the agreed Market Rent to the Proposer for the provision of the properties.
- Rent review will be based on the Harmonised Index of Consumer Prices (“HICP”), and reviews will be at 3-year interval, from the date the rents are formally agreed during the process.
- The Local Authority will sub-let the property to a tenant. Tenants will be nominated by the relevant Local Authority in accordance with their Scheme of Letting Priorities. Tenants will enter into a tenancy agreement with the relevant Local Authority, acting as the landlord. The Local Authority will have responsibility for managing the tenancy under the terms of the tenancy agreement.
- The Proposer will be responsible for the management and maintenance of the properties, as set out in the Lease. This is a performance-based contract where penalties will apply if the management services requirements are not adequately performed.
- The lease protects the leasehold interest as there is no provision of break clauses during the term of the lease.
- The proposer will be required to provide the financial information during the due diligence stage of the process in order to determine the financial robustness of both the proposer and the proposal.

Identifying a Proposal

- A proposal can be a group of a minimum of 20 properties in a single development or on multiple developments/sites/locations within a Local Authority area.
 - i. Multi-unit proposals from the same development can be examined as a single proposal. A proposal can include properties delivered in a single/multi location on a phased basis.
 - ii. Properties within a single development/site should be submitted together not in a phased manner.
 - iii. It is permissible to combine properties from more than one development/site in one Local Authority area in one proposal if one or more of the combined development/sites contains less than 20 properties.

- Properties included in a proposal will be required to meet all relevant and applicable statutory requirements under the Planning and Development Acts 2000-2017, Building Control Acts 1990-2014 and any subordinate legislation made under these Acts including the payable of any levies or charges, including local property tax.
- Properties provided must meet the requirements of the Housing (Standards for Rented Houses) Regulations 2019 (S.I. 137/2019) and be provided with furniture and appliances including white goods, albeit the lessor is only responsible for the furniture and appliances for the first 60 days of the lease term.
- Where applicable, **Part V obligations must be complied with** in accordance with the Planning and Development Acts and to the satisfaction of the relevant Local Authority. The proposal must be a minimum of 20 units as set out above and provide **additionality** regarding the number of units above the obligations of the Part V agreement already reached with the Local Authority Housing Department.

Please note that the leasing of properties to a Local Authority for social housing use does not exempt the development from the requirements set out in Section 96 of the Planning and Development Act 2000).

Submitting a Proposal

A proposer must submit information to allow the Housing Agency, relevant local authority and their financial and legal advisors to assess the proposal and ensure the proposer can demonstrate the financial capacity to deliver and maintain the properties over the term of the lease.

The items to be submitted will include:

- A signed Declaration
- Proposal Form completed and signed
- Site Location Map, 1:1000 in built up areas and 1:2500 in all other areas
- Proof of ownership
- Planning Permission (Planning Permission Confirmation Letter)
- Layout and maps of development/proposed properties, 1:200
- Rent Valuation with comparables
- Part V Compliance (Confirmation of Agreement)
- Delivery Programme (Construction to be included if appropriate)

In addition, at the due diligence stage the proposer will be required to submit documentation on:

- A. Title
- B. Fifth Schedule
- C. Financial Capacity

Purpose of Pre-planning Suitability Assessment

The pre-planning suitability assessment process is designed to give prospective proposers who do not have planning permission the opportunity to engage with the Housing Agency, in advance of submitting a planning application to establish the likelihood of such a proposal being considered suitable under The Enhanced Leasing Scheme or any future iterations of the Scheme.

Want to know more?

The Terms and Conditions of the scheme plus a book of appendices and lease agreements for the scheme are available on the Housing Agencies website:

- www.housingagency.ie

Queries on any aspect of the scheme may be sent to enhancedleasing@housingagency.ie



Rialtas na hÉireann
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Prepared by the **Housing Agency** and the **Department of Housing, Planning and Local Government**