



Clarification in relation to Assessment Criteria 4 (ii) of Appendix 1 to Circular PL10/2016-APH4/2016

Subsequent to the recent LIHAF discussion and briefing forum organised by the Department for local authorities and housing providers on 15 September, 2016, further clarification is provided below in relation to Assessment Criteria 4 (ii) of Appendix 1 to Circular PL10/2016-APH4/2016.

The feedback indicated that, considering average values for similar house types to those proposed in the wider housing markets in some of the localities of those sites and particularly in parts of Dublin, it may not always be possible to deliver 40% of the new homes under the LIHAF bids at prices 10% below the average cost of market housing including under €300,000 as mentioned in the Circular and Appendix, where average prices in the wider context are likely to be in excess of this figure.

The intention behind this criteria is to ensure that in return for investment by the State and local authorities through LIHAF in opening up strategic sites, bid proposals for that funding would be on the basis of demonstrating that a reasonable share of the new homes released as a result of that investment would be affordable and therefore would be subject to strong demand, which would in turn drive a high level of output off the sites benefiting from the fund.

Therefore, assessment criteria 4(ii) of Appendix 1 to Circular PL10/2016-APH4/2016 is amended by adding the words below at the end of the criteria.

Alternatively and where prevailing average house prices are more than the above, bids should put forward proposals for an affordability dimension to housing provision on the site on the basis of a measurable cost reduction exercise that compares between a “before” and “after” LIHAF funding scenario.

All bid proposals should incorporate an appropriate legal mechanism or form of undertaking to ensure cost reductions are delivered at the point of sale.

The provision of housing through agreement with AHB's or local authorities to purchase/develop social housing as part of the social housing programme, as well as local authority Part V housing provision, would also qualify as contributing towards meeting this criteria.

The Department remains available to provide any further clarifications as necessary.

Patrick O'Sullivan
Planning, Land Management and Housing Market Policy Division
30 September, 2016

