

Department of Environment, Heritage & Local Government

Explanatory information for Property Owners: Leasing Arrangements

The Department of Environment, Heritage and Local Government has established a new leasing initiative for the delivery of social housing.

This new initiative represents an expansion of the options for the delivery of social housing. Local Authorities have been requested by the Department of the Environment Heritage and Local Government (DoEHLG) to consider proposals from property owners in line with this new initiative.

Submissions are now being sought by Local Authorities from property owners for the provision of suitable houses/apartments for occupation by its social housing applicants. Submissions will only be considered from owners who can provide a minimum of 5 properties. Local Authorities will enter into lease agreements with property owners for a period of between 10 and 20 years, with the terms and condition of each lease to be agreed.

Initial expressions of interest can now be made to Local Authorities and should provide the following information:-

- Location and address of the properties.
- Type (House/Duplex/Apartments etc).
- Size of property.
- Number of rooms.
- Indicative market rents.

Interested parties should provide this information on the submission template available at www.galwaycoco.ie and the template should be returned directly to Galway County Council. Further information on the scheme is available on Galway County Council's website at www.galwaycoco.ie. Initial submissions should be addressed to the Director of Housing and the envelope should be clearly marked, **'Expressions of Interest for Long Term Leasing arrangements.'**

Following receipt of initial submissions, the relevant local authority will consider the properties submitted against their requirements for housing within the proposed areas. Further details will be requested for properties that are considered suitable after this initial submission and will include:-

- A plan outlining the exact location of the properties submitted.
- A full specification of each property proposed.
- Proof of ownership (evidence of title i.e. freehold/leasehold) of the submitted properties. Where properties are in the ownership of a company, details of the company will be required.
- A Tax Clearance Certificate (TCC) will be required for the payment of rent. An updated TCC certificate will be required on an annual basis.
- Proposed discounted rented price.
- Parking arrangements
- Description of development

The Lease/Rent

- The proposed rent will need to reflect the strength of the rent and void guarantee, lease duration, the transfer of maintenance and management responsibilities and special terms and conditions of the lease arrangement. Rent free period / break options and rent reviews may form part of the lease negotiations.
- The properties will be provided unfurnished and on 'repair and insure' basis where the Local Authority will be responsible for the insurance, maintenance and general repair of the properties.
- A lease agreement will be subject to rent reviews, which may be revised on an upward and downward basis, dependent on market conditions.
- The local authority will make regular payments to the property owner in accordance with the agreed lease.
- The agreed rent will be an 'inclusive' rent to include all rates, charges and taxes that might apply to that property.
- If properties are held under a mortgage it will be necessary to provide the mortgage lenders consent.

The Property

- Properties will need to be in compliance with planning and all relevant technical standards, supporting certificates of compliance documentation will be required before agreements will be signed;
- Structural guarantees will be required for the duration of the lease; structural guarantees e.g. Home Bond/Premier Guarantee, must be submitted with your proposal. Throughout the term of the lease the owner will retain responsibility for any structural defects.
- BER rating certificates will be required with all properties submitted to the initiative.
- An initial inspection/condition report will be required for each property before the initial agreements are made.