



Rialtas Áitiúil Éireann
Local Government Ireland



Advance Purchase Arrangements for Residential Developments Through Turnkey Agreements

A brief guide for home builders and housing developers



Rialtas na hÉireann
Government of Ireland



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1. Introduction

‘Housing for All - a New Housing Plan for Ireland’ is the government’s housing plan to 2030.

It is a multi-annual, multi-billion-euro plan which will improve Ireland’s housing system and deliver more homes for people with different housing needs.

It is an objective of Louth County Council to create sustainable communities by encouraging a mix of mixed tenure (i.e. affordable and social) and mono tenure (i.e. affordable or social) housing.

Louth County Council is seeking to increase the availability of affordable housing through various delivery mechanisms including through advance purchase arrangements with home builders and housing developers across County Louth.

In this call, home builders and housing developers are being asked to consider offering properties with planning permission, where construction of the development or a phase of a development has not yet commenced, to local authorities under an advance purchase turnkey arrangement, with payment on completion, primarily for affordable housing purposes. Please note that the requirements under Part V of the Planning and Development Act 2000 as amended will apply in the normal way to all proposals.

Joint venture arrangements that include an Approved Housing Body will be considered.

1.1 Affordable Housing Funding (AHF)

1.1.1 Affordable Purchase

Where appropriate proposals for affordable are received and considered acceptable, Louth County Council can seek Affordable Housing Funding (AHF) from the Department of Housing, Local Government and Heritage (DHLGH).

The Affordable Housing Fund (AHF) provides Exchequer funding support to local authorities to assist in meeting the cost of delivery of affordable homes via an equity share in the property. The AHF funding is dependent on several criteria and 3 funding limits. Please refer to the below table.

Funding Limit Categorisation¹

Scheme density	Funding limit
Dwellings in schemes with a net density of over 50 dwellings per hectare in cities designated under the National Planning Framework	€100,000
Dwellings in schemes with a net density of over 35 dwellings and under 50 dwellings per hectare in all urban areas	€75,000
Dwellings in schemes with a net density of less than 35 dwellings per hectare	€50,000

¹ Depending on the nature of the constraints and the efforts to address this in designing the proposed scheme, account may be taken of the impact of the constraint in calculating the proposal’s density and /or scheme layout.

The AHF funding must achieve a minimum 15% discount on open market values of comparable new build properties for affordable purchase, with the benefit of the applied for AHF funding taken into account.

The calculation of the 15% discount is set out in the below example.

Example

Achieves minimum 15% discount is achieved on open market values of comparable new build properties

Local Authority Affordable Housing	
Cost of Provision (all-in costs) ²	€220,000
Affordable Housing Funding (AHF)	€50,000
Purchaser contribution (i.e. Mortgage and deposit)	€170,000
Open market values of comparable new build	€200,000
Discount 15.00%	€30,000

1.2 Background information

1.2.1 Areas of Need

Proposals are invited for the advance purchase of turnkey properties for affordable housing across County Louth.

1.2.2 Proximity to Services/Amenities

Ideally, proposals should be well located and be within walking distance of primary services such as school, shop, community facility etc.

1.3 Submission Process

A two-stage process will be used.

In the Stage 1 submission, information in relation to the proposed site location will be sought. (See Expressions of Interest Form for further details).

Only those submissions which are deemed acceptable to the Local Authority following evaluation of Stage 1 submissions will progress to the Stage 2 submission and evaluation process.

1.3.1 Submissions

Applicants are invited to complete the Expression of Interest Form attached to this guidance document and any other information they consider relevant to their Expression of Interest.

² The all-in cost of the development includes, land costs, construction costs, design fees and other costs such as development levies, utilities, financing costs, sales, marketing, profit etc.

1.3.2 Evaluation of Submissions

Submissions will be shortlisted against the below Pass/Fail criteria. Only those submissions which achieve a Pass mark against all criteria, will move to the second stage of the process.

The Pass/Fail criteria are as follows:

1	Location and suitability of the site,	Pass/fail
2	Land zoning status (if applicable). Zoning must be compatible with residential development;	Pass/fail
3	All necessary utilities available, e.g. water, sewage, electricity, communications; etc.	Pass/fail
4	Initial indicative assessment of Affordability Gain ³ ;	Pass/fail

Following shortlisting, successful applications will be evaluated based on the following criteria:

- Number and mix of units proposed, and density in phase or phases;
- Schedule of materials and finishes being proposed;
- The all-in cost of the development broken down between land costs, construction costs, design fees and other costs such as development levies, utilities, financing costs, sales, marketing, profit etc. It is a requirement that this information be provided for the different unit types;
- A timeframe/programme for the completion of the proposed development;
- Details of any Approved Housing Body, if applicable, and proposed role in delivering the development;
- Any other relevant information;

Subject to the above evaluation, the Local Authority will revert with confirmation that the scheme has been selected or declined for approval.

³ It is a requirement of AHF funding eligibility that a minimum 15% discount is achieved on open market values of comparable new build properties for affordable purchase proposals with the benefit of the applied AHF funding taken into account.

2. Contractual arrangements

Where agreement is reached between the proposer and Louth County Council on the scheme of development, a project specific Development Agreement will be required between the parties regarding the advance purchase of any affordable properties and will be determined by the characteristic of each development.

The turnkey contract agreement is not and should not be construed as a building agreement or public works contract.

The acceptance of any proposal(s) by Louth County Council shall be subject to the final agreement of satisfactory terms of contract with the developer and will also be subject to the availability of funding and the approval of the Department of Housing, Local Government and Heritage.

All costs and expenses incurred by applicants relating to and including the engagement of design consultants, securing planning permission, etc. is to be considered as 'work at risk' and no recovery of any costs from Louth County Council will be entertained. Louth County Council will have no financial liability prior to the signing of a contract.

3. Confidentiality

Louth County Council will use its best efforts to hold confidential any information provided by proposers, subject to its obligations under law, including the Freedom of Information Act 1997 and 2003. Louth County Council will consult with proposers about sensitive information before deciding on any FOI request received. Similarly, Louth County Council requires that all information provided pursuant to this invitation will be treated in strict confidence by tenderers.

4. Irish legislation

Applicants should be aware that national legislation applies in other matters such as Official Secrets, Data Protection and Health and Safety.

Applicants must have regard to statutory terms relating to minimum pay and to legally binding industrial or sectorial agreements in formulating proposals.

5. Meetings

Louth County Council reserves the right to meet with Proposers if considered necessary, for the purposes of clarification of information received as part of the submission.

6. Conflict of interest

Any conflict of interest or potential conflict of interest on the part of an Applicant, individual employees, agents, or subcontractors of an Applicant must be fully disclosed to Louth County Council, as soon as the conflict or potential conflict is or becomes apparent. In the event of any conflict or

potential conflict of interest, the Local Authority may invite Applicants to propose means by which the conflict might be removed. The Local Authority will, at its absolute discretion, decide on the appropriate course of action, which may in appropriate circumstances, include eliminating an Applicant from the process or terminating any contract entered into by an Applicant.

7. Applicant exclusion

An Applicant shall be excluded if, to Louth County Council knowledge at the time of the award decision, it has been convicted of an offence involving participation in a proscribed criminal organisation or corruption, fraud or money laundering.

An Applicant may be excluded if s/he:

- is subject to a bankruptcy or insolvency procedure or process of a kind specified in Regulation 53, paragraph (5) of the European Communities (Award of Public Authorities' Contracts) Regulations 2006 or
- has been found guilty of professional misconduct by a competent authority that is authorised by law to hear and determine allegations of professional misconduct against persons that include the Applicant or has committed grave professional misconduct provable by means that the Local Authority can demonstrate or
- has not fulfilled an obligation to pay a social security contribution as required by a law of Ireland or the country or territory where the Applicant ordinarily resides or carries on business or
- has not fulfilled an obligation to pay a tax or levy imposed by or under a law of Ireland or the country or territory where the Applicant ordinarily resides or carries on business or
- has provided a statement or information to the Local Authority or another contracting authority knowing it to be false or misleading or has failed to provide to the Local Authority or another such authority, a statement or information that is reasonably required by the Local Authority or other authority for the purpose of awarding the public contract concerned.

8. Funding Support

It may be noted that various funding parties have been informed of this call for expression of interest. The Home Building Finance Ireland (HBFI) who have advised of their interest in supporting affordable housing delivery. Funding may be available via the HBFI amongst other sources.

9. Queries

Queries can be made by submitting questions by email at declan.grimes@louthcoco.ie or by phone to 042 933 5457.

Any queries made that give rise to any new information or clarification, may be issued to all Applicants depending on relevance. The identity of the Applicant who raised the initial query shall not be disclosed to other interested parties.

10. Reference documents

The following documents may be of assistance to parties interested in making a submission under this call for proposals:

- Affordable Dwelling Purchase Arrangements, Local Authority Toolkit – Version 1 March 2023.
- Quality Homes for Sustainability Communities and Delivering Homes Sustaining Communities, 2007 (<https://www.gov.ie/en/publication/60868-quality-housing-for-sustainable-communities/> & <https://www.opr.ie/wp-content/uploads/2019/08/2007-Delivering-Homes-Sustaining-Communities-Hsing-Policy-1.pdf>)
- Standard Specification for Materials and Finishes for Social Housing (gov.ie - [Employer's Requirements for Detail Design of Quality Housing \(Revision 1 September 2020\)](http://gov.ie) (www.gov.ie))
- Guidelines for Planning Authorities on Sustainable Residential Development in Urban Areas (Cities, Towns and Villages) 2009 (<https://www.gov.ie/en/publication/a8c85-sustainable-residential-developments-in-urban-areas-guidelines-for-planning-authorities-may-09/>)
- Design Manual For Urban Roads and Streets, 2019 (<https://www.gov.ie/en/publication/3360b1-design-manual-for-urban-roads-and-streets/>)
- Building Control Regulations 1997 – 2015, as amended.

11. Return of submissions

Submissions can be made in writing or by email and should include all information requested. Written submissions should be enclosed in a sealed envelope marked and addressed as follows:

Declan Grimes

Housing Department, Drogheda Civic Offices, Fair Street, Drogheda, County Louth A92 PP78

Phone 042 933 5457

Email declan.grimes@louthcoco.ie

Louth County Council would encourage interested parties that believe they fit within the above criteria and that are interested in exploring a forward purchasing agreement with Louth County Council to submit the completed Expression of Interest Application Form as soon as possible.

12. Disclaimer

Louth County Council has prepared and issued this document for the sole purpose of inviting expressions of interest from potential vendors. This document does not purport to be, in any way, comprehensive in respect of all matters relevant to the Local Authority requirements.

Nothing in this document constitutes an offer to enter into a contract, or a commitment or representation to enter into a contractual arrangement. No legal relationship or other obligation shall arise between Louth County Council and any interested party until formal legal agreements have been put in place and any deposit paid.

Louth County Council reserves the right to withdraw its request for Expressions of Interest and to alter any aspect of it at its sole discretion.

Each completed Expression of Interest which is returned to Louth County Council constitutes agreement to, and acceptance of, this disclaimer.

13. Sample stage 1 Marking Sheet

Evaluation of Turnkey affordable submission – Marking sheet								
Fields to be complete by LA			Fields to be filled by Evaluation Panel					
	Name	Address of site	Location and suitability	Land zoning status	Necessary utilities available	Affordability Gain (If Applicable)	Outcome Pass or Fail	Comments
1								
2								
3								
4								
5								
6								
7								
8								
Signed:								
Signed:								
Signed:								
Date								