

## **TENANT PURCHASE SCHEME EXPLAINED:**

### **WHO IS ELIGIBLE TO PURCHASE?**

If you have been a tenant of a local authority house for at least one year you may apply to the Local Authority form which you rent your house to purchase it.

### **HOW IS THE PURCHASE PRICE CALCULATED?**

The price of the house will be its market value as determined by the Local Authority, in its existing state of repair and condition, less discounts. The structural condition of the house will be taken into account and any increase in the market value due to improvement you made to the house will be considered in calculating the price.

### **WHAT DISCOUNTS ARE AVAILABLE?**

You will be allowed discounts of 3% of the value of the house for each year of tenancy (up to a maximum of 10 years) of a Local Authority house plus €3,809.

<b>For example:</b> Market value of house:	€ 150,000
Deduct Discount for 10 years (3% x 10= 30%).	€ 45,000
Deduct Standard	€ 3,809
	_____
<b>Purchase price</b>	<b>€ 101,191</b>

### **IS THERE A LIMITED PERIOD TO ACCEPT THE PURCHASE PRICE?**

The valuation will be valid for a period of 6 months from the date of the offer letter. In the event that the tenant decides to accept the offer the tenant must return the acceptance form signed and dated within this period. On expiry of the 6 month period the offer will no longer be valid and the proposed sale will not proceed. If the tenant is still interested in purchasing the property, the tenant will be required to apply again in order to acquire an up to date valuation.

If the tenant accepts the offer, a contract must be entered into and the purchase and legal transfer of the property completed within 12 months from the date of the offer. On expiry of the 12 month period, the proposed sale to the tenant will not proceed and the tenant will be required to apply again if you wish to purchase the property.

### **HOW CAN I PURCHASE THE HOUSE?**

The purchase price will be payable at the point of sale and the tenant, as proposed purchaser, will be responsible for raising the necessary finance. If you need to get a mortgage loan, as most purchasers will you have the choice of applying to a bank or building society. If this route proves unsuccessful you can consider applying to your Local Authority for a mortgage loan. Details on this can be acquired from the Local Authority.

### **CAN A TENANT CONTEST A LOCAL AUTHORITY VALUATION?**

Yes, but you must submit a valuation certificate from a qualified valuer to support your claim. In the event of a significant difference between the Authority's original valuation and that submitted by the tenant, the authority will refer the matter to the Valuation Office.

### **ARE ANY HOUSES NOT FOR SALE?**

In general, all houses are included in the Scheme with the exception of houses provided for and occupied by elderly persons and flats. Authorities may at their discretion exclude houses for reasons of good estate management, because of their structural conditions or if they have proposals to carry out remedial works on them.

### **DOES THE LOCAL AUTHORITY HAVE TO PUT THE HOUSE INTO GOOD STRUCTURAL CONDITION?**

No. The sale price of your house will reflect its existing state of repair and condition. The Local Authority is under no obligation to put any house being purchased into good structural condition prior to the sale. No warranty by the Local Authority shall apply or deemed to be implied, as to the state of repair or condition or fitness for human habitation of any house sold under the Purchase Scheme.

### **WHO IS RESPONSIBLE FOR THE MAINTENANCE AFTER PURCHASE?**

Like all homeowners, you will be fully responsible for the upkeep and maintenance of your house from the date you sign the purchase agreement with the Local Authority.

### **DO I HAVE TO CONTINUE TO PAY RENT WHEN I APPLY TO PURCHASE THE HOUSE?**

Yes. Tenants should continue to pay rent until the sale has been completed. The sale of any houses under the Tenant Purchase Scheme is subject to all rent arrears being cleared.

**Applications for Sligo Borough Council tenants can be acquired from the City Hall Quay Street Sligo or by contacting the Housing Section on Tel 071 9114427 or 071 9114400**

**There is a non-refundable Application Fee of €65.00.**

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