

Pilot Affordable Rental Scheme – High Level Briefing Note

Response to comments received to date

- The scheme aims to increase supply. *It will not be demand led.* There is a defined amount of funding available, which is €10 million per annum for 20 years (as agreed and announced by MPER in Budget 2015).
- The subsidy will be paid to the provider of the units, not to the individual/tenant.
- A figure of between 66,000 and 83,000 individuals in the Dublin area could *potentially* qualify for the scheme, based on the proposed income bands.
- Not all of this group will live in areas where units are to be located, and all of these individuals might not be interested in the scheme.
- It is *not* proposed that each and every potentially eligible household would be able to avail of the scheme.
- One of the reasons for running a pilot scheme is to manage expectations, whilst giving the scheme a fair chance of succeeding.
- The scheme *will not* potentially cost €350m per annum, as has been suggested.
- It is estimated that €10m annually can deliver 2,000 dedicated units specifically for rental.
- While there is a limited amount of funding available, 2,000 households still represents a large group who will have their housing needs met.
- While a sizable number, there are more households than this with rental affordability problems. However, because we can't meet the needs of everybody shouldn't mean that we meet the needs of nobody.
- To suggest that the pilot scheme as currently envisaged would not meet its objectives is not accurate.
- The scheme aims to increase supply. The scheme therefore has to deliver additional rental supply, for households on low to medium incomes, who are struggling to afford rental payments.
- The income eligibility thresholds have to match with the profile of those facing affordability problems. The scheme as proposed does this.
- The subsidy paid to the provider of the unit has to be sufficient to make their investment attractive, relative to alternatives. The scheme as proposed appears to be sufficiently attractive. However, the only way to be certain is run a pilot.

- The Minister announced fast-track delivery arrangements for 30,000 new homes in major urban centres in Dublin, Cork and other urban locations around the country. The development of some of these sites e.g. O'Devaney Gardens (Dublin City Council) and Corkagh (South Dublin County Council) are predicated on a portion of the properties being affordable rental properties to provide an appropriate and sustainable tenure mix and a viable investment prospect.