



Rialtas na hÉireann
Government of Ireland

Vacant Property Refurbishment Grant: Croí Cónaithe Towns Fund Scheme Outline

Prepared by the Department of
Housing, Local Government and Heritage
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Introduction

Housing for All, the Government's Housing Plan, recognises the opportunity to reimagine and transform our cities and towns and increase residential development in tandem with an emphasis on amenities and quality of life. Addressing vacancy and dereliction is a key part of this response, set out in the context of Pathway 4 on 'Addressing Vacancy and the Efficient Use of our Existing Stock'.

Objectives of the Croí Cónaithe Towns Fund

Many areas of cities, towns, villages and rural parts of the country face the blight of vacant properties, which, if brought back into use, could add real vibrancy and provide new accommodation in those areas. The Croí Cónaithe Towns Fund is a key initiative which underpins these policy objectives set out in Pathway 4 of *Housing for All*.

There are two schemes under the Croí Cónaithe Towns Fund which are delivered by local authorities. The **Vacant Property Refurbishment Grant** provides people with a grant to support the refurbishment of vacant properties while under the **Ready to Build Scheme**, local authorities make serviced sites available in towns and villages at a discounted rate to individuals who want to build their own home.¹

The Vacant Property Refurbishment Grant

The Vacant Property Refurbishment Grant was launched on 14 July 2022 and benefits those who wish to turn a formerly vacant house or building into their principal private residence.

When the grant was launched, vacant properties in towns and villages were included. The grant was expanded in November 2022 to include eligible vacant properties in cities, towns, villages and rural parts of the country.

From 1 May 2023, the grant is being further expanded to provide for applications for one property which will be made available for rent, in addition to one property which will be a principal private residence of the owner. **A maximum of two grants will be available to an applicant. Only one grant will be available for a vacant property being made available for rent.**

The Croí Cónaithe Towns Fund, is targeted to deliver some 2,000 homes by 2025. Data is being gathered on an on-going basis. While the scheme is being kept under continuing review, a comprehensive overall review and evaluation of the Croí Cónaithe Towns Fund will be undertaken no later than mid-2024.

¹ The Ready to Build Scheme was launched on 21 September 2022. Under the Scheme, local authorities will make serviced sites available in towns and villages at a discount on the market value, to individual purchasers for the building of their home which will be their principal private residence. It is intended that the local authority will develop existing site(s) in their control or purchase site(s) and make them available for development by providing services and access to the site(s) concerned. The level of discount to the individual will depend on the level of servicing cost incurred by the local authority before the sale of the site with discounts up to a maximum of €30,000. The amount of such discount will be reflected in the sale price of the site to the purchaser.

Vacant Property Refurbishment Grant Levels

From 1 May 2023, a grant of up to a maximum of €50,000² is available for:

- the refurbishment of vacant properties for occupation as a principal private residence, and
- for properties which will be made available for rent,

including the conversion of properties which have not been used as residential heretofore, subject to appropriate planning permission being in place. This is subject to upper limits for the types of work, specified below, having regard to a reasonable cost assessment by the local authority. The grant is inclusive of the VAT cost of the works.

Where the refurbishment costs are expected to exceed the standard grant of up to €50,000, a maximum top-up grant amount of up to €20,000 is available where the property is confirmed by the applicant to be derelict (i.e. structurally unsound and dangerous) or if the property is already on the local authority's Derelict Sites Register, bringing the total grant available for a derelict property up to a maximum of €70,000. In the case of a top-up grant in respect of a derelict property not on the Derelict Sites Register, an independent report prepared by an appropriately qualified professional is required to be submitted along with the application, confirming, to the satisfaction of the local authority, that the property is derelict.

Those applying for the grant are required to indicate on the application form if they are applying in respect of a property that will become their principal private residence or a property that will be made available for rent. This must be indicated at the outset as different conditions apply depending on the application type.

Those applying for the grant are also required to indicate on the application form if they are applying for the Vacant Property Refurbishment Grant alone or the Vacant Property Refurbishment Grant including the Derelict Property top-up Grant.

The level of grant payable is contingent on the works approved by the local authority and is paid on completion of the works and based on vouched expenditure following a final inspection by the local authority.

An SEAI Better Energy Home Scheme Grant³ may be available in combination with this grant. However, works covered by SEAI Better Energy Homes Scheme will not also be provided for under the Vacant Property Refurbishment Grant. The local authority must satisfy themselves that proposed works are not claimed for under any other grant.

In respect of rental properties, all landlords are required by law to comply with the standards for rental housing and ensure that their properties are fully compliant with fire safety and minimum standards regulations for rental properties. See Housing (Standards for Rented Houses) Regulations

² From 14th July 2022 to 30th April 2023, a grant of up to €30,000 was available for the refurbishment of a vacant property while a grant of up to €50,000 was available for the refurbishment of a derelict property.

³ SEAI Grants include Attic Insulation up to €1,700, Cavity Wall Insulation up to €1,700, Internal Insulation up to €4,500, External Wall Insulation up to €8,000, Heat Pump Systems up to €6,500, Solar PV up to €2,400. Further details are available on the SEAI website: www.seai.ie

2019, <https://www.irishstatutebook.ie/eli/2019/si/137/made/en/print>. As part of the declaration to be signed in the application form, applicants must agree to meet and comply with these standards.

The grant is available to individuals or households for which the property will be their principal private residence or applicants who will make the property available to rent on the private market. It is not available to registered companies or developers. Applications can only be made by named individuals.

How the Scheme Works

Eligible Properties

Properties considered for inclusion must be built up to and including 2007⁴. Evidence supporting this is required as part of the grant application.

Proof of Vacancy

The property must be vacant for two years or more at the time of grant approval. Proof of vacancy is required to support grant applications.

Confirmation of vacancy can be validated and verified by the use of, for example, utility bills, which can help determine vacancy periods (e.g. continuous and consistent low or zero electricity usage or disconnection for a period of two years) or such other proofs as are available. **Confirmation of vacancy must be validated and verified by the local authority prior to grant approval.**

Please note that an applicant cannot leave a property unreasonably and purposely vacant for the purpose of qualifying for the grant.

Proof of Dereliction

For a property to be deemed derelict (i.e. structurally unsound and dangerous), the applicant must confirm this by submitting an independent report prepared by an appropriately qualified professional along with the application form. The property can also be deemed derelict if it is on the local authority's Derelict Sites Register.

Proof of Ownership

Proof of ownership is required to support the grant application.

A local authority may give approval in principle to the grant application where the applicant is able to provide evidence of active negotiations to purchase a property i.e. confirmation of engagement

⁴ Prior to 1st May 2023 only properties build prior to 1993 were eligible for the grant.

from the estate agent or owner of the property and where the owner provides such evidence as to vacancy as is required under the scheme on behalf of the applicant.

Such approval in principle shall not be confirmed as approval in full until ownership has transferred to the applicant. No drawdown may take place until such ownership has been confirmed to the satisfaction of the local authority.

Evidence of ownership for the grant payment, which the relevant local authority may consider, is outlined in the table below.

Ownership Requirements for grant payment	Examples of Proof that may be submitted
The owner must be an individual who owns the dwelling (whether jointly or not) and the local authority must satisfy itself as to the ownership prior to approval of the grant.	<ul style="list-style-type: none">• Title deed⁵ or similar legal instrument proving ownership of the property;• evidence of payment of Local Property Tax (LPT);• mortgage statement dated within the last 12 months.

The relevant owner is required to reside in the dwelling as his or her principal private residence or to make the dwelling available for rent on completion of the qualifying works to the dwelling.

Where appropriate, the applicant must submit evidence of planning permission for the development / works proposed or a declaration of exemption under the Planning Acts.

Where the applicant is going to use the property as their principal private residence, a declaration (on the Application Form) that the individual intends to reside in the dwelling on completion of the qualifying works to the dwelling must be provided to the local authority. Clawback conditions will apply where the applicant ceases to reside in the dwelling as a principal private residence in the ten year period from the payment of the grant.

Where the applicant is going to make the dwelling available for rent, a declaration (on the Application Form) must be provided to the local authority that upon completion of the qualifying works to the dwelling, the property will be made available to rent and that the tenancy will be

⁵ A title deed can be obtained from the Property Registration Authority of Ireland (www.prai.ie)

registered with the Residential Tenancies Board (RTB). Clawback conditions will apply if the property is not available to rent within the ten year period from the payment of the grant.

The refurbishment of a vacant property for occupation may involve development that requires planning permission. Where appropriate, an applicant under the scheme will be required to submit evidence that planning permission has been attained prior to final grant approval. In cases where a question arises in relation to whether a proposed development needs planning permission or is an exempted development, an applicant under the scheme will be required to submit a declaration of exemption under Section 5, of the Planning and Development Act 2000. This question may arise in particular, in the case of a change of use, properties that have been vacant for a long period of time, and properties that are in a substantial state of disrepair and / or require substantial works.

A local authority may give approval in principle to a grant application where the applicant is required to obtain planning permission for the development / works involved. In these circumstances, the applicant shall provide details of their current planning application to accompany their grant application. Any grant approval in principle shall not be confirmed as approval in full until a final decision has issued in respect of the planning application by the planning authority.

Types of Work Covered

The following categories of works are eligible for grant assistance, subject to a reasonable cost assessment by the local authority and to any limits for specific works as set out in the table below. The works proposed must be approved in advance, following inspection by the local authority of the subject property.

Refurbishment requirements for each property will differ depending on the type / size / condition of the existing building. The cost threshold levels set out below are based on a typical two storey, 3 bed semi-detached house.

No.	Works Category	Maximum Cap on specific elements (incl. VAT) <i>based on a two storey 3b semi-d</i>
1	Demolitions* / Strip-out / Site Clearance (including removal of hazardous materials)	Max €50,000 for Vacant Property Grant only Max €70,000 incl. Derelict Top-Up Grant
2	Substructure works (including works to foundations; rising walls; beds/slabs; damp-proofing; underpinning)	Max €50,000 for Vacant Property Grant only. Max €70,000 incl. Derelict Top-Up Grant
3	Superstructure works (including works to internal/external walls; chimneys; upper floors; stairs; roof structure; other structural timbers)	Max €500,000 for Vacant Property Grant only. Max €70,000 incl. Derelict Top-Up Grant
4	Completions (including works associated with external doors and windows; internal doors and associated frames, architraves and ironmongery; balustrades; skirtings; rooflights; fascias/soffits; rainwater goods)	
4a	external completions (incl. doors, windows, cills)	€21,000
4b	internal completions (incl. doors, frames, architraves, ironmongery)	€7,000
4c	skirtings	€3,500
4d	fascias, soffits, rainwater goods	€4,200
4e	roof completions (incl. flashings, fascias, soffits, gutters, downpipes)	€14,000
5	Finishes (including finishes to external / internal walls; ceiling finishes; tiling/waterproof finishes to wet areas; roof finishes)	
5a	tiling/waterproof finishes to wet areas	€2,800
5b	painting and decorating	€10,500.00
5c	roof finishes	€14,000.00
6	Services (including plumbing; heating; ventilation; power; lighting; telecommunications; smoke/CO2 detection)	Max €50,000 for Vacant Property Grant only. Max €70,000 incl. Derelict Top-Up Grant
7	Fittings (including kitchen units; sanitary/bathroom fittings)	
7a	kitchen units	€7,700
7b	sanitaryware / bathroom fittings	€2,800
8	External Works (necessary external / site works carried out within the curtilage of the site)	€7,000.00
9	Extension either within the ambit of exempt development under planning regulations, or as part of a planning application, if required, as part of a wider refurbishment	Max €50,000 for Vacant Property Grant only. Max €70,000 incl. Derelict Top-Up Grant
10	Professional services associated with works (fees/surveys)	10% + VAT of the nett construction cost or €14k, whichever is the lesser

*While demolition and extension works can form part of an application for the Vacant Property Refurbishment Grant, such works must be part of a wider refurbishment of the existing dwelling in keeping with the objectives of the scheme

Grant Conditions

Subject to the above, the following additional conditions will apply:

Grant Applications to refurbish a Principal Private Residence

- Applicants may only apply for a maximum of two grants under this scheme - where one property will become their principal private residence and the second will be in respect of a property made available for rent. **Only one grant will be payable in respect of a property for rent;**
- Applicants must provide evidence of tax compliance, with tax clearance from Revenue;
- Local Property Tax to be in order where applicable;
- Applicants must agree to the clawback conditions;
- Applicants must provide vouched expenditure for the works undertaken;
- Once a grant application receives approval, applicants must complete works within a period of 13 months.

Grant Applications to refurbish a property that will be available to rent

- Applicants may only apply for a maximum of two grants under this scheme - where one property will become their principal private residence and the second will be in respect of a property made available for rent. **Only one grant will be payable in respect of a property for rent;**
- Applicants must provide evidence of tax compliance, with tax clearance from Revenue;
- Local Property Tax to be in order where applicable;
- Applicants must agree to the clawback conditions;
- Applicants must provide vouched expenditure for the works undertaken;
- A signed affidavit confirming that the grant has not been applied for before for rental purposes;
- Once a grant application receives approval, applicants must complete works within a period of 13 months.

Applicants may only avail of a maximum of two grants, once in respect of a principal private residence and once in respect of a property to be made available for rent. **Only one grant will be payable in respect of a property for rent.** Local authorities will ensure adequate checks of addresses in this regard.

For rental properties, proof of registration of the tenancy with the RTB must be provided to the local authority before drawdown of the grant. Evidence of annual registration of tenancy with the RTB must be submitted to the local authority which awarded the grant for a period of ten years following receipt of the grant (see Clawback provisions below). Checks will be carried out by local authorities to confirm this.

Purchasers benefitting from this grant may also be eligible for a Local Authority Home Loan (in the case of a principal private residence), or retrofit grants under the Better Energy Homes Scheme. In the case of retrofit grants, the local authority will not make the Vacant Property Refurbishment Grant available for the same work.

Local authorities will ensure that the works have not been grant aided via any other scheme and applicants are required to provide any information as may be requested by a local authority regarding any other grant aiding of works applied for.

Clawback

It is required that the applicant will live in or make available to rent the qualifying property for a period of at least five years from the date of payment of the grant. If at any time they sell the property, or it ceases to be their principal private residence, or the property is no longer available to rent within ten years from payment of the grant, they must reimburse the local authority an element of the full value of the grant, as follows:

Up to 5 years	Over 5 years and less than or equal to 10 years	Over 10 years
100% of the monetary amount of the grant	75% of the monetary amount of the grant	No Clawback

In the event of a fall in the value of the property, the full monetary amount, subject to the percentage clawback above will be repayable to the local authority.

Evidence of annual registration of tenancy with the Residential Tenancies Board (RTB) must be submitted to the local authority annually for a period of ten years after payment of the grant (if the grant application is made in respect of a rental property).

An agreement (comprising of the signed Application Form, signed Letter of Approval and signed Charge document) must be concluded between the local authority and the applicant which contains the clawback agreement, including a charge on the property, which shall be binding on the applicant upon drawdown.

Letter of approval / Letter of approval in principle

A letter of approval will issue to applicants who are successful and will include the approved grant amount. Approval is granted from the date of issue of the letter and is valid for a period of 13 months. Applicants are required to sign and return the letter in order to confirm that they understand the terms and conditions applicable to the grant. This signed letter in addition to the Application Form, forms part of the agreement between the applicant and the local authority.

The charge document referred to above, must be signed and returned to the local authority, after completion of the works applied for and prior to the issuing of the grant payment.

The signed Application Form, signed Letter of Approval and the signed Charge document, form the agreement between the applicant and the local authority.

Operations and Management of the Fund

The operation of the Vacant Property Refurbishment Grant is delegated to local authorities who administer the scheme.

Steps for Assessment and Approval of the Grant

The local authority will:

- check the application form to ensure it is fully completed, the declaration has been signed and that the required supporting documents have been submitted;
- assess the application in line with considerations outlined in the sections above;
- arrange for suitable technical staff to visit the property to check the works applied for are in order and assess the projected costs as set out in the application form;
- write to the applicant to let them know if the application has been successful and the level of grant which has been approved (including for applications seeking approval in principle).

Prior to the grant being paid:

- in cases where approval in principle was granted, proof of ownership must be provided **before** the grant can be paid.
- in respect of a property that is being made available to rent, evidence that the applicant has registered the tenancy with the Residential Tenancies Board (RTB) is required.

Prior to the grant being paid, the local authority will require evidence such as appropriately detailed invoice(s) for the completed works. The local authority will conduct a final property visit to review that the work has been completed in-line with grant application and as vouched in the invoiced documentation provided. Once the local authority is satisfied, the grant will be paid.

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