



Rialtas Áitiúil Éireann  
Local Government Ireland



Kilkenny County Council  
Comhairle Chontae Chill Chainnigh

# Advance Purchase Arrangements for Un-commenced Residential Developments Through Turnkey Agreements

A Brief Guide for Home Builders and  
Housing Developers



Kilkenny County Council  
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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 Kilkenny County Council to create sustainable communities by encouraging housing with the appropriate mix of social and affordable housing.

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

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, for affordable and social 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.

## 2. Affordable Housing Funding (AHF)

### 2.1 Affordable Purchase

Where appropriate proposals for affordable dwellings are received and considered acceptable, Kilkenny 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 (i.e. subvention per unit). Please refer to the below table.

#### Funding Limit Categorisation<sup>1</sup>

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

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 examples.

#### Example 1

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) <sup>2</sup>	€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 <b>15.00%</b>	€30,000

<sup>1</sup> 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.

<sup>2</sup> 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.

### Example 2

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

<b>Local Authority Affordable Housing</b>	
Cost of Provision (all-in costs) <sup>2</sup>	€400,000
Affordable Housing Funding (AHF)	€75,000
Purchaser contribution	€325,000
Open market values of comparable new build	€410,000
Discount: <b>20.73%</b>	€85,000

### Example 3

Does not achieve minimum 15% discount is achieved on open market values of comparable new build properties

<b>Local Authority Affordable Housing</b>	
Cost of Provision (all-in costs) <sup>2</sup> Cost of Provision (all-in costs) <sup>2</sup>	€400,000
Affordable Housing Funding (AHF)	€50,000
Purchaser contribution Purchaser Equity Cost	€350,000
Open market values of comparable new build	€410,000
Discount: <b>14.63%</b>	€60,000

Preferred areas for the delivery of affordable housing in County Kilkenny are:- Kilkenny City, Ferrybank, Thomastown, Callan, Castlecomer and Graiguenamagh.

All options will be considered but completion of purchases by Kilkenny County Council for Affordable Housing would be dependent on the granting of AHF funding to Kilkenny County Council by the Department of Housing.

## 2.2 Cost Rental

Cost Rental is a new form of housing tenure in Ireland. Cost rental offers a long-term, secure tenancy to those who don't qualify for social housing - with rents based on the cost of housing provision (i.e. not for profit). Cost rental homes must achieve a reduction of at least 25% on open market rental values. Any properties being considered by Kilkenny County Council under this call for the new cost rental tenure arrangements will need to ultimately deliver a minimum of 25% discount on open market rents.

The preferred method of delivering cost rental in County Kilkenny will be in partnership with an AHB.

## 3. Background Information

### 3.1 Areas of Need

Proposals are invited for the advance purchase of turnkey properties for affordable, mixed tenure or social housing within the functional area of Kilkenny County Council

Kilkenny County Council is interested in proposals in the following locations:

Social Housing	
Priority	Location & Unit Type
Priority 1	Kilkenny City
Priority 2	Thomastown, Bennettsbridge, Callan, Ferrybank, Castlecomer, Graiguenamangh, Mooncoin, Piltown
Priority 3	All other areas

Affordable Housing (Purchase)	
Priority	Location & Unit Type
Priority 1	Kilkenny City
Priority 2	Thomastown, Callan, Ferrybank, Castlecomer, Graiguenamangh
Priority 3	All other areas

Affordable Housing (Cost Rental)	
Priority	Location & Unit Type
Priority 1	Kilkenny City, Ferrybank,

### 3.2 Unit Types

#### Social Housing

	1 bed	2 bed	3 bed	4 bed
<i>Current Social Housing Demand by Size of Unit</i>	42%	37%	18%	4%

Proposals that align with the social housing areas of need and unit types in County Kilkenny will be given priority.

Apartments are acceptable for 1 and 2 bed units, but houses or ground & first floor duplexes are preferred for 3 and 4 bed family units as access to a garden is desirable.

Wheelchair liveable ground floor apartments or bungalows are always required.

It is expected that unit sizes would comply with those set out in Table 5.1 of *Quality Housing for Sustainable Communities*.

Houses should be in full compliance with all current Building Regulations. Houses should be nZeb standard and be designed to have a minimum A2 BER. Units should be completed with fitted kitchens, sanitaryware, floor coverings in bathrooms only. Furniture and white goods not required.

#### Affordable Housing

Any unit types will be considered. Finishes for discussion.

### **3.3 Proximity to Services/Amenities**

Ideally, proposals should be well located within or very close to town boundaries and be within walking distance of primary services such as school, shop, community facility etc.

### **3.4 Planning Permission**

Planning Permission must be in place and current - or in the planning process (i.e. planning application submitted and in progress).

## 4. 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

### 4.1 Stage 1 Submission

At Stage 1, the following information must be submitted:

- a) Details of individual or company submitting the proposal, including a contact, name, address, phone number and email;
- b) Site details, (planning reference number, Irish Water reference number, residential density).
- c) Details of planned development;
- d) Indicative all-in costs pricing schedule;<sup>3</sup>
- e) Site location map showing the proposed site and proximity of local services and amenities;
- f) Evidence that the proposed developer has proven experience in the delivery of new-build housing in recent years. References should be included.

#### Evaluation of Stage 1 Submissions

All Stage 1 submissions will be evaluated against 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:

<b>1</b>	Location and suitability of the site and unit types	<i>Pass/fail</i>
<b>2</b>	Planning Permission in place and current or in progress	<i>Pass/fail</i>

<sup>3</sup> The all-in cost of the development includes, land costs, construction costs, design fees and other costs such as development levies, utilities, financing costs, builders profit, VAT etc.  
It is accepted that there could be a difference between all in costs at stage 1 and stage 2.



<b>3</b>	All necessary utilities available, e.g. water, sewage, electricity, communications; etc.	<i>Pass/fail</i>
<b>4</b>	Initial indicative assessment of Affordability Gain <sup>4</sup> (only applicable on affordable or mixed tenure sites);	<i>Pass/fail</i>
<b>5</b>	Proven experience of new-build housing delivery	<i>Pass/fail</i>

Following evaluation of Stage 1 submissions, proposals which are deemed acceptable will move to Stage 2 in the process.

See proposed marking details in Appendix 1

## 4.2 Stage 2 Submission

Successful applicants at Stage 1 will advance to Stage 2. If your proposal advances to Stage 2, you will be written to at that time under separate cover, outlining the full requirements in respect of the Stage 2 submission. The following are outline requirements required for Stage 2:

- Full accommodation schedule - 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, builders profit etc. It is a requirement that this information be provided for the different unit types;
- Details of proposed assigned certifier and other professionals
- 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;

### Evaluation of Stage 2 Submissions

Weighted criteria will be used to evaluate stage 2 submissions. See appendix 1.

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<sup>4</sup> 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.

It is a requirement of AHF funding eligibility that a minimum 25% discount on open market rents of comparable properties for Cost Rental proposals with the benefit of the applied AHF funding taken into account.

The criteria will be used to rank submissions and will be of particular importance where the number of submissions received exceeds the Council's requirements in a particular area.

Included in the evaluation of Stage 2 submissions, is the availability of AHF subsidy for affordable and mixed tenure dwellings, which is subject to a review by the Department of Housing, Local Government and Heritage (DHLGH).

Subject to the stage 2 assessment the Local Authority will revert with confirmation that the scheme has been selected or declined for approval.

## 5. Notes for Applicants

### 5.1 Contractual arrangements

Where agreement is reached between the proposer and Kilkenny 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 particular characteristic of each development.

- The conveyance of any housing included in the proposal will be by way of standard legal contracts, details to be agreed between the solicitors acting for both parties.
- Agreed prices will be full and final. Materials variation clauses will be removed. Defects periods will apply.
- Stage payments will not be payable throughout the build.
- **The turnkey contract agreement is not and should not be construed as a public works contract.**
- Please note that Part V of the Planning and Development Act 2000 as amended applies

The acceptance of any proposal(s) by Kilkenny 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 Kilkenny County Council will be entertained. Kilkenny County Council will have no financial liability prior to the signing of a contract.

## 5.2 Confidentiality

Kilkenny 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. Kilkenny County Council will consult with proposers about sensitive information before deciding on any FOI request received. Similarly, Kilkenny County Council requires that all information provided pursuant to this invitation will be treated in strict confidence by tenderers.

## 5.3 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.

## 5.4 Meetings

Kilkenny 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.

## 5.5 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 Kilkenny 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.

## 5.6 Applicant exclusion

An Applicant shall be excluded if, to Kilkenny County Councils 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.

## 5.7 Funding Support

It may be noted that various funding parties have been informed of this call for expression of interest.

Home Building Finance Ireland (HBFI) has advised of their interest in supporting affordable housing delivery. Funding may be available via the HBFI amongst other sources. Further information available at [www.hbfi.ie](http://www.hbfi.ie)

## 5.8 Queries

Queries can be made by submitting questions by email at [housingcapital@kilkennycoco.ie](mailto:housingcapital@kilkennycoco.ie) or by phone to Eimear Cody 056 7794958

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.

## 5.9 Reference documents

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

- Kilkenny County Development Plan 2021 - 2027  
(<https://www.kilkennycoco.ie/eng/services/planning/development-plans/city-and-county-development-plan/adopted-city-and-county-development-plan.html>)
- 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  
(<http://www.housing.old.gov.ie/housing/quality-housing-design-series/employers-requirements-detail-design-quality-housing-0> )
- Design Standards for New Apartments - Guidelines for Planning Authorities  
([http://www.housing.old.gov.ie/sites/default/files/publications/files/december\\_2020\\_-\\_design\\_standards\\_for\\_new\\_apartments.pdf](http://www.housing.old.gov.ie/sites/default/files/publications/files/december_2020_-_design_standards_for_new_apartments.pdf) )
- 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.

## 6. Return of submissions

Submissions can be made in writing or by email and should include all information requested.

Written submission should be enclosed in a sealed envelope marked and addressed as follows:

“Expressions of Interest for the Provision of Turnkey Housing Developments to Kilkenny County Council” F.A.O. Eimear Cody, Senior Executive Engineer, Housing Section.

Email submission should be sent to [housingcapital@kilkennycoco.ie](mailto:housingcapital@kilkennycoco.ie)

Kilkenny 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 the Kilkenny County Council to submit complete the Expression of Interest Application Form as soon as possible, preferably by **28<sup>th</sup> January 2022** for this initial call.

Further calls for proposals will be made throughout 2022.

## 7. Disclaimer

Kilkenny 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 the Kilkenny County Council and any interested party until formal legal agreements have been put in place and any deposit paid.

Kilkenny 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 Kilkenny County Council constitutes agreement to, and acceptance of, this disclaimer.

Appendix 1 - Marking Sheet

	Information to be Submitted for Proposals at Stage 2 <b>Each submission shall clearly identify separate proposals for the sale of houses and each proposal shall include the following information, at a minimum:</b>	Marks Available	How this information will be assessed by Kilkenny County Council - <b>All submissions will be opened in accordance with Kilkenny County Council corporate procedures, after the closing date, and will be assessed for compliance with the outlined brief and awarded marks accordingly</b>
<b>Stage 1</b>	1 Location and suitability of the site and unit types	Pass / Fail	Ref section 3.1 and 3.2 of the guidance document
	2 Planning Permission must be in place and current or submitted and a decision due imminently. Planning references to be given.	Pass / Fail	If planning not in place or submitted and in process = fail
	3 All necessary utilities available, e.g. water, sewage, electricity, communications; etc.	Pass / Fail	Confirmation of feasibility from Irish Water will be required, as well as evidence that other utilities are available
	4 Initial indicative assessment of Affordability Gain (only applicable on affordable or mixed tenure sites);	Pass / Fail	Calculation of the potential discount on market rents achievable, based on indicative unit costs submitted. If the required minimum discount of 15% is not considered achievable the unit cannot be considered for affordable housing.
	5 Developers proven experience of new-build housing delivery	Pass / Fail	If required experience and capacity is not demonstrated = fail
<b>Stage 2</b>	1 Details of company, joint venture or collaboration submitting the proposal including:- (a) Name (b) Address (c) Contact name and details - phone and email address (d) Number of years in operation	Pass / Fail	Pass (if provided) / Fail (if not provided)
	2 Details of the design team / technical expertise to be involved with the project	Pass / Fail	Pass (if deemed adequate) / Fail (if not deemed adequate)
	3 Drawings, to appropriate scales, outlining the proposal (site layout, floor plans and elevations)	200	Quality and Suitability of the proposal, in accordance with Kilkenny County Councils outlined brief.
	4 Schedule of the proposed accommodation- number of units, details of house type, number of bedrooms, floor area in square metres		
	5 Schedule of materials and finishes proposed including - heating type, proposed Building Energy Rating (BER) for the completed houses, no of parking spaces to be provided		
	6 Location of all public utilities and details of the proposed servicing of the site. Details of any engagement already taken place with utility providers (ESB networks, Gas Networks Ireland, Irish Water)		
	7 All-in cost per unit - including a breakdown between land costs, constructions costs, builders profit and other costs such as design fees, contributions, etc. (sufficient to allow fair comparison). Prices submitted to represent a full and final amount for each unit, inclusive of VAT and all other costs.	100	Prices will be compared with Dept. of Housing, Planning, Community and Local Government Unit Cost Ceilings and further reviewed by a QS acting on behalf of Kilkenny County Council. Housing units that are deemed to represent better value for money will be awarded higher marks.
	8 Timeframe/Programme on which the development can realistically be delivered.	100	Ideally the housing units should be available within a relatively short timeframe and accordingly houses that are available immediately or within a number of months will be awarded higher marks than those with longer delivery periods.
	9 Examples of similar type housing schemes successfully completed and delivered by the applicants in the past, preferably within the last 15 years, where available. Please provide (a) name of project, (b) details of no of houses, (c) house types and (d) contact details for a reference to verify details	100	Marks awarded in descending order of preference (1) Applicants that can demonstrate previous successful completion of similar projects i.e. delivery of new build housing in Ireland in recent years (2) Applicants that demonstrate successful construction project delivery experience (schools, commercial buildings etc) in the past 15 yrs
	<b>500</b>		

